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Form 990



Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

Information about Form 990 and its instructions is at [www.IRS.gov/form990](http://www.irs.gov/form990)

OMB No 1545-0047

2013

Open to Public Inspection

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

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization

NEBRASKA METHODIST HOSPITAL

Doing Business As

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

8511 WEST DODGE ROAD

Room/suite

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

OMAHA, NE 68114

F Name and address of principal officer

STEPHEN L GOESER

8511 WEST DODGE ROAD

OMAHA, NE 68114

H(a) Is this a group return for subordinates?

☐ Yes ☒ No

H(b) Are all subordinates included?

☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number

I Tax-exempt status

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

J Website:

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation

1891

M State of legal domicile

NE

Part I		Summary	
Activities & Governance	1	Briefly describe the organization's mission or most significant activities IMPROVING THE QUALITY OF LIFE THROUGH EXCELLENCE IN HEALTHCARE	
	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)	19
	4	Number of independent voting members of the governing body (Part VI, line 1b)	13
	5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	3,446
Revenue	6	Total number of volunteers (estimate if necessary)	538
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	9,380,901
	b	Net unrelated business taxable income from Form 990-T, line 34	712,532
		Prior Year	Current Year
	8	Contributions and grants (Part VIII, line 1h)	2,222,5127,468,945
	9	Program service revenue (Part VIII, line 2g)	428,188,102435,493,236
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	11,474,4867,056,362
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	11,431,29411,738,460
Expenses	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	453,316,394461,757,003
	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	20,385,70621,567,506
	14	Benefits paid to or for members (Part IX, column (A), line 4)	00
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	181,548,497190,824,036
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	00
	b	Total fundraising expenses (Part IX, column (D), line 25) ☐ 0	
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	217,688,921216,297,731
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	419,623,124428,689,273
Net Assets or Fund Balances	19	Revenue less expenses Subtract line 18 from line 12	33,693,27033,067,730
		Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	549,659,557624,183,054
	21	Total liabilities (Part X, line 26)	326,525,074330,162,234
	22	Net assets or fund balances Subtract line 21 from line 20	223,134,483294,020,820

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

2014-11-13

Date

LINDA K BURT VICE PRES-FINANCE & CFO

Type or print name and title

Prnt/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN P01231721

Firm's name ☐ KPMG LLP

Firm's EIN ☐ 13-5565207

Firm's address ☐ 1212 NORTH 96TH STREET SUITE 300

OMAHA, NE 68114

Phone no (402) 348-1450

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

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2013)

Part III

Statement of Program Service Accomplishments

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

☐

1

Briefly describe the organization's mission

NEBRASKA METHODIST HOSPITAL IS AN ACUTE CARE FACILITY DEDICATED TO BRINGING HIGH QUALITY CARE FOR THE MIND, BODY AND SPIRIT OF EVERY PERSON WE PROVIDE COMMUNITY-BASED HEALTH CARE, HEALTH EDUCATION AND SUPPORT SERVICES EVER MINDFUL OF THE INTRINSIC HONOR AND RESPONSIBILITY ACCOMPANYING OUR MISSION

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 \$ 40,993,269 including grants of \$ 2,563,927) (Revenue \$ 50,045,505)
	HEART DISEASE AND STROKE ARE THE NATION'S LEADING CAUSES OF DEATH IN DOUGLAS COUNTY, HEART DISEASE IS THE SECOND LEADING CAUSE OF DEATH AND STROKE IS THE SIXTH METHODIST HOSPITAL IS COMMITTED TO THE HEALTH OF OUR COMMUNITY AND OUR PATIENTS OUR PHYSICIANS, NURSES, AND TECHNICIANS WORK CLOSELY TO ENSURE THAT CARE IS TAILORED TO SUIT THE PATIENT'S SPECIFIC NEEDS OUR CARDIAC AND VASCULAR DIAGNOSTIC TESTS COVER A VAST ARRAY OF SOPHISTICATED PROCEDURES INCLUDING INNOVATIVE 3-D IMAGING ALL TESTS ARE CONDUCTED BY SKILLED PROFESSIONALS WHOSE DEDICATION TO ACCURACY AND EFFICIENCY AS WELL AS PATIENT COMFORT AND SAFETY HELP ENSURE THE PHYSICIAN MAKES THE PROPER DIAGNOSIS CONTINUOUS PERFORMANCE ASSESSMENTS INDICATE THAT METHODIST HOSPITAL'S OUTCOMES FOR SUCH KEY CARDIAC CARE MEASURES AS 'DOOR-TO-BALLOON RATES', THE AMOUNT OF TIME IT TAKES TO MOVE A HEART PATIENT FROM THE EMERGENCY ROOM ENTRANCE TO LIFESAVING PROCEDURE - ARE CONSISTENTLY BETTER THAN NATIONAL STANDARDS METHODIST HOSPITAL'S COMMITMENT AND SUCCESS IN IMPLEMENTING AN EXCEPTIONAL STANDARD OF CARE FOR HEART ATTACK PATIENTS HAS BEEN RECOGNIZED BY THE AMERICAN HEART ASSOCIATION (AHA) AND BY THE AMERICAN COLLEGE OF CARDIOLOGY FOUNDATION METHODIST HOSPITAL HAS EARNED THE 2013 AHA MISSION LIFELINE SILVER RECEIVING QUALITY ACHIEVEMENT AWARD FOR THE CAREFULLY COORDINATED, EXPEDITED AND APPROPRIATE TREATMENT OF STEMI (ST-ELEVATION MYOCARDIAL INFARCTION), THE MOST SEVERE FORM OF HEART ATTACK AS A STEMI RECEIVING HOSPITAL, METHODIST HOSPITAL MEETS HIGH STANDARDS OF PERFORMANCE IN QUICK AND APPROPRIATE TREATMENT OF STEMI PATIENTS TO OPEN THE BLOCKED ARTERY BEFORE THEY ARE DISCHARGED, PATIENTS ARE STARTED ON AGGRESSIVE RISK REDUCTION THERAPIES SUCH AS CHOLESTEROL-LOWERING DRUGS, ASPIRIN, ACE INHIBITORS AND BETA-BLOCKERS AND THEY RECEIVE SMOKING CESSATION COUNSELING IF NEEDED IN 2013, BECKER'S HOSPITAL REVIEW NAMED METHODIST HOSPITAL TO ITS LIST OF "100 HOSPITALS WITH GREAT HEART PROGRAMS," RECOGNIZING THE METHODIST CARDIAC AND VASCULAR CENTER FOR INDIVIDUALIZED, COMPREHENSIVE CARDIAC CARE AND EXCELLENCE IN OUTCOMES, AS EVIDENCED BY THE AHA MISSION LIFELINE AWARD AS WELL AS METHODIST'S SELECTION AS A BLUE CROSS BLUE SHIELD BLUE DISTINCTION CENTER FOR CARDIAC CARE

4b	(Code) (Expenses \$ 25,643,106 including grants of \$ 1,206,204) (Revenue \$ 23,623,831)
	TREMENDOUS STRIDES HAVE BEEN MADE TOWARD FULFILLING METHODIST HOSPITAL'S LONGSTANDING VISION OF SEAMLESS CANCER CARE WE HAVE RESTRUCTURED AND REFINED CLINICAL PROCESSES TO ACHIEVE SERVICE LINE INTEGRATION THROUGHOUT INPATIENT AND OUTPATIENT ONCOLOGY SERVICES AT METHODIST HOSPITAL AND METHODIST ESTABROOK CANCER CENTER METHODIST ESTABROOK CANCER CENTER IS AMONG A SELECT GROUP OF 74 ACCREDITED CANCER PROGRAMS AND THE ONLY OMAHA FACILITY TO BE GRANTED A 2013 OUTSTANDING ACHIEVEMENT AWARD BY THE COMMISSION ON CANCER (COC) OF THE AMERICAN COLLEGE OF SURGEONS (ACS) ESTABLISHED IN 2004, THE COC'S OUTSTANDING ACHIEVEMENT AWARD IS DESIGNED TO RECOGNIZE CANCER PROGRAMS THAT STRIVE FOR EXCELLENCE IN PROVIDING QUALITY CARE TO CANCER PATIENTS A MAJOR PORTION OF CANCER CARE INVOLVES SURGERY THE AMERICAN CANCER SOCIETY CONFIRMS THAT MOST CANCER PATIENTS WILL UNDERGO SOME TYPE OF SURGERY - OFTEN A COMBINATION OF PREVENTIVE, DIAGNOSTIC, CURATIVE OR RECONSTRUCTIVE PROCEDURES METHODIST HOSPITAL IS NEBRASKA'S SURGICAL LEADER BOTH IN VOLUMES OF CANCER-RELATED SURGERIES AND IN SURGERIES OVERALL OVER THE NEXT FEW YEARS, METHODIST HOSPITAL SURGERY RENOVATION AND EXPANSION PROJECTS WILL TRANSFORM THE REGION'S BUSIEST AND OLDEST OPERATING ROOMS TO EXPAND AND ENHANCE SURGICAL SERVICES THIS PROJECT, A BENEFIT TO THE COMMUNITY AS A WHOLE, IS OF PARTICULAR SIGNIFICANCE TO THE ONCOLOGY PROGRAM AT METHODIST HOSPITAL WE UNITE ALL OF OUR RESOURCES TO JOIN OUR PATIENTS IN THEIR FIGHT AGAINST CANCER IN ITS TOTALITY OUR UNIQUE MULTIDISCIPLINARY APPROACH IS ONE OF METHODIST'S GREATEST STRENGTHS WORKING TOGETHER WITH THE PATIENT ON THE TEAM, WE FOCUS A RARE LEVEL OF COMBINED EXPERTISE TO EXPAND TREATMENT OPTIONS, IMPROVE OUTCOMES AND PROVIDE COMFORT AND HOPE IN ADDITION TO PROVIDING STANDARD TREATMENTS, THE PHYSICIANS AT METHODIST ESTABROOK CANCER CENTER HAVE CONSISTENTLY SHOWED ACTIVE PARTICIPATION IN COOPERATIVE STUDY GROUPS AND PHARMACEUTICAL INDUSTRY-SPONSORED CLINICAL TRIALS THE RADIATION ONCOLOGISTS ARE PART OF THE RADIATION THERAPY ONCOLOGY GROUP (RTOG) STUDY GROUP, WHICH HAS SPEARHEADED NUMEROUS TRIALS FOR TREATMENT OF BRAIN TUMORS IN 2013, THE METHODIST HOSPITAL RADIATION ONCOLOGY DEPARTMENT WAS AWARDED A THREE-YEAR TERM OF ACCREDITATION IN RADIATION ONCOLOGY BY THE AMERICAN COLLEGE OF RADIOLOGY (ACR) THE ACR SEAL OF ACCREDITATION REPRESENTS THE HIGHEST LEVEL OF QUALITY AND PATIENT SAFETY IT IS AWARDED ONLY TO FACILITIES MEETING SPECIFIC PRACTICE GUIDELINES AND TECHNICAL STANDARDS DEVELOPED BY ACR AFTER A PEER-REVIEW EVALUATION BY BOARD-CERTIFIED RADIATION ONCOLOGISTS AND MEDICAL PHYSICISTS WHO ARE EXPERTS IN THE FIELD

4c	(Code) (Expenses \$ 72,967,780 including grants of \$ 1,990,220) (Revenue \$ 82,059,970)
	THROUGHOUT OUR CAMPUSES, METHODIST IS FOCUSING ON PROVIDING SPECIALIZED CARE FOR WOMEN WITH THE ONLY MEDICAL CAMPUS IN THE REGION DEDICATED TO WOMEN'S HEALTH, METHODIST IS A LEADER IN PROVIDING CARE TO WOMEN FROM TEENAGE YEARS THROUGHOUT THEIR LIVES THERE ARE MANY INNOVATIONS BUILT INTO OUR FACILITIES AND SERVICES DESIGNED FOR THE SAFETY AND HEALTH OF THE WOMEN WE TREAT AT OUR WOMEN'S MEDICAL CAMPUS, WE OFFER WOMEN A HOST OF OBSTETRICAL, GYNECOLOGICAL, SURGICAL AND OUTPATIENT LABORATORY SERVICES, AS WELL AS EMERGENCY SERVICES AND OUTPATIENT IMAGING FOR MEN, WOMEN AND CHILDREN BECAUSE OUR PATIENT'S HEALTH AND SAFETY IS OUR NUMBER ONE PRIORITY, METHODIST WOMEN'S HOSPITAL NURSES HAVE BEEN TRAINED TO MANAGE THE MOST COMPLICATED SITUATIONS IN CASE OF EMERGENCY EVERY NURSE ON STAFF IS CERTIFIED IN ADVANCED CARDIAC LIFE SUPPORT (ACLS) TO PROVIDE THE CLINICAL INTERVENTIONS NECESSARY FOR URGENT TREATMENT OF CARDIAC ARREST AND OTHER MEDICAL EMERGENCIES IN ADDITION, EVERY NURSE WHO WORKS IN A MOTHER/BABY, HIGH-RISK OB OR LABOR/DELIVERY UNIT IS CERTIFIED IN ADVANCED CARDIAC LIFE SUPPORT (ACLS-OB), SPECIALIZED TRAINING FOR THE EMERGENCY TREATMENT OF PREGNANT OR NEWLY DELIVERED WOMEN MORE BABIES ARE BORN AT METHODIST WOMEN'S HOSPITAL THAN ANY SINGLE HOSPITAL IN NEBRASKA, AND ITS NICU TREATS MORE INFANTS THAN ANY OTHER IN THE AREA THE 36-BED LEVEL III NEONATAL INTENSIVE CARE UNIT, THE HIGHEST LEVEL NICU IN WEST OMAHA, ALLEVIATES THE SHORTAGE OF BEDS IN THE REGION FOR AT-RISK BABIES IN ADDITION, METHODIST WOMEN'S HOSPITAL IS HOME TO THE LARGEST PERINATAL CLINIC IN THE STATE, WITH SIX MATERNAL-FETAL SPECIALISTS ON STAFF IN 2013 AND ANOTHER TWO SLATED TO JOIN THE PRACTICE IN JULY 2014 METHODIST WOMEN'S HOSPITAL ALSO OFFERS AN ARRAY OF CHILDBIRTH EDUCATION COURSES, INCLUDING A FREE COMMUNITY HEALTH PROGRAM THAT PROVIDES EDUCATION AND SUPPORT FOR WOMEN IN NEED

	(Code) (Expenses \$ 262,478,751 including grants of \$ 15,807,155) (Revenue \$ 281,756,285)
	METHODIST HOSPITAL'S MAIN CAMPUS HAS 266 OPERATIONAL BEDS DESIGNED TO BRING THE FULL RESOURCES OF OUR HEALTHCARE PROVIDERS, EDUCATORS AND SUPPORT SERVICES TO ITS PATIENTS ADDITIONAL CORE SERVICES INCLUDE MEDICAL/SURGICAL SERVICES, AN EMERGENCY DEPARTMENT, LABORATORY AND DIAGNOSTIC SERVICES THE HOSPITAL PLACES EMPHASIS ON EDUCATION FOR PATIENTS, FAMILIES AND THE COMMUNITY THROUGH ITS RESOURCE CENTER OUR VALUES STRESS PATIENT-CENTERED, PATIENT-DRIVEN SERVICES, HONOR AND RESPECT FOR THE DIGNITY OF ALL, EXCELLENCE IN ALL OUR DEALINGS, DEDICATION TO THE COMMUNITY AND WORKING TOGETHER TO STRENGTHEN THE HEALTH AND WELL-BEING OF THE INDIVIDUALS AND COMMUNITIES WE SERVE

4d	Other program services (Describe in Schedule O)
	(Expenses \$ 262,478,751 including grants of \$ 15,807,155) (Revenue \$ 281,756,285)

4e	Total program service expenses	402,082,906
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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 Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV	16	No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b Yes	

Part IV

Checklist of Required Schedules (continued)

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

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	120	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
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.	3,446	
2b	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).	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	Yes	
3b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.	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)?		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?		No
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
5c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
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?		No
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	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?		No
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
7d	If "Yes," indicate the number of Forms 8282 filed during the year.		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
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?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
10a	Initiation fees and capital contributions included on Part VIII, line 12.		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	Section 501(c)(12) organizations. Enter		
11a	Gross income from members or shareholders.		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13a	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.		
13b	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.		
13c	Enter the amount of reserves on hand.		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

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	19	
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	13	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. ☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶LINDA K BURT 8511 WDODGE ROAD OMAHA,NE 68114 (402) 354-4840

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

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

[illegible]

Part VII

1b	Sub-Total	▼			
c	Total from continuation sheets to Part VII, Section A	▼			
d	Total (add lines 1b and 1c)	▼	4,374,554	2,399,990	1,258,573

2 Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization. 137

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
MCLMEYERS-CARLISLE-LEAPLEY 14124 INDUSTRIAL ROAD OMAHA NE 681443332	CONSTRUCTION	11,141,135
HEART CONSULTANTS 1120 N 103RD PLAZA 100 OMAHA NE 68114	MEDICAL	10,346,400
KIEWIT BUILDING 15002 COLLECTIONS CENTER CHICAGO IL 60693	CONSTRUCTION	7,296,514
PERINATAL ASSOCIATES PC 717 N 190TH PLAZA 2400 OMAHA NE 68022	MEDICAL	5,040,264
ANDERSON PARTNERS 6919 DODGE STREET OMAHA NE 68132	ADVERTISING/MARKETING	1,857,268

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 ▶51

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	3,925		
	c	Fundraising events	1c			
	d	Related organizations	1d	7,465,020		
	e	Government grants (contributions)	1e			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f			
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f		7,468,945		
Program Service Revenue	2a	NET PATIENT SVC REV	Business Code 621990	432,412,180	432,412,180	
	b	OTHER PATIENT REVENUE	621990	2,662,994	2,662,994	
	c	MEDICAL RESEARCH	541700	418,062	418,062	
	d					
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f		435,493,236		
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		5,135,828	
4		Income from investment of tax-exempt bond proceeds				
5		Royalties				
6a		Gross rents	(i) Real 8,619,104	(ii) Personal 44,295		
b		Less rental expenses	8,369,452	16,680		
c		Rental income or (loss)	249,652	27,615		
d		Net rental income or (loss)		277,267	54,050	223,217
7a		Gross amount from sales of assets other than inventory	(i) Securities 26,301,431	(ii) Other 24,859		
b		Less cost or other basis and sales expenses	24,402,872	2,884		
c		Gain or (loss)	1,898,559	21,975		
d		Net gain or (loss)		1,920,534		1,920,534
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a			
b		Less direct expenses	b			
c		Net income or (loss) from fundraising events				
9a		Gross income from gaming activities See Part IV, line 19	a			
b		Less direct expenses	b			
c		Net income or (loss) from gaming activities				
10a		Gross sales of inventory, less returns and allowances	a			
b		Less cost of goods sold	b			
c		Net income or (loss) from sales of inventory		141,987		141,987
	Miscellaneous Revenue	Business Code				
11a	LABORATORY	621500	6,248,229		6,248,229	
b	CAFETERIA REVENUE	722210	2,008,019	1,992,355	15,664	
c	TECH & PROF CONSULTI	541900	1,834,294		1,834,294	
d	All other revenue		1,228,664		1,228,664	
e	Total. Add lines 11a-11d		11,319,206			
12	Total revenue. See Instructions		461,757,003	437,485,591	9,380,901	7,421,566

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.	504,294	504,294		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	21,063,212	21,063,212		
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.	1,956,786	252,868	1,703,918	
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.	145,704,681	145,704,681		
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	9,047,130	8,608,043	439,087	
9	Other employee benefits.	23,880,015	23,777,398	102,617	
10	Payroll taxes.	10,235,424	10,168,421	67,003	
11	Fees for services (non-employees):				
a	Management.				
b	Legal.	180,532		180,532	
c	Accounting.				
d	Lobbying.	23,245		23,245	
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.	197,455		197,455	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	39,068,916	39,068,916		
12	Advertising and promotion.	2,269,377	2,269,377		
13	Office expenses.	14,265,745	14,265,745		
14	Information technology.	8,448,573	8,448,573		
15	Royalties.				
16	Occupancy.	12,791,159	12,791,159		
17	Travel.	394,886	394,886		
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.				
20	Interest.	11,150,206	11,150,206		
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	30,767,993	30,767,993		
23	Insurance.	2,363,058	2,093,380	269,678	
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	66,307,654	66,307,654		
b	SYSTEM ALLOCATIONS	23,622,832		23,622,832	
c	STAFF EDUCATION & DEV	1,338,927	1,338,927		
d	DUES, LICENSES & SUBSCR	772,467	772,467		
e	All other expenses	2,334,706	2,334,706		
25	Total functional expenses. Add lines 1 through 24e.	428,689,273	402,082,906	26,606,367	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ☐ if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		42,010,509	1	58,957,535
	2	Savings and temporary cash investments		1,949,413	2	235
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		58,515,539	4	49,494,946
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		6,383,256	8	6,968,699
	9	Prepaid expenses and deferred charges		5,052,238	9	5,147,318
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a705,308,583			
	b	Less accumulated depreciation	10b400,994,023	300,545,511	10c	304,314,560
	11	Investments—publicly traded securities		86,965,003	11	107,938,631
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11		4,401,927	13	4,072,593
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		43,836,161	15	87,288,537
	16	Total assets. Add lines 1 through 15 (must equal line 34)		549,659,557	16	624,183,054
Liabilities	17	Accounts payable and accrued expenses		54,354,445	17	59,437,684
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		264,860,519	20	262,563,707
	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		1,668,306	23	1,944,184
	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		5,641,804	25	6,216,659
	26	Total liabilities. Add lines 17 through 25		326,525,074	26	330,162,234
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		223,134,483	27	247,312,337
	28	Temporarily restricted net assets			28	46,109,840
	29	Permanently restricted net assets			29	598,643
	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		223,134,483	33	294,020,820
	34	Total liabilities and net assets/fund balances		549,659,557	34	624,183,054

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	461,757,003
2	Total expenses (must equal Part IX, column (A), line 25)	2	428,689,273
3	Revenue less expenses Subtract line 2 from line 1	3	33,067,730
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	223,134,483
5	Net unrealized gains (losses) on investments	5	5,040,088
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	32,778,519
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	294,020,820

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

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

[illegible]

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 NEBRASKA METHODIST HOSPITAL	Employer identification number 47-0376604
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Part I

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

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

1	☐	A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
2	☐	A school described in section 170(b)(1)(A)(ii). (Attach Schedule E)
3	☒	A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
4	☐	A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state _____
5	☐	An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II)
6	☐	A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
7	☐	An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II)
8	☐	A community trust described in section 170(b)(1)(A)(vi) (Complete Part II)
9	☐	An organization that normally receives (1) more than 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? (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? (ii) A family member of a person described in (i) above? (iii) A 35% controlled entity of a person described in (i) or (ii) above?
h	☐	Provide the following information about the supported organization(s)

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

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

Part II

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

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

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

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

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

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

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

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

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

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

Facts And Circumstances Test

Return Reference	Explanation	
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SCHEDULE 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
NEBRASKA METHODIST HOSPITAL

Employer identification number
47-0376604

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)		23,245	71,245												
c Total lobbying expenditures (add lines 1a and 1b)		23,245	71,245												
d Other exempt purpose expenditures		428,666,028	473,111,863												
e Total exempt purpose expenditures (add lines 1c and 1d)		428,689,273	473,183,108												
f Lobbying nontaxable amount Enter the amount from the following table in both columns		1,000,000	1,000,000												
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)		250,000	250,000												
h Subtract line 1g from line 1a If zero or less, enter -0-		0	0												
i Subtract line 1f from line 1c If zero or less, enter -0-		0	0												
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		☐ 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	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	60,419	62,733	64,334	71,245	258,731
d Grassroots nontaxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
f Grassroots lobbying expenditures					

Part II-B

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

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

1	Were substantially all (90% or more) dues received nondeductible by members?	1	Yes	No
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	A PORTION OF THE ANNUAL DUES PAID TO THE AMERICAN HOSPITAL AND NEBRASKA HOSPITAL ASSOCIATIONS IS ATTRIBUTABLE TO LOBBYING ACTIVITIES

Part IV

Explanation

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 NEBRASKA METHODIST HOSPITAL	Employer identification number 47-0376604
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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
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register

3

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

4

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

5

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

☐ Yes ☐ No

6

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

7

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

8

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

☐ Yes ☐ No

9

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

Part III

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

1a

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

b

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

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

▶ \$ _____

(ii) Assets included in Form 990, Part X

▶ \$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b

Assets included in Form 990, Part X

▶ \$ _____

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

Cat No 52283D

Schedule D (Form 990) 2013

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

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

b ☐ Scholarly research

c ☐ Preservation for future generations

d ☐ Loan or exchange programs

e ☐ Other
- 4 Provide a description of the organization’s collections and explain how they further the organization’s exempt purpose in Part XIII
- 5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization’s collection?

☐ Yes ☐ No

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

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes ☐ No
- b If "Yes," explain the arrangement in Part XIII and complete the following table
- c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

	Amount
1c	
1d	
1e	
1f	
- 2a Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes ☐ No
- b If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII

☐

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance	1,128,837	711,143	424,400		
b Contributions		298,643	300,000		
c Net investment earnings, gains, and losses	120,931	132,799	1,307		
d Grants or scholarships					
e Other expenditures for facilities and programs	494,065	13,748	14,564		
f Administrative expenses					
g End of year balance	755,703	1,128,837	711,143		

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as
- a Board designated or quasi-endowment ▶ 0 %

b Permanent endowment ▶ 79 220 %

c Temporarily restricted endowment ▶ 20 780 %
- The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i) unrelated organizations

(ii) related organizations

	Yes	No
3a(i)		No
3a(ii)	Yes	
3b	Yes	
- b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?
- 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		2,233,235		2,233,235
b Buildings		334,971,548	156,078,697	178,892,851
c Leasehold improvements				
d Equipment		368,103,800	244,915,326	123,188,474
e Other				
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) ▶				304,314,560

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	FUNDS ARE DESIGNATED FOR CHARITABLE AND CANCER CARE
PART X, LINE 2	THE NEBRASKA METHODIST HOSPITAL RECOGNIZES THE EFFECT OF INCOME TAX POSITIONS ONLY IF THOSE POSITIONS ARE MORE LIKELY THAN NOT OF BEING SUSTAINED. RECOGNIZED INCOME TAX POSITIONS ARE MEASURED AT THE LARGEST AMOUNT THAT IS GREATER THAN 50% LIKELY OF BEING REALIZED. CHANGES IN RECOGNITION OR MEASUREMENT ARE REFLECTED IN THE PERIOD IN WHICH THE CHANGE IN JUDGMENT OCCURS. NO CHANGES WERE MADE TO THE FINANCIAL STATEMENTS DUE TO FIN48.
PART IX, LINE 7	IN 2013, NET ASSETS WERE ADJUSTED TO REFLECT THE BENEFICIAL INTEREST IN FOUNDATION NET ASSETS, AN INCREASE OF \$46,708,483.

[illegible]

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
NEBRASKA METHODIST HOSPITAL

Employer identification number
47-0376604

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 <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care ☐ 100% ☐ 150% ☒ 200% ☐ Other _____ % b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☒ Other _____ 60000 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"?	3a Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	3b Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	4 Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5a Yes	
6a	Did the organization prepare a community benefit report during the tax year?	5b Yes	
b	If "Yes," did the organization make it available to the public?	5c	No
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H	6a Yes	
		6b Yes	

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			9,229,323	27,637	9,201,686	2 150 %
b Medicaid (from Worksheet 3, column a)			19,527,205	15,118,941	4,408,264	1 030 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . .						
d Total Financial Assistance and Means-Tested Government Programs . .			28,756,528	15,146,578	13,609,950	3 180 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			4,392,999		4,392,999	1 020 %
f Health professions education (from Worksheet 5)			6,723,919		6,723,919	1 570 %
g Subsidized health services (from Worksheet 6)			2,107,134		2,107,134	0 490 %
h Research (from Worksheet 7)			410,198		410,198	0 100 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			453,694		453,694	0 110 %
j Total Other Benefits			14,087,944		14,087,944	3 290 %
k Total . Add lines 7d and 7j . .			42,844,472	15,146,578	27,697,894	6 470 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing			904		904	0 %
2Economic development						
3Community support			41,964		41,964	0 010 %
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building			4,150		4,150	0 %
7Community health improvement advocacy						
8Workforce development			119		119	0 %
9Other						
10Total			47,137		47,137	0 010 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

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

1,663,904

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

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

93,333,274

6

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

6

116,486,348

7

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

7

-23,153,074

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

9b

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 IVManagement Companies and Joint Ventures

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1 1 WEST DODGE IMAGING LLC	DIAGNOSTIC IMAGING SERVICES	50 000 %		50 000 %
2 2 METHODIST ENDOSCOPY CENTER LLC	AMBULATORY SURGICAL FACILITY	50 000 %		50 000 %
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?
2

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

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

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group

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

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply)	1 Yes	
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 <u>12</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3 Yes	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4 Yes	
5 Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5 Yes	
a ☒ Hospital facility's website (list url) <u>METHODISTCOMMUNITYBENEFIT COM/OUR-PLAN/</u>		
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 <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>200 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		10	Yes		
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>600 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		11	Yes		
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12	Yes		
a ☒ 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? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		14	Yes		
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? 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? If "Yes," explain in Part VI		No
22	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Part VI		No

Part V

Facility Information (continued)

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

How many non-hospital health care facilities did the organization operate during the tax year? 1

Name and address		Type of Facility (describe)
1	RENAISSANCE CLINIC 3612 CUMING STREET OMAHA, NE 68131	LOW INCOME COMMUNITY CLINIC
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 7	THE METHODS PRIMARILY USED ARE THE FINANCIAL INFORMATION FROM THE MEDICARE COST REPORT AND ACTUAL EXPENDITURES INFORMATION FOR UNREIMBURSED MEDICAID IS CONSISTENT WITH AMOUNTS FILED IN THE 2013 MEDICARE COST REPORT INFORMATION ON PROGRAMS CONSTITUTING COMMUNITY HEALTH IMPROVEMENT SERVICES, COMMUNITY BENEFIT OPERATIONS, SUBSIDIZED HEALTH SERVICES, HEALTH PROFESSIONS EDUCATION, RESEARCH AND IN-KIND DONATIONS IS COLLECTED THROUGH THE YEAR USING THE COMMUNITY BENEFITS INVENTORY SOCIAL ACCOUNTABILITY SOFTWARE WHICH FOLLOWS CATHOLIC HEALTH ASSOCIATION (CHA) GUIDELINES FOR COMMUNITY BENEFITS REPORTING AMOUNTS SHOWN AS COMMUNITY BENEFIT ARE AT COST LESS ANY REVENUE EXCLUSIVE OF ANY GRANTS CASH AND IN-KIND DONATIONS THAT SUPPORT FINANCIAL ASSISTANCE AND OTHER COMMUNITY BENEFIT ACTIVITIES ARE INCLUDED IN CONTRIBUTIONS
PART I, LINE 7G	PART VI, LINE 1 A SUBSIDIZED HEALTH SERVICE BENEFIT IS CALCULATED FOR DEPARTMENTS AND SERVICES RECOGNIZING THESE AREAS OPERATE AT A NEGATIVE MARGIN THE CANCER RISK ASSESSMENT AND PREVENTION PROGRAM, THE RENAISSANCE HEALTH CLINIC, THE DIABETES INSTITUTE AND THE GERIATRIC EVALUATION AND MANAGEMENT PROGRAMS ARE AMONG THE MANY COMMUNITY HEALTH IMPROVEMENT AND SUBSIDIZED HEALTH SERVICES OPERATED AT NEGATIVE MARGINS THE RENAISSANCE HEALTH CLINIC, LOCATED IN NORTH OMAHA, IS AN ONGOING JOINT COMMUNITY PROJECT OF NEBRASKA METHODIST HOSPITAL AND THE SALVATION ARMY THAT HELPS TO MEET THE HEALTH NEEDS OF OMAHA'S LOW-INCOME POPULATION WITHIN AN ATMOSPHERE OF CARING AND RESPECT ADVANCED PRACTICE NURSES OFFER BOTH WALK-IN AND SCHEDULED APPOINTMENTS A SLIDING FEE SCALE IS USED BASED ON THE PATIENT'S ABILITY TO PAY FREE OR LOW-COST SERVICES INCLUDE PHYSICAL EXAMS, TREATMENT OF MINOR AND CHRONIC HEALTH PROBLEMS AND ILLNESSES, PHYSICIAN REFERRALS, HEALTH EDUCATION, FAMILY PLANNING SERVICES, ADOLESCENT ROUTINE CARE, SCHOOL PHYSICALS, HIV TESTING AND RISK COUNSELING, STD TESTING AND TREATMENT, AND TREATMENT FOR VICTIMS OF SEXUAL ASSAULT AND DOMESTIC ABUSE THE SEXUAL ASSAULT NURSE EXAMINER AND SEXUAL ASSAULT RESPONSE TEAM (SANE/SART) SURVIVOR PROGRAM, THE LUNG CANCER PROGRAM AND OTHER PROGRAMS AIMED AT CANCER RISK ASSESSMENT AND PREVENTION ARE PROGRAMS TARGETING COMMUNITY HEALTH NEEDS SANE/SART PROGRAM THE SEXUAL ASSAULT NURSE EXAMINER AND SEXUAL ASSAULT RESPONSE TEAM (AKA SANE/SART) SURVIVOR PROGRAM IS A COLLABORATION THAT UNITES METHODIST HOSPITAL WITH GOVERNMENT AND COMMUNITY AGENCIES THIS PROGRAM, THE ONLY ONE OF ITS KIND IN THE OMAHA METRO AREA, WAS INSTITUTED IN 2003 PRIOR TO THAT, EMERGENCY ROOM CARE AFTER SEXUAL ASSAULT WAS FAR TOO SIMILAR TO EMERGENCY ROOM CARE AFTER AN ACCIDENT OR INJURY THIS PROGRAM HAS BEEN ESTABLISHED TO PROVIDE ELEMENTS OF PRIVACY AND COMFORT FOR VICTIMS OF SEXUAL ASSAULT THROUGH SANE/SART, METHODIST HOSPITAL AND ITS AFFILIATES INCLUDING JENNIE EDMUNDSON MEMORIAL HOSPITAL IN COUNCIL BLUFFS, IOWA, OFFER COMPASSIONATE EMERGENCY CARE FROM HEALTH CARE PROFESSIONALS SPECIFICALLY TRAINED NOT JUST TO MEET THE SURVIVOR'S SPECIAL MEDICAL AND EMOTIONAL NEEDS, BUT TRAINED ALSO IN PROPER METHODS OF RECOGNIZING AND COLLECTING FORENSIC EVIDENCE DEDICATED SANE/SART NURSES, AVAILABLE 24/7, ARE KEY MEMBERS OF THE TEAM THAT CARES FOR SURVIVORS THEIR NEUTRAL EVIDENCE COLLECTION AND TESTIMONY CAN AID AUTHORITIES IN ANY CRIMINAL INVESTIGATION THE SANE/SART UNIT ALSO OFFERS A PRIVATE LOCATION FOR WOMEN TO BE INTERVIEWED BY POLICE OFFICERS AND TO MEET WITH A WOMEN'S CENTER FOR ADVANCEMENT VICTIM ADVOCATE THE ADVOCATE HELPS SURVIVORS FIND COUNSELING AND SUPPORT GROUPS AS WELL AS GUIDING THEM THROUGH LEGAL PROCEEDINGS CANCER PROGRAMS BATTLING CANCER INCLUDES MORE THAN MEDICAL RESEARCH AND CLINICAL TECHNOLOGY METHODIST HOSPITAL TAKES A MULTI-DISCIPLINARY APPROACH AND PROVIDES PROGRAMS AND EDUCATION THE METHODIST ESTABROOK CANCER CENTER SPONSORS A RANGE OF EDUCATION AND COMMUNITY EVENTS FOCUSED ON INCREASING CANCER AWARENESS AND PROMOTING THE HEALING OF CANCER SURVIVORS SOME OF THE PROGRAMS INCLUDE THE RELAY FOR LIFE EVENT WHICH CELEBRATES SURVIVORS AND INSPIRES THE COMMUNITY TO FIGHT BACK AGAINST CANCER, HARPER'S HOPE CANCER SURVIVORSHIP PROGRAM, A YOUNG ADULT SURVIVOR'S NETWORK, BREAST CANCER SUPPORT GROUPS AND PROSTATE CANCER SUPPORT GROUPS HARPER'S HOPE EXPRESSES THE MEANING OF CARE AT EVERY TURN OF THE CANCER JOURNEY MAIN PROGRAM COMPONENTS INCLUDE SOCIAL WORK, BEHAVIORAL HEALTH/COUNSELING, NUTRITION SERVICES, PHYSICAL WELLNESS AND CANCER PREVENTION AND HEREDITARY RISK ASSESSMENT THESE RESOURCES HELP PATIENTS AND THEIR FAMILY MEMBERS LIVE WITH, THROUGH AND BEYOND THE CANCER DIAGNOSIS SUICIDE - THE TRAGIC OUTCOME OF MENTAL ILLNESS - CAN BE PREVENTED BUT IT TAKES RECOGNITION OF THE PROBLEM, REFERRALS TO MENTAL HEALTH SERVICES, AND PARTNERSHIPS AMONG KEY PROVIDERS IN THE COMMUNITY METHODIST HOSPITAL'S COMMUNITY COUNSELING PROGRAM DIRECTLY SERVES OVER 20,000 IN OMAHA AND SURROUNDING COMMUNITIES WHILE ELEVATING THE OVERALL HEALTH AND EDUCATION IN THE REGION THIS UNIQUE COMMUNITY PARTNERSHIP BETWEEN THE METHODIST HOSPITAL AND THE OMAHA PUBLIC SCHOOLS BRINGS PROFESSIONAL COUNSELING SERVICES TO THOSE WHO OTHERWISE MIGHT HAVE NO ACCESS TO MENTAL HEALTH CARE A TEAM OF LICENSED, MASTERS-LEVEL COUNSELORS FROM METHODIST HOSPITAL MAINTAIN OFFICE HOURS AT SCHOOLS AND CHURCHES THE PROGRAM ALONG WITH OTHER COMMUNITY PARTNER PROGRAMS IS PAYING OFF AMONG VULNERABLE ADOLESCENTS 17 YEARS OLD AND YOUNGER, THE SUICIDE RATES HAVE DECREASED SIGNIFICANTLY WITH AN 81% DECREASE FROM 2005 TO 2009 AS REPORTED IN THE 2010 LIVEWELL OMAHA COMMUNITY REPORT CARD METHODIST HOSPITAL AND METHODIST WOMEN'S HOSPITAL CONTRACT WITH AN ELIGIBILITY SERVICE TO ASSIST INDIVIDUALS IN DETERMINING ELIGIBILITY AND COMPLETING THE REQUIRED PAPERWORK TO PARTICIPATE IN MEDICAID OR GOVERNMENT MEANS-TESTED PROGRAMS THE SERVICE IS PROVIDED TO PATIENTS AT NO COST

Form and Line Reference	Explanation
PART I, LN 7 COL(F)	THE PERCENTAGE IS ARRIVED AT BY DIVIDING NET COMMUNITY BENEFIT EXPENSE IN COLUMN (E) BY THE SUM OF THE AMOUNT ON FORM 990, PART IX, LINE 25, COLUMN A
SCH H, PART VI, LINE 7	NO DIRECT REPORT IS REQUIRED BY THE STATE OF NEBRASKA HOWEVER, INFORMATION FROM THE HOSPITALS' COMMUNITY BENEFITS REPORT DATA IS INCLUDED IN A REPORT COMPILED BY THE NEBRASKA HOSPITAL ASSOCIATION

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	NEBRASKA METHODIST HOSPITAL PROVIDES MONETARY SUPPORT THROUGH THE GREATER OMAHA CHAMBER FOUNDATION. MEMBERS OF THE STAFF PROVIDE THEIR TALENT AND EXPERTISE THROUGH INVOLVEMENT ON A VARIETY OF COMMUNITY ORGANIZATIONS. METHODIST HOSPITAL, ALONG WITH OTHER HEALTH CARE PROVIDERS AND PUBLIC SAFETY AGENCIES, QUIETLY PLAYS AN IMPORTANT ROLE IN THE COMMUNITY'S ABILITY TO RESPOND TO AND IMPROVE EMERGENCY RESPONSE DURING A NATURAL DISASTER, HAZARDOUS MATERIALS SPILL OR DOMESTIC TERRORIST ATTACK. OMAHA METROPOLITAN MEDICAL RESPONSE SYSTEM (OMMRS) WAS ESTABLISHED THROUGH A FEDERAL GRANT IN 2000, AS A MULTIDISCIPLINARY GROUP OF FIRST RESPONDERS AND OTHER HEALTH CARE PROVIDERS. OMMRS BENEFITS THE COMMUNITY IN STANDARDIZING EMERGENCY RESPONSE EQUIPMENT AND TRAINING AND DEVELOPING RESPONSE PLANS TO MAXIMIZE COMMUNITY RESOURCES AND CLARIFY COMMUNICATION PROCESSES BETWEEN AGENCIES. WHILE GRANTS HAVE PROVIDED FUNDING TO COVER SOME EXPENSES, TRAINING AND OTHER NEEDED EQUIPMENT ARE PROVIDED BY METHODIST AS A COMMUNITY BENEFIT. METHODIST EMPLOYS A FULL-TIME EMERGENCY PREPAREDNESS COORDINATOR, IN ADDITION TO A SAFETY TEAM WITH PARTIAL RESPONSIBILITY FOR EMERGENCY PREPAREDNESS. SALARIES PAID TO EMPLOYEES WHO ATTEND AFTER-HOURS PLANNING MEETINGS AND PARTICIPATE IN THE ANNUAL WEEKEND DISASTER DRILL ARE NOT COVERED BY GRANTS. AS ONE OF THE MEMBERS OF THE OMMRS, METHODIST WOULD PROVIDE TREATMENT FOR SECOND-LEVEL INJURIES, WALKING WOUNDED AND OVERFLOW TRAUMA PATIENTS WHEN ESTABLISHED TRAUMA CENTERS ARE OVERWHELMED.
PART III, LINE 4	FOOTNOTE TO FINANCIAL STATEMENTS DESCRIBING BAD DEBT EXPENSE IS SHOWN ON THE ATTACHED AUDITED FINANCIAL STATEMENT PAGE 9. THE COST METHODOLOGY FOR THE BAD DEBT EXPENSE PRESENTED IN PART III, LINE 2, IS CONSISTENT WITH THAT OF THE 2013 FILED MEDICARE COST REPORT.

Form and Line Reference	Explanation
PART III, LINE 8	SOURCE IS THE 2013 MEDICARE COST REPORT AS FILED
PART III, LINE 9B	COLLECTION PRACTICES TO BE FOLLOWED FOR PATIENTS WHO ARE KNOWN TO QUALIFY FOR CHARITY CARE OR FINANCIAL ASSISTANCE THE HOSPITAL BILLS ALL THIRD PARTY RESOURCES THAT MAY BE ABLE TO PROVIDE REIMBURSEMENT FOR CARE PROVIDED TO PATIENTS THIS INCLUDES, BUT IS NOT LIMITED TO, COMMERCIAL INSURANCE, MEDICARE, MEDICAID, COUNTY GOVERNMENT AND OTHER GOVERNMENT PROGRAMS, AND ANY OTHER POTENTIAL SOURCE OF REIMBURSEMENT EVERY EFFORT IS MADE TO IDENTIFY PATIENTS THAT MAY QUALIFY FOR FINANCIAL ASSISTANCE PRIOR TO OR DURING THE TIME OF SERVICE THOSE PATIENTS ARE ENCOURAGED TO COMPLETE AN APPLICATION FOR FINANCIAL ASSISTANCE NEBRASKA METHODIST HOSPITAL AND METHODIST WOMEN'S HOSPITAL HAVE ADOPTED A PROCEDURE FOR THOSE SITUATIONS WHERE A PATIENT POTENTIALLY MAY BE ELIGIBLE FOR FINANCIAL ASSISTANCE BUT HAS NOT OR CANNOT COMPLETE THE APPLICATION THIS PROCEDURE, REFERRED TO AS THE PRESUMPTIVE CHARITY PROCESS, IS FOLLOWED BY HOSPITAL PERSONNEL AS WELL AS THIRD-PARTY VENDORS ASSISTING WITH SELF-PAY COLLECTIONS SOME OF THE INDIVIDUAL LIFE CIRCUMSTANCES THAT HAVE BEEN ESTABLISHED AS INDICATORS OF PRESUMPTIVE ELIGIBILITY INCLUDE PARTICIPATION IN STATE FUNDED PRESCRIPTION PROGRAMS, IDENTIFICATION AS HOMELESS OR RECEIVING CARE FROM A HOMELESS PERSONS CLINIC, PARTICIPATION IN WOMEN, INFANTS AND CHILDREN (WIC) PROGRAM, FOOD STAMP ELIGIBILITY, SUBSIDIZED SCHOOL LUNCH PROGRAM ELIGIBILITY, ELIGIBILITY FOR OTHER STATE OR LOCAL ASSISTANCE PROGRAMS THAT ARE UNFUNDED (E G MEDICAID SPEND-DOWN), LOW INCOME/SUBSIDIZED HOUSING PROVIDED AS VALID ADDRESS THE HOSPITAL STAFF, AS WELL AS VENDORS UTILIZED FOR SELF-PAY COLLECTIONS, HAVE BEEN TRAINED TO IDENTIFY INDICATORS OF PRESUMPTIVE ELIGIBILITY AND DOCUMENT SUCH AS SUPPORT FOR FINANCIAL ASSISTANCE DETERMINATION

Form and Line Reference	Explanation
PART VI, LINE 2	THE BROAD-BASED COMMUNITY HEALTH AND OUTREACH INITIATIVES INCLUDE TARGETED PROGRAMS THAT ALIGN CLOSELY WITH THE KEY HEALTH NEEDS IDENTIFIED BY LIVWELL OMAHA, A COLLABORATION OF LOCAL FOR PROFIT, GOVERNMENT AND NON-PROFIT ORGANIZATIONS DEDICATED TO IMPROVING THE HEALTH OF THOSE WHO LIVE AND WORK IN THE METROPOLITAN OMAHA AREA
PART VI, LINE 3	FINANCIAL ASSISTANCE BROCHURES ARE INCLUDED IN ALL INPATIENT ADMISSION PACKETS METHODIST HOSPITAL AND METHODIST WOMEN'S HOSPITAL CONTRACT WITH AN ELIGIBILITY SERVICE TO ASSIST INDIVIDUALS IN DETERMINING ELIGIBILITY AND COMPLETING THE REQUIRED PAPERWORK TO PARTICIPATE IN MEDICAID OR GOVERNMENT MEANS-TESTED PROGRAMS HOSPITAL FINANCIAL COUNSELORS AND ELIGIBILITY SERVICE PERSONNEL ARE CONVENIENTLY LOCATED FOR PRIVATE CONSULTATION 5 DAYS A WEEK FOR BOTH INPATIENT AND OUTPATIENT COUNSELING THE COUNSELORS ARE INCLUDED IN THE ADMISSION/DISCHARGE PROCESS TO ENSURE THAT THE PATIENT IS FULLY INFORMED ABOUT THE PROCESS AND TO HELP THE PATIENT DETERMINE WHAT ASSISTANCE MAY BE NEEDED AND WHAT IS AVAILABLE TO THEM THE BILLING CUSTOMER SERVICE UNIT IS ALSO TRAINED TO ASSIST PATIENTS WITH FINANCIAL ASSISTANCE NEEDS PATIENTS WHO CONTACT THE UNIT EXPRESSING DIFFICULTY IN MEETING THEIR FINANCIAL OBLIGATION ARE ASSESSED FOR ELIGIBILITY FOR FINANCIAL ASSISTANCE APPROPRIATE RESOURCES ARE USED TO PROVIDE EFFECTIVE COMMUNICATION WITH NON-ENGLISH SPEAKING PATIENTS INCLUDING CYRACOM LANGUAGE LINE SYSTEM THAT PROVIDES 24-HOUR ACCESS TO SEVERAL HUNDRED DIFFERENT LANGUAGE INTERPRETERS OTHER RESOURCES INCLUDE HOPE MEDICAL OUTREACH AND ON-SITE STAFF OR CONTRACTED INTERPRETER SERVICES THE HOSPITAL PROVIDES FOR INTERPRETATIVE SERVICES AT NO COST TO THE PATIENTS INFORMATION ON THE FINANCIAL ASSISTANCE POLICY IS AVAILABLE TO THE PUBLIC ON THE BESTCARE ORG WEBSITE ADDITIONALLY, PATIENT STATEMENTS INCLUDE A STATEMENT ABOUT THE AVAILABILITY OF FINANCIAL ASSISTANCE INCLUDING CONTACT INFORMATION

Form and Line Reference	Explanation
PART VI, LINE 4	NEBRASKA METHODIST HOSPITAL'S SERVICE AREA INCLUDES THE GREATER OMAHA METROPOLITAN AREA DOUGLAS, SARPY, SAUNDERS, DODGE, WASHINGTON AND CASS COUNTIES ONE OF THE METHODIST HEALTH SYSTEM AFFILIATES OPERATES IN IOWA COUNTIES EXTENDING THE POTENTIAL FOR PATIENT CARE OUTSIDE THE METROPOLITAN AREA ACCORDING TO US CENSUS DEPARTMENT REPORTS, THIS AREA IS HOME TO MORE THAN 800,000 PEOPLE METHODIST HOSPITAL HAS A NUMBER OF PROGRAMS THAT EXTEND BEYOND THE METROPOLITAN AREA SUCH AS THE PERINATAL OUTREACH PROGRAM THAT PROVIDES TARGETED EDUCATIONAL OPPORTUNITIES FOR MEDICAL PERSONNEL FROM ACROSS NEBRASKA AND IOWA
PART VI, LINE 5	PROMOTING HEALTH OF THE COMMUNITY METHODIST HOSPITAL'S BOARD OF DIRECTORS PROVIDES OVERSITE OF ALL OPERATIONS IT IS COMPOSED OF COMMUNITY LEADERS WITH DIVERSE BACKGROUNDS WITH A BLEND OF THOSE INDIVIDUALS WITH LONGEVITY ON THE BOARD AND THOSE WHO ARE NEW MEMBERS THERE IS SIGNIFICANT PHYSICIAN INVOLVEMENT ON THE BOARD LENDING TO THE ABILITY TO BE LEADERS IN MEDICAL SERVICES MEDICAL STAFF PRIVILEGES ARE EXTENDED TO ALL PRACTITIONERS WHO CONTINUOUSLY MEET THE QUALIFICATIONS, STANDARDS AND REQUIREMENTS TO PROMOTE A UNIFORM STANDARD OF QUALITY PATIENT CARE, TREATMENT AND SERVICES ADDITIONAL CRITERIA FOR CLINICAL PRIVILEGES MAY INCLUDE A REQUIREMENT OF SPECIALTY BOARD CERTIFICATION IF IT IS BELIEVED TO BE AN IMPORTANT OBJECTIVE INDICATOR OF TRAINING AND COMPETENCE

Form and Line Reference	Explanation
PART VI, LINE 6	AFFILIATED HEALTH CARE SYSTEM THE NEBRASKA METHODIST HEALTH SYSTEM INCLUDES NEBRASKA METHODIST HOSPITAL, NEBRASKA METHODIST HOSPITAL FOUNDATION, JENNIE EDMUNDSON MEMORIAL HOSPITAL, JENNIE EDMUNDSON MEMORIAL HOSPITAL FOUNDATION, NEBRASKA METHODIST HEALTH SYSTEM, PHYSICIANS CLINIC, AND THE NEBRASKA METHODIST COLLEGE OF NURSING AS A GROUP, THESE ENTITIES ARE COMMITTED TO CARING FOR THE PEOPLE OF THE COMMUNITY BY PROVIDING OUTSTANDING CARE, EDUCATIONAL OPPORTUNITIES AND SUPPORT SERVICES THE MORE THAN 6,300 EMPLOYEES OF OUR HOSPITALS, CLINICS, COLLEGE AND FOUNDATION WORK TO STRENGTHEN THE HEALTH AND WELL-BEING OF THE INDIVIDUALS AND COMMUNITIES SERVED TO FULFILL OUR MISSION OF CARING FOR PEOPLE, AFFILIATES HAVE DEVELOPED A VARIETY OF WAYS TO CONTRIBUTE CARE AND HEALTH-RELATED EDUCATION TO THE POOR, MINORITIES, AND TO OTHER UNDERSERVED GROUPS AS WELL AS TO THE BROADER COMMUNITY BROAD-BASED COMMUNITY HEALTH AND OUTREACH INITIATIVES INCLUDE TARGETED PROGRAMS THAT ALIGN CLOSELY WITH THE KEY HEALTH NEEDS IDENTIFIED BY LIVEWELL OMAHA, A COLLABORATION OF LOCAL ORGANIZATIONS DEDICATED TO IMPROVING THE HEALTH OF THOSE WHO LIVE AND WORK IN THE METROPOLITAN OMAHA AREA AS INDIVIDUAL AFFILIATES, A UNIFIED HEALTH SYSTEM, AND ACTIVE PARTNER WITH OTHER COMMUNITY AND GOVERNMENTAL AGENCIES, NEBRASKA METHODIST HOSPITAL AND THE ENTITIES OF NEBRASKA METHODIST HEALTH SYSTEM ARE COMMITTED TO IMPROVING THE HEALTH AND QUALITY OF LIFE OF THE RESIDENTS OF THE REGION METHODIST HOSPITAL RESPECTS AND EMBRACES THE RESPONSIBILITY THAT ACCOMPANIES TAX EXEMPT STATUS AND IS HONORED TO OFFER LEADERSHIP, SUPPORT AND RESOURCES TO BENEFIT THE COMMUNITY

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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.

DLN: 93493317061894

OMB No 1545-0047

2013

Open to Public
Inspection

Name of the organization
NEBRASKA METHODIST HOSPITAL

Employer identification number
47-0376604

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) AMERICAN HEART ASSOCIATION 10100 J STREET OMAHA, NE 68127	13-5613797	501(C)(3)	40,000				CURE/PREVENTION OF HEART ATTACKS
(2) WOMEN'S FUND OF GREATER OMAHA 7602 PACIFIC STREET STE 300 OMAHA, NE 68114	47-0840885	501(C)(3)	19,550				PROVIDING PROGRAMS THAT IMPROVE THE LIVES OF METROPOLITAN AREA WOMEN
(3) WOMEN'S CENTER FOR ADVANCEMENT (FKA YWCA) 229 SOUTH 29 STREET OMAHA, NE 68131	27-3205476	501(C)(3)	7,500				PROVIDING PGMS FOR LT CHANGE IN THE LIVES OF WOMEN/THEIR FAMILIES IN THIS COMMUNITY
(4) ALZHEIMER'S ASSOCIATION-MIDLANDS CHAPTER 7101 NEWPORT AVENUE OMAHA, NE 68152	47-0648438	501(C)(3)	9,000				RESEARCH ON CURE FOR ALZHEIMER'S DISEASE
(5) HOPE MEDICAL OUTREACH COALITION 1722 ST MARYS AVENUE 105 OMAHA, NE 68102	91-1850344	501(C)(3)	24,500				COORDINATE AND EXPAND CAPACITY OF LOCAL HEALTHCARE PROVIDERS TO CARE FOR THE UNINSURED AND UNDERINSURED OF THE METRO OMAHA AREA
(6) ICAN 12565 WEST CENTER ROAD OMAHA, NE 68154	47-0633139	501(C)(3)	15,000				LEADERSHIP DEVELOPMENT TARGETED AT COMMUNITY NEEDS
(7) MARCH OF DIMES-NEBRASKA CHAPTER 11840 NICHOLAS STREET 220 OMAHA, NE 68154	13-1846366	501(C)(3)	34,000				SEE SCH I, PART IV - IMPROVING HEALTH OF BABIES BY PREVENTING BIRTH DEFECTS, PREMATURE BIRTHS AND INFANT MORTALITY
(8) HARBOR HOUSE 7415 CEDAR STREET OMAHA, NE 68124	36-4003095	501(C)(3)	33,333				COMPASSIONATE CARE FOR RESIDENTS WITH TERMINAL ILLNESSES
(9) AMERICAN CANCER SOCIETY 9850 NICHOLAS STREET STE 200 OMAHA, NE 68114	74-1185665	501(C)(3)	7,250				CURE/PREVENTION OF CANCER
(10) NEBRASKA AFFILIATE OF THE SUSAN G KOMEN FOR THE CURE 12103 PACIFIC STREET OMAHA, NE 68154	26-0056671	501(C)(3)	6,500				FUNDS RESEARCH AND RAISES AWARENESS FOR THE FIGHT AGAINST CANCER
(11) FONTENELLE NATURE ASSOCIATION 1111 N BELLEVUE BLVD BELLEVUE, NE 68005	47-6026109	501(C)(3)	7,100				ENRICH PEOPLES' LIVES THROUGH EXPERIENCING NATURE
(12) NEBRASKA METHODIST COLLEGE OF NURSING - ALUMNI ASSN 8511 WEST DODGE ROAD OMAHA, NE 68114	47-0724387	501(C)(3)	10,632				NURSING AND MEDICAL CONTINUING EDUCATION
2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table							12
3 Enter total number of other organizations listed in the line 1 table							0

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

Cat No 50055P

Schedule I (Form 990) 2013

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) FINANCIAL ASSISTANCE	18888	0	21,057,212	BOOK	FINANCIAL ASSISTANCE TO PATIENTS
(2) SCHOLARSHIPS	6	6,000	0		

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	NEBRASKA METHODIST HOSPITAL GENERALLY DOES NOT GIVE GRANTS WHEN IT DOES SO, PROCEDURES ARE FOLLOWED TO INSURE THAT THE GRANT IS MADE TO HEALTH CARE AND COMMUNITY ORGANIZATIONS THAT SHARE IN THE HOSPITAL'S GOALS, MISSION AND CONCERN FOR THE HEALTH OF THE COMMUNITY

Additional Data

Software ID:
Software Version:
EIN: 47-0376604
Name: NEBRASKA METHODIST HOSPITAL

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
AMERICAN HEART ASSOCIATION 10100 J STREET OMAHA, NE 68127	13-5613797	501(C)(3)	40,000				CURE/PREVENTION OF HEART ATTACKS

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
WOMEN'S FUND OF GREATER OMAHA 7602 PACIFIC STREET STE 300 OMAHA,NE 68114	47-0840885	501(C)(3)	19,550				PROVIDING PROGRAMS THAT IMPROVE THE LIVES OF METROPOLITAN AREA WOMEN

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
WOMEN'S CENTER FOR ADVANCEMENT (FKA YWCA) 229 SOUTH 29 STREET OMAHA,NE 68131	27-3205476	501(C)(3)	7,500				PROVIDING PGMS FOR LT CHANGE IN THE LIVES OF WOMEN/THEIR FAMILIES IN THIS COMMUNITY

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
ALZHEIMER'S ASSOCIATION-MIDLANDS CHAPTER 7101 NEWPORT AVENUE OMAHA,NE 68152	47-0648438	501(C)(3)	9,000				RESEARCH ON CURE FOR ALZHEIMER'S DISEASE

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
HOPE MEDICAL OUTREACH COALITION 1722 ST MARYS AVENUE 105 OMAHA, NE 68102	91-1850344	501(C)(3)	24,500				COORDINATE AND EXPAND CAPACITY OF LOCAL HEALTHCARE PROVIDERS TO CARE FOR THE UNINSURED AND UNDERINSURED OF THE METRO OMAHA AREA

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
ICAN 12565 WEST CENTER ROAD OMAHA, NE 68154	47-0633139	501(C)(3)	15,000				LEADERSHIP DEVELOPMENT TARGETED AT COMMUNITY NEEDS

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MARCH OF DIMES-NEBRASKA CHAPTER 11840 NICHOLAS STREET 220 OMAHA, NE 68154	13-1846366	501(C)(3)	34,000				SEE SCH I, PART IV - IMPROVING HEALTH OF BABIES BY PREVENTING BIRTH DEFECTS, PREMATURE BIRTHS AND INFANT MORTALITY

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
HARBOR HOUSE 7415 CEDAR STREET OMAHA, NE 68124	36-4003095	501(C)(3)	33,333				COMPASSIONATE CARE FOR RESIDENTS WITH TERMINAL ILLNESSES

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
AMERICAN CANCER SOCIETY 9850 NICHOLAS STREET STE 200 OMAHA, NE 68114	74-1185665	501(C)(3)	7,250				CURE/PREVENTION OF CANCER

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
NEBRASKA AFFILIATE OF THE SUSAN G KOMEN FOR THE CURE 12103 PACIFIC STREET OMAHA,NE 68154	26-0056671	501(C)(3)	6,500				FUNDS RESEARCH AND RAISES AWARENESS FOR THE FIGHT AGAINST CANCER

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
FONTENELLE NATURE ASSOCIATION 1111 N BELLEVUE BLVD BELLEVUE,NE 68005	47-6026109	501(C)(3)	7,100				ENRICH PEOPLES' LIVES THROUGH EXPERIENCING NATURE

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
NEBRASKA METHODIST COLLEGE OF NURSING - ALUMNI ASSN 8511 WEST DODGE ROAD OMAHA, NE 68114	47-0724387	501(C)(3)	10,632				NURSING AND MEDICAL CONTINUING EDUCATION

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
NEBRASKA METHODIST HOSPITAL

Employer identification number
47-0376604

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. ☐ First-class or charter travel ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☒ Health or social club dues or initiation fees ☐ 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		No
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	Yes	
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 ☐ Independent compensation consultant ☐ Form 990 of other organizations ☐ Written employment contract ☐ Compensation survey or study ☐ 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? b Participate in, or receive payment from, a supplemental nonqualified retirement plan? c Participate in, or receive payment from, an equity-based compensation arrangement? 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? b Any related organization? If "Yes," to line 5a or 5b, describe in Part III		No
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? b Any related organization? If "Yes," to line 6a or 6b, describe in Part III		No
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		No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?		

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

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii) Do not list any individuals that are not listed on Form 990, Part VII
Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

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

Part III Supplemental Information

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

Also complete this part for any additional information

Return Reference	Explanation
PART I, LINE 1A	SOCIAL CLUB EXPENSES ARE REIMBURSED FOR THE BUSINESS PORTION SUBSTANTIATION OF ALL BUSINESS USE EXPENSES IS REQUIRED BY NEBRASKA METHODIST HEALTH SYSTEM INTERNAL POLICY
PART I, LINE 1B	A WRITTEN POLICY DOES NOT EXIST, HOWEVER INTERNAL POLICY AND COMMUNICATION DICTATE SUBSTANTIATION OF ALL BUSINESS USE EXPENSES RELATED TO SOCIAL CLUB MEMBERSHIP
PART I, LINE 3	SEE SCHEDULE O, PART VI, SECTION B, LINE 15 EXPLANATION REGARDING THE METHODS USED BY A RELATED ORGANIZATION TO ESTABLISH COMPENSATION
PART I, LINE 4B	THE FOLLOWING INDIVIDUALS PARTICIPATED IN A NEBRASKA METHODIST HEALTH SYSTEM NONQUALIFIED PLAN DURING 2013 AND RECEIVED CONTRIBUTIONS, PLAN ACCRUALS OR PLAN DISTRIBUTIONS IN THE FOLLOWING AMOUNTS JOHN FRASER \$127,936 ACCRUAL JOHN LOHRBERG MD \$7,097 ACCRUAL LINDA BURT \$59,332 ACCRUAL, \$69,490 PLAN DISTRIBUTION STEPHEN GOESER, \$60,553 ACCRUAL SUSAN KORTH \$9,926 ACCRUAL JOSIE ABBoud \$9,675 ACCRUAL TERI FRENCH-TIPTON \$14,979 ACCRUAL, \$21,032 PLAN DISTRIBUTION WILLIAM SHIFFERMILLER MD \$36,948 ACCRUAL, \$45,215 PLAN DISTRIBUTION SCOTT ROSE MD \$4,657 ACCRUAL, \$240,196 PLAN DISTRIBUTION DAVID CROTZER MD \$12,982 ACCRUAL RANDALL DUCKERT MD \$27,982 ACCRUAL PETER MORRIS MD \$24,969 ACCRUAL TIEN -SHEW HUANG MD \$16,444 ACCRUAL ALIREZA MIRMIRAN MD \$12,402 ACCRUAL DENNIS JOSLIN \$33,562 ACCRUAL

Additional Data

Software ID:
Software Version:
EIN: 47-0376604
Name: NEBRASKA METHODIST HOSPITAL

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
JOHN M FRASER PRES /CEO-NE METH HEALTH	(i)	0	0	0	0	0	0	0
	(ii)	629,586	0	35,757	183,567	12,791	861,701	0
KRISTEN L HOFFMAN MD DIRECTOR	(i)	0	0	0	0	0	0	0
	(ii)	294,441	64,214	3,228	50,662	14,397	426,942	0
JOHN R LOHRBERG MD DIRECTOR	(i)	0	0	0	0	0	0	0
	(ii)	156,271	32,175	18,274	40,549	17,429	264,698	0
DANIEL D LYDIATT MD DDS DIRECTOR	(i)	250,009	0	2,859	23,890	259	277,017	0
	(ii)	0	0	0	0	0	0	0
SCOTT G ROSE MD DIRECTOR	(i)	0	0	0	0	0	0	0
	(ii)	380,309	42,190	261,931	54,620	12,061	751,111	240,196
LINDA K BURT VICE PRES FINANCE/CFO	(i)	0	0	0	0	0	0	0
	(ii)	363,574	25,000	93,040	77,913	14,427	573,954	69,490
STEPHEN L GOESER PRES & CEO NEBR METHODIST HOSPITAL	(i)	367,927	25,000	33,124	85,880	23,673	535,604	0
	(ii)	0	0	0	0	0	0	0
SUSAN KORTH COO WOMEN'S HOSPITAL	(i)	194,055	0	6,374	25,710	18,631	244,770	0
	(ii)	0	0	0	0	0	0	0
JOSIE ABBOUD VP- CLINICAL/ANCILLARY SVCS	(i)	191,393	0	492	33,526	18,363	243,774	0
	(ii)	0	0	0	0	0	0	0
TERI FRENCH-TIPTON VP - ADMINSTRATION	(i)	199,615	0	33,649	29,041	21,473	283,778	21,032
	(ii)	0	0	0	0	0	0	0
DENNIS JOSLIN EXECUTIVE	(i)	244,825	15,000	27,913	83,986	989	372,713	0
	(ii)	0	0	0	0	0	0	0
WILLIAM SHIFFERMILLER MD VP-MEDICAL AFFAIRS	(i)	300,927	946	62,678	88,873	19,488	472,912	45,215
	(ii)	0	0	0	0	0	0	0
RANDALL DUCKERT MD PHYSICIAN	(i)	528,422	0	414	68,781	19,208	616,825	0
	(ii)	0	0	0	0	0	0	0
TIEN SHEW HUANG MD PHYSICIAN	(i)	502,015	0	270	40,931	14,341	557,557	0
	(ii)	0	0	0	0	0	0	0
ALIREZA MIRMIRAN MD PHYSICIAN	(i)	486,479	0	17,662	31,653	17,945	553,739	0
	(ii)	0	0	0	0	0	0	0
PETER MORRIS MD PHYSICIAN	(i)	435,912	0	18,270	67,354	19,375	540,911	0
	(ii)	0	0	0	0	0	0	0
DAVID CROTZER MD PHYSICIAN	(i)	408,624	0	19,700	36,682	21,016	486,022	0
	(ii)	0	0	0	0	0	0	0

Schedule K
(Form 990)

Supplemental Information on Tax Exempt Bonds

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization
NEBRASKA METHODIST HOSPITAL

Employer identification number
47-0376604

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	NEBRASKA INVESTMENT FINANCE AUTHORITY	47-0613449		12-28-2006	3,570,000	BUILDING ADDITIONS & CAPITAL IMPROVEMENTS		X		X		X
B	HOSPITAL AUTH #3 DOUGLAS CNTY NE	47-0689293	259234BL5	05-20-2008	205,887,435	BLDG ADDITION/REFUND DEBT (11/25/97)		X		X		X
C	HOSPITAL AUTH #2 DOUGLAS CNTY NE	52-1440796		12-22-2009	16,625,000	BUILDING ADDITIONS AND EQUIPMENT		X		X		X
D	HOSPITAL AUTH #3 DOUGLAS CNTY NE	47-0689293		12-22-2009	13,375,000	EQUIPMENT		X		X		X

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired	1,323,480		1,525,000				2,375,000	
2	Amount of bonds legally defeased								
3	Total proceeds of issue	3,639,666		209,285,573		16,645,591		13,395,743	
4	Gross proceeds in reserve funds	14,486,500		14,486,500					
5	Capitalized interest from proceeds	17,678,104		17,678,104		293,223			
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	70,000							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	3,569,666		146,339,428		16,352,368		13,395,743	
11	Other spent proceeds	30,781,542		30,781,542					
12	Other unspent proceeds								
13	Year of substantial completion	2007		2010		2012		2010	
14	Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No	Yes	No	Yes	No
			X	X			X		X
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?	X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III Private Business Use

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

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X		X		X
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 %		0 %		0 %		0 %	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 %		0 %		0 %		0 %	
6	Total of lines 4 and 5	0 %		0 %		0 %		0 %	
7	Does the bond issue meet the private security or payment test?	X		X		X		X	
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		X
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X		X		X		X

Part IV

Arbitrage

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

Part IV Arbitrage (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X	X			X		X
b	Name of provider	MORGAN STANLEY & CO		MORGAN STANLEY & CO					
c	Term of GIC	1 7000000000000		1 7000000000000					
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X		X					
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
7	Has the organization established written procedures to monitor the requirements of section 148?		X		X		X		X

Part V Procedures To Undertake Corrective Action

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

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

Return Reference	Explanation
SCHEDULE K, PART IV, ARBITRAGE, LINE 2C	(A) ISSUER NAME NEBRASKA INVESTMENT FINANCE AUTHORITY DATE THE REBATE COMPUTATION WAS PERFORMED 06/28/2008 (A) ISSUER NAME HOSPITAL AUTH NO 3 OF DOUGLAS CNTY, NE DATE THE REBATE COMPUTATION WAS PERFORMED 04/30/2013 (A) ISSUER NAME HOSPITAL AUTH NO 2 OF DOUGLAS CNTY, NE DATE THE REBATE COMPUTATION WAS PERFORMED 11/30/2012 (A) ISSUER NAME HOSPITAL AUTH NO 3 OF DOUGLAS CNTY, NE DATE THE REBATE COMPUTATION WAS PERFORMED 11/30/2012
SCHEDULE K, ENTITY 1 - NOTE REGARDING THE 6/28/2008 REBATE COMPUTATION	SINCE THE BOND PROCEEDS HAVE BEEN SPENT, A SPENDING EXCEPTION WAS MET, AND THE DEBT SERVICE FUND WAS OPERATED ON A BONA FIDE BASIS, NO FURTHER REBATE CALCULATIONS ARE NECESSARY
SCHEDULE K, ENTITY 1 - NOTE REGARDING THE 11/30/2012 REBATE COMPS (2)	SINCE THE BOND PROCEEDS HAVE BEEN SPENT AND THE DEBT SERVICE FUND WAS OPERATED ON A BONA FIDE BASIS, NO FURTHER REBATE CALCULATIONS ARE NECESSARY
SCHEDULE K, ENTITY 1 - PART I, LINE B, COLUMN F	BLDG ADDITION/REFUND DEBT (11/25/97)
SCHEDULE K, ENTITY 1 - PART II, LINE 3	THE TOTAL PROCEEDS DO NOT AGREE TO THE ISSUE PRICE IN PART I, COLUMN (E) DUE TO INVESTMENT EARNINGS
SCHEDULE K, ENTITY 2 - PART II, LINE 3	THE TOTAL PROCEEDS DO NOT AGREE TO THE ISSUE PRICE IN PART I, COLUMN (E) DUE TO INVESTMENT EARNINGS
SCHEDULE K, ENTITY 1 AND ENTITY 2, PART V	WE ARE IN THE PROCESS OF ADOPTING VCAP WRITTEN PROCEDURES IN 2013 - 2014

Schedule K (Form 990)	Supplemental Information on Tax Exempt Bonds ▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI. ▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.	OMB No 1545-0047
		2013
		Open to Public Inspection

Department of the Treasury Internal Revenue Service	Name of the organization NEBRASKA METHODIST HOSPITAL	Employer identification number 47-0376604
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Part I

Bond Issues

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A HOSPITAL AUTH #2 DOUGLAS CNTY NE	52-1440796		12-16-2010	30,000,000	BUILDING ADDITIONS AND EQUIPMENT		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	615,000							
2	Amount of bonds legally defeased								
3	Total proceeds of issue	30,004,897							
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds	1,340,194							
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds								
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	28,664,703							
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion								
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X						
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III

Private Business Use

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

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %							
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 %							
6	Total of lines 4 and 5	0 %							
7	Does the bond issue meet the private security or payment test?	X							
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X						

Part IV

Arbitrage

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

Part IV

Arbitrage (Continued)

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

Part V

Procedures To Undertake Corrective Action

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

Part VI

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

Return Reference	Explanation
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Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

► 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.

Name of the organization
NEBRASKA METHODIST HOSPITAL

Employer identification number
47-0376604

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) JOHN NELSON	BOARD MEMBER	106,250	SUPP INFO PAYMENTS WERE MADE TO SILVERSTONE GROUP DURING 2013 MR NELSON IS THE CHAIRMAN OF SILVERSTONE GROUP ALL TRANSACTIONS WERE MADE AT ARMS-LENGTH		No

Part V Supplemental Information

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

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

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2013

**Open to Public
Inspection**

Name of the organization
NEBRASKA METHODIST HOSPITAL

Employer identification number

47-0376604

Return Reference	Explanation
FORM 990, PART V, LINE 2B	THE PAYROLL SYSTEM FOR NEBRASKA METHODIST HOSPITAL IS BEING HANDLED BY A COMMON PAYMASTER, NEBRASKA METHODIST HEALTH SYSTEM, INC ALL W-2 FORMS WERE ISSUED UNDER THE TAX IDENTIFICATION NUMBER OF NEBRASKA METHODIST HEALTH SYSTEM AND ALL REQUIRED EMPLOYMENT TAX RETURNS WERE FILED BY NEBRASKA METHODIST HEALTH SYSTEM WAGES AND BENEFITS SHOWN IN THE FORM 990 ARE ACTUAL WAGES ASSOCIATED WITH NEBRASKA METHODIST HOSPITAL PERSONNEL

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	THE SOLE MEMBER OF NEBRASKA METHODIST HOSPITAL IS NEBRASKA METHODIST HEALTH SYSTEM, INC , A NEBRASKA NOT-FOR-PROFIT CORPORATION

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	IN ACCORDANCE WITH THE BY LAWS, NEBRASKA METHODIST HEALTH SYSTEM, INC , THE MEMBER, HAS THE POWER TO CONFIRM AND REMOVE THE DIRECTORS OF THE CORPORATION AND HAS THE POWER TO APPOINT AND REMOVE THE PERSON DESIGNATED AS THE CORPORATION'S PRESIDENT BY THE BOARD OF DIRECTORS

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	NEBRASKA METHODIST HEALTH SYSTEM, INC , THE MEMBER, HAS THE POWER TO APPROVE OR REFUSE TO APPROVE ANY AMENDMENT TO THE CORPORATION'S ARTICLES OF INCORPORATION OR TO THE BYLAWS, OR ANY ACTION REQUIRED TO BE SUBMITTED TO AND APPROVED BY THE VOTING MEMBERS OF A NONPROFIT CORPORATION UNDER THE NEBRASKA NONPROFIT CORPORATION ACT THE MEMBER HAS APPROVAL AUTHORITY ON ANNUAL BUDGETS, CAPITAL EXPENDITURES IN EXCESS OF CERTAIN ESTABLISHED THRESHOLDS, AND ESTABLISHMENT OF OR PARTICIPATION AS A SHAREHOLDER, PARTNER OR EQUITY MEMBER OF ANY OTHER ENTITY

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	A COPY OF THE FORM 990 WAS PROVIDED TO THE MEMBERS OF THE NEBRASKA METHODIST HEALTH SYSTEM AUDIT COMMITTEE WHO REVIEWED IT IN DETAIL. THE AUDIT COMMITTEE REPORTED TO THE BOARD OF DIRECTORS ON THEIR REVIEW OF THE FEDERAL FORM 990. A COPY WAS MADE AVAILABLE TO MEMBERS OF THE BOARD OF DIRECTORS FOR REVIEW THROUGH A SECURE INTERNET PORTAL. NEBRASKA METHODIST HOSPITAL IS AN AFFILIATE OF THE NEBRASKA METHODIST HEALTH SYSTEM. THE POLICIES AND PRACTICES OF NEBRASKA METHODIST HEALTH SYSTEM APPLY TO ALL ITS AFFILIATES. INFORMATION FOR THE FORM 990 IS GATHERED FROM APPROPRIATE RESPONSIBLE PARTIES THROUGHOUT THE ORGANIZATION INCLUDING FINANCE, HUMAN RESOURCES AND CORPORATE COMPLIANCE, IS REVIEWED BY EXTERNAL TAX ADVISORS AND HAS A FINAL REVIEW BY THE CHIEF FINANCIAL OFFICER FOR THE NEBRASKA METHODIST HEALTH SYSTEM AND THE ORGANIZATION'S CHIEF EXECUTIVE OFFICER.

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	AN ANNUAL QUESTIONNAIRE IS SENT TO ALL OFFICERS, DIRECTORS AND KEY EMPLOYEES PURSUANT TO THE METHODIST HEALTH SYSTEM CONFLICTS OF INTEREST POLICY WHICH REQUIRES THE DISCLOSURE RELATIONSHIPS, NOT JUST FINANCIAL, THAT COULD GIVE RISE TO CONFLICTS WITH THE ORGANIZATION. A BOARD COMMITTEE MEETS ANNUALLY TO REVIEW ALL POTENTIAL CONFLICTS IDENTIFIED THROUGH THE SURVEYS. SHOULD A DECISION COME TO THE BOARD WITH AN IDENTIFIED CONFLICT, THE OFFICER, DIRECTOR OR KEY EMPLOYEE IS NOT PERMITTED TO VOTE OR USE PERSONAL INFLUENCE ON THE MATTER AND IS NOT COUNTED IN DETERMINING A QUORUM FOR A MEETING AT WHICH THE MATTER IS DISCUSSED. POTENTIAL CONFLICTS OF INTEREST, ONCE IDENTIFIED, MUST BE EVALUATED ON A CASE BY CASE BASIS. IN ORDER TO APPROVE THE TRANSACTION WHICH INVOLVES A DIRECT CONFLICT OF INTEREST, THE BOARD MUST FIRST FIND, BY MAJORITY VOTE OF DIRECTORS NOT INVOLVED IN THE CONFLICT, AT A MEETING AT WHICH A QUORUM IS PRESENT, THAT THE ARRANGEMENT OR TRANSACTION IS IN THE BEST INTERESTS OF NEBRASKA METHODIST HOSPITAL AND/OR THE METHODIST HEALTH SYSTEM AFFILIATES, IS FAIR AND REASONABLE, AND AFTER INVESTIGATION, THE DIRECTORS HAVE DETERMINED THAT A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT CANNOT BE OBTAINED WITH REASONABLE EFFORTS UNDER THE CIRCUMSTANCES.

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	METHODIST HEALTH SYSTEM WITH WHICH NEBRASKA METHODIST HOSPITAL IS AFFILIATED, RETAINS AN INDEPENDENT CONSULTANT TO REVIEW ALL OFFICER COMPENSATION FOR EACH AFFILIATE. UNDER THIS PROCESS, MARKET DATA ON COMPENSATION IS GATHERED AND ANALYZED AND COMPENSATION RANGES ARE SET. THE INFORMATION IS THEN PROVIDED TO THE COMPENSATION COMMITTEE OF THE BOARD OF NEBRASKA METHODIST HEALTH SYSTEM, INC., A NEBRASKA NON-PROFIT CORPORATION. ALL OFFICER COMPENSATION IS REVIEWED, EVALUATED AND APPROVED BY THIS COMMITTEE. PHYSICIAN COMPENSATION IS COMPARED TO NATIONAL COMPENSATION SURVEY DATA FROM THE AMERICAN MEDICAL GROUP ASSOCIATION (AMGA) AND THE MEDICAL GROUP MANAGEMENT ASSOCIATION (MGMA). THE POLICY ON "PHYSICIAN COMPENSATION" IS FOLLOWED WHEN CONTRACTING WITH PHYSICIANS TO ENSURE APPROPRIATE APPROVALS, INCLUDING APPROVAL BY THE BOARD OF DIRECTORS, ARE OBTAINED WHEN WARRANTED. OPINIONS OF FAIR MARKET VALUE REGARDING A PARTICULAR COMPENSATION ARRANGEMENT OR TRANSACTION MAY ALSO BE OBTAINED FROM REPUTABLE, INDEPENDENT VALUATION CONSULTANTS.

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 18	THE ORGANIZATION FILED THE FORM 1023 IN 1968. APPLICATIONS FILED BEFORE JULY 15, 1987 NEED NOT BE MADE PUBLICLY AVAILABLE. A COPY OF THE IRS DETERMINATION LETTER WILL BE PROVIDED UPON WRITTEN REQUEST.

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION DOES NOT MAKE THESE DOCUMENTS SEPARATELY AVAILABLE TO THE PUBLIC. HOWEVER, THE RESTATED ARTICLES OF INCORPORATION OF THE ORGANIZATION ARE AVAILABLE THROUGH THE NEBRASKA SECRETARY OF STATE'S WEBSITE. THE CONFLICT OF INTEREST POLICY IS DISTRIBUTED TO MEMBERS OF THE BOARD OF DIRECTORS AND EMPLOYEES. FINANCIAL INFORMATION IS AVAILABLE TO THE PUBLIC THROUGH THE IRS FORM 990 AND FORM 990-T. THE ORGANIZATION ALSO CONTRIBUTES INFORMATION REGARDING THE COMMUNITY BENEFITS IT PROVIDES AS PART OF THE METHODIST HEALTH SYSTEM'S ANNUAL COMMUNITY BENEFIT REPORT. THE REPORT IS AVAILABLE TO THE PUBLIC ON THE WEBSITE WWW.METHODISTCHART.ORG

Return Reference	Explanation
FORM 990, PART VII, SECTION A	DENNIS JOSLIN IS A KEY EMPLOYEE FOR NEBRASKA METHODIST HOSPITAL. HE HAS ASSIGNED LEADERSHIP RESPONSIBILITY AT THE NEBRASKA METHODIST COLLEGE OF NURSING.

Return Reference	Explanation
FORM 990, PART XI, LINE 9	TRANSFERS TO AFFILIATES -13,929,964 BENEFICIAL INTEREST IN FOUNDATION ASSETS 46,708,483

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
NEBRASKA METHODIST HOSPITAL

Employer identification number
47-0376604

Part I

Identification of Disregarded Entities

Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) HEART SERVICES LLC 8511 W DODGE ROAD OMAHA, NE 68114 27-1141616	CARDIOLOGY SERVICES	NE	6,625,975	1,640,863	NEBRASKA METHODIST HOSPITAL

Part II

Identification of Related Tax-Exempt Organizations

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

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

Part III

Identification of Related Organizations Taxable as a Partnership

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) NEBRASKA COLLABORATIVE LABORATORY LLC 8303 DODGE ROAD OMAHA, NE 68114 46-1173104	MOLECULAR LAB TESTING USING FLUORESCENCE IN SITU HYBRIDIZATION TECHNIQUES	NE	N/A	RELATED	-65,390	211,146		No			No	50 000 %

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) SHARED SERVICE SYSTEMS INC 8511 W DODGE ROAD OMAHA, NE 68114 47-0649534	MEDICAL SUPPLY DISTRIBUTION & LAUNDRY	NE	NEBRASKA METHODIST HEALTH SYSTEM	C					No
(2) METHODIST HEALTH PARTNERS 8511 W DODGE ROAD OMAHA, NE 68114 47-0797563	MANAGED CARE CONTRACTING	NE	NEBRASKA METHODIST HEALTH SYSTEM	C					No

Part V

Transactions With Related Organizations

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

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

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

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

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

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

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

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

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

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

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

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

1s

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) NEBRASKA METHODIST COLLEGE OF NURSING & ALLIED HEALTH	R	562,159	CASH

Schedule R (Form 990) 2013

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

[illegible]

Part VII

Supplemental Information

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

Return Reference	Explanation
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Additional Data

Software ID:
Software Version:
EIN: 47-0376604
Name: NEBRASKA METHODIST HOSPITAL

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c) (3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity?	
						Yes	No
(1) NEBRASKA METHODIST HEALTH SYSTEM INC 8511 W DODGE ROAD OMAHA, NE 68114 47-0639839	ADMINISTRATIVE SUPPORT	NE	501(C)(3)	L11 III-FI	N/A		No
(1) JENNIE EDMUNDSON MEMORIAL HOSPITAL 933 E PIERCE STREET COUNCIL BLUFFS, IA 51503 42-0680355	LICENSED HOSPITAL	IA	501(C)(3)	L3	NEBRASKA METHODIST HEALTH SYSTEM		No
(2) NEBRASKA METHODIST HOSPITAL FOUNDATION 8511 W DODGE ROAD OMAHA, NE 68114 47-0595345	SUPPORT OF NEBRASKA METHODIST HOSPITAL AND AFFILIATES EXEMPT ACTIVITIES	NE	501(C)(3)	L7	NEBRASKA METHODIST HEALTH SYSTEM		No
(3) NEBRASKA METHODIST COLLEGE OF NURSING AND ALLIED HEALTH 8511 W DODGE ROAD OMAHA, NE 68114 47-0724387	NURSING AND HEALTH EDUCATION FACILITY	NE	501(C)(3)	L2	NEBRASKA METHODIST HOSPITAL	Yes	
(4) JENNIE EDMUNDSON MEMORIAL HOSPITAL FOUNDATION 933 E PIERCE STREET COUNCIL BLUFFS, IA 51503 42-1439454	SUPPORT OF JENNIE EDMUNDSON MEMORIAL HOSPITAL	IA	501(C)(3)	L7	JENNIE EDMUNDSON MEMORIAL HOSPITAL		No
(5) NEBRASKA METHODIST HEALTH SYSTEM SELF INSURANCE TRUST 8511 W DODGE ROAD OMAHA, NE 68114 36-3699672	INSURANCE	NE	501(C)(3)	L11 III-FI	NEBRASKA METHODIST HEALTH SYSTEM		No
(6) REAL ESTATE HOLDINGS 8511 W DODGE ROAD OMAHA, NE 68114 47-0649790	PROPERTY MANAGEMENT	NE	501(C)(2)		NEBRASKA METHODIST HEALTH SYSTEM		No
(7) PHYSICIANS CLINIC INC 8511 W DODGE ROAD OMAHA, NE 68114 47-0687317	CLINICAL HEALTH CARE	NE	501(C)(3)	L9	NEBRASKA METHODIST HEALTH SYSTEM		No

TY 2013 Affiliated Group Schedule

Name: NEBRASKA METHODIST HOSPITAL
EIN: 47-0376604

Affiliated Group Business Name:		NEBRASKA METHODIST HEALTH SYSTEM INC
Address. Either US or Foreign Type:		8511 W DODGE ROAD OMAHA, NE 68114
EIN:		47-0639839
Electing Organization Checkbox:		☒
Total Grassroots Lobbying:	0	
Total Direct Lobbying:	48,000	
Total Lobbying Expenditures:	48,000	
Other Exempt Purpose Expenditures:	44,445,835	
Total Exempt Purpose Expenditures:	44,493,835	
Lobbying Nontaxable Amount:	1,000,000	
Grassroots Nontaxable Amount:	250,000	
Tot Lobbying Grassroot Minus Non Tx:	0	
Tot Lobby Expend Mns Lobbying Non Tx:	0	
Share Of Excess Lobbying:	0	
Affiliated Group Business Name:		NEBRASKA METHODIST HOSPITAL
Address. Either US or Foreign Type:		8511 W DODGE ROAD OMAHA, NE 68114
EIN:		47-0376604
Electing Organization Checkbox:		☒
Total Grassroots Lobbying:	0	
Total Direct Lobbying:	23,245	
Total Lobbying Expenditures:	23,245	
Other Exempt Purpose Expenditures:	428,666,028	
Total Exempt Purpose Expenditures:	428,689,273	
Lobbying Nontaxable Amount:	1,000,000	
Grassroots Nontaxable Amount:	250,000	
Tot Lobbying Grassroot Minus Non Tx:	0	
Tot Lobby Expend Mns Lobbying Non Tx:	0	
Share Of Excess Lobbying:	0	



NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidated Financial Statements and Supplemental Data

December 31, 2013 and 2012

(With Independent Auditors' Report Thereon)



KPMG LLP
Suite 300
1212 N. 96th Street
Omaha, NE 68114-2274

Suite 1600
233 South 13th Street
Lincoln, NE 68508-2041

Independent Auditors' Report

The Board of Directors
Nebraska Methodist Health System, Inc

We have audited the accompanying consolidated balance sheets of the Nebraska Methodist Health System, Inc. and affiliates (the Health System), as of December 31, 2013 and 2012, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the 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 auditors consider 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 reasonable basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Nebraska Methodist Health System, Inc. and affiliates as of December 31, 2013 and 2012, and the results of their operations and their cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.



Other Matter

Our audits were conducted the purpose of forming an opinion on the consolidated financial statements taken as a whole. The 2013 consolidating information included in the accompanying exhibits 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 audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

KPMG LLP

Omaha, Nebraska
April 16, 2014

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidated Balance Sheets

December 31, 2013 and 2012

(Amounts in thousands)

Assets	2013	2012
Current assets		
Cash and cash equivalents	\$ 98,117	86,465
Patient accounts receivable, less allowance for uncollectible accounts of \$17,412 in 2013 and \$22,652 in 2012	82,405	94,968
Contributions receivable	3,623	7,178
Other receivables	8,567	17,767
Inventories	16,583	14,386
Prepaid expenses	7,391	7,009
Total current assets	216,686	227,773
Investments and assets limited as to use		
Long-term investments including restricted investments of \$48,199 in 2013 and \$28,725 in 2012	270,561	200,044
Securities on loan	3,374	3,461
Construction funds	—	1,949
Bond trust fund investments	15,025	15,457
Total investments and assets limited as to use	288,960	220,911
Property and equipment		
Land	18,998	18,838
Land improvements	20,532	20,206
Buildings and improvements	497,271	477,533
Equipment and furnishings	441,660	424,771
Construction in progress	26,428	22,831
Total property and equipment	1,004,889	964,179
Less accumulated depreciation	577,009	539,838
Total property and equipment, net	427,880	424,341
Other assets		
Contributions receivable	4,344	4,224
Deferred financing costs	6,171	6,474
Investments in unconsolidated entities	7,743	10,828
Assets for pension benefits	3,066	—
Other	8,719	7,050
Total other assets	30,043	28,576
Total assets	\$ 963,569	901,601

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidated Balance Sheets

December 31, 2013 and 2012

(Amounts in thousands)

Liabilities and Net Assets	2013	2012
Current liabilities		
Current portion of long-term debt and capital lease obligations	\$ 8.047	7.701
Current portion of accrued liabilities under self-insured programs	6.795	7.022
Accounts payable	29.242	21.249
Accrued salaries, wages, and benefits	48.235	46.240
Other accrued liabilities	13.669	12.065
Collateral on securities loaned	3.613	3.725
Estimated third-party payor settlements	3.786	7.631
Total current liabilities	113.387	105.633
Liability for pension benefits	3.583	76.427
Conditional asset retirement obligation	7.104	7.312
Other long-term liabilities	15.343	13.883
Long-term debt and capital lease obligations, net of current portion	272.455	275.966
Accrued liabilities under self-insured programs, net of current portion	10.100	7.998
Total liabilities	421.972	487.219
Net assets		
Unrestricted	480.892	370.911
Temporarily restricted	58.039	40.886
Permanently restricted	2.666	2.585
Total net assets	541.597	414.382
Total liabilities and net assets	\$ 963.569	901.601

See accompanying notes to consolidated financial statements

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidated Statements of Operations

Years ended December 31, 2013 and 2012

(Amounts in thousands)

	<u>2013</u>	<u>2012</u>
Unrestricted revenues, gains, and other support		
Patient service revenue, net of contractual adjustments and discounts	\$ 624,428	621,773
Provision for uncollectible accounts	(3,703)	(7,048)
Net patient service revenue	620,725	614,725
Sales of supplies, linen, and laundry services	6,665	6,923
Tuition, housing, and bookstore	13,386	12,511
Cafeteria, rental, and other	27,158	21,200
Total revenues, gains, and other support	667,934	655,359
Expenses		
Salaries and wages	312,974	298,744
Employee benefits	83,523	79,379
Supplies	95,947	96,247
Professional fees and purchased services	51,020	53,131
Plant and utilities	40,003	38,041
Depreciation	42,633	42,757
Interest and amortization	14,155	13,851
Other	23,415	22,923
Total expenses	663,670	645,073
Operating income	4,264	10,286
Other income (expense)		
Investment income	11,645	19,533
Income from unconsolidated entities	2,761	3,505
Gain on sale of property and equipment	45	65
Income taxes	(808)	(396)
Other	—	(42)
Total other income, net	13,643	22,665
Excess of revenues over expenses	17,907	32,951
Other changes in unrestricted net assets		
Change in net unrealized gains and losses on investments	13,228	2,382
Change in value of charitable remainder unitrusts and related annuities payable	(242)	(197)
Change in liability for pension benefits	73,852	(12,527)
Net assets released from restrictions for the purchase of property and equipment	5,325	112
Transfer of revolving loan funds	(89)	—
Total other changes in unrestricted net assets	92,074	(10,230)
Increase in unrestricted net assets	\$ 109,981	22,721

See accompanying notes to consolidated financial statements

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidated Statements of Changes in Net Assets

Years ended December 31, 2013 and 2012

(Amounts in thousands)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Balance, January 1, 2012	\$ 348,190	29,449	2,282	379,921
Excess of revenues over expenses	32,951	—	—	32,951
Restricted gifts and grants	—	13,102	303	13,405
Restricted interest and investment income	—	300	—	300
Change in net unrealized gains and losses on investments	2,382	355	—	2,737
Change in value of charitable remainder unitrusts and related annuities payable	(197)	(72)	—	(269)
Change in liability for pension benefits	(12,527)	—	—	(12,527)
Net assets released from restrictions for use in operations	—	(2,136)	—	(2,136)
Net assets released from restrictions for the purchase of property and equipment	112	(112)	—	—
Increase in net assets	<u>22,721</u>	<u>11,437</u>	<u>303</u>	<u>34,461</u>
Balance, December 31, 2012	<u>370,911</u>	<u>40,886</u>	<u>2,585</u>	<u>414,382</u>
Excess of revenues over expenses	17,907	—	—	17,907
Restricted gifts and grants	—	23,893	—	23,893
Restricted interest and investment income	—	239	—	239
Change in net unrealized gains and losses on investments	13,228	564	—	13,792
Change in value of charitable remainder unitrusts and related annuities payable	(242)	24	—	(218)
Change in liability for pension benefits	73,852	—	—	73,852
Net assets released from restrictions for use in operations	—	(2,250)	—	(2,250)
Net assets released from restrictions for the purchase of property and equipment	5,325	(5,325)	—	—
Transfer of revolving loan funds	(89)	—	89	—
Modification of donor intent	—	8	(8)	—
Increase in net assets	<u>109,981</u>	<u>17,153</u>	<u>81</u>	<u>127,215</u>
Balance, December 31, 2013	<u>\$ 480,892</u>	<u>58,039</u>	<u>2,666</u>	<u>541,597</u>

See accompanying notes to consolidated financial statements

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidated Statements of Cash Flows

Years ended December 31, 2013 and 2012

(Amounts in thousands)

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Increase in net assets	\$ 127,215	34,461
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	42,633	42,757
Amortization and accretion	615	591
Gain on sale of property and equipment	(45)	(65)
Impairment losses on investments	128	77
Income from unconsolidated entities	(2,761)	(3,505)
Return on investments in unconsolidated entities	3,034	—
Provision for uncollectible accounts	3,703	7,048
Restricted gifts and grants	(23,893)	(13,405)
Restricted interest and investment income	(239)	(300)
Change in net unrealized and realized gains and losses on investments	(19,744)	(16,844)
Change in value of charitable remainder unitrusts and related annuities payable	218	269
Change in liability for pension benefits	(73,852)	12,527
Changes in assets and liabilities		
Patient accounts receivable	8,860	(15,175)
Other receivables	(62)	1,835
Inventories	(2,197)	(1,262)
Prepaid expenses	(382)	(1)
Other assets	(1,669)	(786)
Accounts payable	5,177	(5,482)
Accrued salaries, wages, and benefits	1,995	(30)
Other accrued liabilities	3,479	(1,459)
Estimated third-party payor settlements	(3,845)	3,334
Liability for pension benefits	(2,058)	(1,626)
Conditional asset retirement obligation	(520)	403
Other long-term liabilities	1,460	293
Net cash provided by operating activities	<u>67,250</u>	<u>43,655</u>
Cash flows from investing activities		
Purchases of investments and assets limited as to use	(225,514)	(398,146)
Sales of investments and assets limited as to use	176,900	383,136
Purchase of property and equipment	(43,427)	(28,294)
Proceeds from sale of property and equipment	116	130
Cash contributed to unconsolidated entities	—	(599)
Distributions from investments in unconsolidated entities	2,881	2,893
Net cash used in investing activities	<u>(89,044)</u>	<u>(40,880)</u>
Cash flows from financing activities		
Issuance of long-term debt	54,876	50,632
Principal payments on long-term debt and capital lease obligations	(48,779)	(42,736)
Restricted gifts, grants, interest, and investment income	27,567	9,736
Change in value of charitable remainder unitrusts and related annuities payable	(218)	(269)
Net cash provided by financing activities	<u>33,446</u>	<u>17,363</u>
Net increase in cash and cash equivalents	11,652	20,138
Cash and cash equivalents, beginning of year	<u>86,465</u>	<u>66,327</u>
Cash and cash equivalents, end of year	\$ <u>98,117</u>	\$ <u>86,465</u>
Supplemental disclosures of cash flow information		
Cash paid for interest	\$ 14,345	13,962
Cash paid for income taxes	979	404

Supplemental disclosures of noncash items

During 2010, the Health System issued \$30,000 of Health Facilities Revenue Bonds, of which, \$9,262 and \$10,800 were drawn from a bank in 2013 and 2012, respectively

See accompanying notes to consolidated financial statements

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidated Notes to Financial Statements

December 31, 2013 and 2012

(1) Organization

Nebraska Methodist Health System, Inc. and affiliates (the Health System) is a not-for-profit corporation providing a variety of healthcare, education, and related services to communities in Eastern Nebraska and Western Iowa. Healthcare services include inpatient, outpatient, emergency care, home healthcare, and physician services. The Health System is the sole corporate member of the following affiliated entities:

- The Nebraska Methodist Hospital (including Methodist Women's Hospital campus)
 - The Nebraska Methodist College of Nursing and Allied Health
 - Heart Services, LLC
- Jennie Edmundson Memorial Hospital
 - Jennie Edmundson Memorial Hospital Foundation
- Physicians Clinic, Inc.
- The Nebraska Methodist Hospital Foundation
- Shared Service Systems, Inc.
- Nebraska Methodist Hospital Self-Insured Trust
- Methodist Health Partners

(2) Summary of Significant Accounting Policies

The following is a summary of significant accounting policies of the Health System. These policies are in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

(a) *Use of Estimates*

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include allowances for uncollectible accounts and contractual adjustments, estimated third-party payor settlements, liability for pension benefits, self-insurance liabilities, and other contingencies.

(b) *Principles of Consolidation*

The Health System consolidates all wholly owned affiliated entities and all entities in which it has greater than 50% ownership interest with commensurate control. All significant intercompany balances and transactions have been eliminated in consolidation.

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(c) *Cash and Cash Equivalents*

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less, excluding those amounts included as part of the investment portfolio

(d) *Provision for Uncollectible Accounts*

The provision for uncollectible accounts is based upon management's assessment of expected net collections considering the accounts receivable aging, historical collections experience, economic conditions, trends in healthcare coverage, and other collection indicators. Management periodically assesses the adequacy of the allowances for uncollectible accounts and contractual adjustments based upon historical write-off experience by payor category. The results of these reviews are used to establish the net realizable value of patient accounts receivable. The Health System follows established guidelines for placing certain patient balances with collection agencies. Self-pay accounts are charged against the allowance for uncollectible accounts at the time of transfer to the collection agency. Deductibles and coinsurance are classified as either third-party or self-pay receivables on the basis of which party has the primary remaining financial responsibility, while the total gross revenue remains classified based on the primary payor at the time of service. There are various factors that can impact collection trends, such as changes in the economy, which in turn may have an impact on unemployment rates and the number of uninsured and underinsured patients, the volume of patients through the emergency departments, the increased burden of copayments and deductibles to be made by patients with insurance, and business practices related to collection efforts. These factors continuously change and can have an impact on collection trends and the estimation process. Net patient accounts receivable have been adjusted to the estimated amounts expected to be collected and do not bear interest.

The Health System does not maintain an allowance for doubtful accounts from third-party payors, nor did it have significant write-offs from third-party payors.

(e) *Inventories*

Inventories are stated at the lower of cost or market. Cost is determined principally using the first-in, first-out method.

(f) *Investments and Assets Limited as to Use*

Investments are measured at fair value in the consolidated balance sheets. Investment income (including realized gains and losses on investments, interest, and dividends) is included in excess of revenues over expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from excess of revenues over expenses unless the investments are trading securities or the Health System has elected the fair value option. The Health System periodically reviews its investment portfolio to determine whether any unrealized losses are other than temporary. Impairments are recognized for financial reporting purposes and a new cost basis for the security is established. To determine whether impairment is other than temporary, the Health System considers whether it has the ability and intent to hold the investment until the market price recovers and considers whether evidence indicating the cost of the investment is recoverable outweighs evidence to the contrary. Evidence considered in the assessment includes reasons for the

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impairment, the severity and duration of the impairment, changes in value subsequent to year-end, forecasted performance of the investee, and the general market condition of the industry in which the investee operates. Based on this evaluation, the Health System recognized other-than-temporary impairment losses of approximately \$128 in 2013 and \$77 in 2012. Other-than-temporary impairment losses are included in investment income in the consolidated financial statements.

Assets limited as to use primarily include assets held by trustees under indenture agreements, donor-restricted gifts, and designated assets set aside by the Board of Directors (the Board) for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes.

(g) *Property and Equipment*

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. The estimated useful lives of property and equipment are as follows: land improvements – two to 25 years, buildings and improvements – five to 40 years, and equipment and furnishings – three to 20 years. Equipment under capital lease obligations is amortized using 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 financial statements. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. During 2013 and 2012, \$1,030 and \$733 of interest was capitalized, respectively.

Gifts of long-lived assets, such as land, buildings, or equipment, are reported as an increase to unrestricted net assets, and are excluded from excess of revenues over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

(h) *Impairment of Long-Lived Assets*

The Health System reviews the carrying amount of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Measurement of any impairment would include a comparison of the present value of the estimated future operating cash flows anticipated to be generated during the remaining life of the long-lived assets to the net carrying value of the assets. No assets were impaired during 2013 and 2012.

(i) *Deferred Financing Costs*

Certain expenses incurred in connection with the issuance of long-term debt have been deferred and are being amortized using the effective interest method over the term of the related obligation.

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(j) *Asset Retirement Obligations*

The Health System recognizes the fair value of liabilities for legal obligations associated with asset retirements in the period in which they are incurred, if a reasonable estimate of the fair value of the obligation can be made. Over time, the obligation is accreted to its present value each period. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of operations. The Health System has recorded a conditional asset retirement obligation related to estimated asbestos abatement costs in the amount of \$7.104 and \$7.312 at December 31, 2013 and 2012, respectively.

(k) *Temporarily and Permanently Restricted Net Assets*

Temporarily restricted net assets are those whose use by the Health System has been limited by donors to a specific time period, purpose, or by law. Permanently restricted net assets have been restricted by donors to be maintained by the Health System in perpetuity.

(l) *Donor-Restricted Gifts*

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of operations.

(m) *Net Patient Service Revenue Before the Provision for Uncollectible Accounts*

Net patient service revenue before the provision for uncollectible accounts is recognized in the period in which the services are performed and consists of gross patient service revenue less estimated contractual adjustments and discounts. The discount offered to uninsured patients is recognized as a contractual adjustment, which reduces net patient service revenue. The uninsured patient accounts, net of contractual adjustments, are further reduced to their net realizable value through the provision for uncollectible accounts. The Health System has agreements with third-party payors that provide for payments to the Health System at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, per diem, per visit, or per procedure, and discounted charges plus cost reimbursement for certain costs under governmental programs. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, 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 rendered and adjusted in future periods as final settlements are determined.

(n) *Meaningful Use of Electronic Health Record (EHR) Incentive Payments*

The American Recovery and Reinvestment Act of 2009 included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health

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Act (HITECH) The provisions were designed to increase the use of EHR technology and establish the requirements for a Medicare and Medicaid incentive payment program beginning in 2011 for eligible providers that adopt and meaningfully use EHR technology. Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period. Initial Medicaid payments are available to providers that adopt, implement, or upgrade certified EHR technology. Providers must demonstrate meaningful use of such technology in subsequent years to qualify for additional Medicaid incentive payments.

In 2013, the Health System recorded meaningful use incentive revenue of \$6,635 related to the Medicare and Medicaid programs. These incentive payments have been recognized in cafeteria, rental, and other in the consolidated statements of operations based on the grant accounting model whereby the incentive revenue is recorded when management becomes reasonably assured of meeting the required criteria.

(o) Financial Assistance

The Health System provides care to patients who meet certain criteria under its financial assistance policy without charge or at amounts less than established rates. Because the Health System does not pursue collection of amounts determined to qualify as financial assistance, they are not reported as revenue. The cost of services and supplies furnished under the Health System's financial assistance policy are estimated based on the ratio of net costs to gross charges aggregated to \$11,455 and \$10,859 in 2013 and 2012, respectively.

Patients meeting the guidelines for financial assistance frequently are uninsured and therefore qualify for the uninsured discount, which reduces the amount that they are responsible for to the equivalent of commercial reimbursement rates. This discount is applied prior to the financial assistance discount.

(p) Insurance Reserves

The provision for self-insurance reserves includes an estimate of the ultimate cost of reported claims as well as claims incurred but not reported. See note 10.

(q) Investment in Unconsolidated Entities

Investments in unconsolidated entities are accounted for under the cost or equity method of accounting, as appropriate, based on the relative percentage of ownership or degree of influence over the organization. The equity income or loss on these investments is recorded in the consolidated statements of operations as income from unconsolidated entities.

(r) Income Taxes

The Health System and all affiliates, except for Shared Service Systems, Inc., and Methodist Health Partners, have been recognized by the Internal Revenue Service as tax-exempt organizations, as described in Section 501(c)(3) of the Internal Revenue Code (the Code), and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The estimated federal and state income tax expense for the taxable entities and certain activities of the tax-exempt organizations that are unrelated to their exempt purpose was \$808 and \$396 for 2013 and 2012.

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respectively. The United States is the major tax jurisdiction for the Health System and 2010 is the earliest tax year subject to examination.

The Health System recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. In 2013 and 2012, management determined there are no material income tax positions requiring recognition in the financial statements.

(s) Excess of Revenues over Expenses

The consolidated statements of operations include excess of revenues over expenses. Changes in unrestricted net assets, which are excluded from excess of revenues over expenses, include the change in unrealized gains and losses on investments other-than-trading securities, change in value of charitable remainder unitrusts and annuities payable, change in net liability for pension benefits, and contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purposes of acquiring such assets).

(3) Net Patient Service Revenue and Accounts Receivable

The Nebraska Methodist Hospital and Jennie Edmundson Memorial Hospital (collectively, the Hospitals) and the Physicians Clinic (the Clinic) have agreements with third-party payors that provide for payments to the Hospitals and the Clinic at amounts different from their established rates. A summary of the payment arrangements with major third-party payors is as follows:

(a) Medicare

Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Medical education costs are paid based on a cost-reimbursement methodology. The Hospitals are reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospitals and audits thereof by the Medicare fiscal intermediary. Physician services are paid based on fee schedules.

(b) Nebraska Medicaid

Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. Certain outpatient services are reimbursed based on a percentage rate representing the average ratio of cost to charges discounted by 24% and 26% at December 31, 2013 and 2012, respectively.

(c) Iowa Medicaid

Medical and surgical inpatient services and outpatient services rendered to Medicaid program beneficiaries are primarily paid at prospectively determined rates per discharge. Inpatient psychiatric stays are paid on a prospectively determined per diem. Physician services are paid based on fee

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schedule amounts Iowa Medicaid implemented a provider assessment program in order to increase federal funding In 2013 and 2012, the net impact was not significant

Revenue from the Medicare and Medicaid programs accounted for approximately 29% and 5%, respectively, of the Health System's net patient service revenue for the year ended December 31, 2013, and 28% and 5%, respectively, for the year ended December 31, 2012 Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term Net patient service revenue increased \$777 and \$444 in 2013 and 2012, respectively, as a result of changes in estimates due to prior year cost report settlements In 2012, the Health System also prevailed on the appeal of a cost report settlement from the Centers for Medicare and Medicaid Services (CMS) related to the calculation used by CMS for the rural floor wage index The settlement amount is included in net patient service revenue and totaled \$3.630 The appeal spanned years from 1997 through 2011

The Hospitals and the Clinic have also entered into payment agreements with certain commercial insurance carriers and preferred provider organizations The basis for payment under these agreements includes discounts from established charges, fee schedules, and prospectively determined rates per discharge

The governmental payors, as well as most commercial payors, have developed programs to review paid claims on a retroactive basis for accuracy and medical necessity The Health System is subject to these post payment audits, which may result in the return of payments previously received The determination of net patient service revenue includes consideration of these audits on net realizable revenue

Patient service revenue, net of contractual adjustments and discounts (but before the provision for uncollectible accounts), based on the primary payor at the time of service for the years ended December 31, 2013 and 2012 is as follows

	<u>2013</u>	<u>2012</u>
Third party	\$ 616.693	613.861
Self-pay	<u>7.735</u>	<u>7.912</u>
	<u>\$ 624.428</u>	<u>621.773</u>

Patient accounts receivable, net of contractual adjustments and discounts, was \$99,817 and \$117,620 as of December 31, 2013 and 2012, respectively, or 16% and 19% of patient service revenue, net of contractual adjustments and discounts, for the fiscal years then ended The related allowance for uncollectible accounts was \$17,412 and \$22,652, or 17% and 19% of the related patient accounts receivable, net of contractual adjustments and discounts, as of December 31, 2013 and 2012, respectively The provision for uncollectible accounts in 2013 and 2012, respectively, was \$3,703 and \$7,048 The decrease in the provision is primarily related to a 10% decrease in patient accounts receivable, higher than expected recoveries, and the refinement of the processes to identify patients eligible for financial assistance

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(4) Concentrations of Credit Risk

The Health System grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at December 31, 2013 and 2012 was as follows:

	2013	2012
Medicare	35%	33%
Medicaid	11	12
Managed care	38	37
Other	16	18
	100%	100%

(5) Long-Term Debt and Capital Lease Obligations

A summary of long-term debt and capital lease obligations at December 31, 2013 and 2012 is as follows:

	2013	2012
Nebraska Investment Finance Authority Health Facilities Refunding and Revenue Bonds, Series 2008, payable in varying annual installments to 2048, with fixed interest rates ranging from 5.25% to 5.75%	\$ 209,340	210,060
Nebraska Investment Finance Authority Health Facilities Revenue Bonds, Series 2010, payable in varying semiannual installments to 2040, with a fixed interest rate of 4.28%	29,385	30,000
Nebraska Investment Finance Authority Health Facilities Revenue Bonds, Series 2009, payable in varying quarterly installments to 2039, with a fixed interest rate of 3.53%	27,625	28,260
Iowa Finance Authority Health Facilities Refunding Revenue Bonds, Series 1997, payable in varying annual installments to 2017, with fixed interest rates ranging from 4.90% to 5.13%	4,605	5,620
Nebraska Educational Finance Authority Loan payable in fixed semiannual installments to 2027, with a fixed interest rate of 4.96%	2,699	2,836
The Nebraska Methodist Hospital Real-Estate Agreement payable in fixed monthly installments to 2022, with a fixed interest rate of 4.53%	2,177	2,395

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	<u>2013</u>	<u>2012</u>
Capital lease obligations, payable in varying monthly installments to 2017, with interest rates ranging from 4.28% to 4.79%. The equipment has a combined net book value of \$130 at December 31, 2013	\$ 136	264
Line of credit under vendor payment program	4,535	4,232
	280,502	283,667
Less current portion	8,047	7,701
Long-term debt and capital lease obligations, net of current portion	\$ 272,455	275,966

The Health System and all affiliates, except for Shared Service Systems, Inc., Nebraska Methodist Hospital Self-Insured Trust, and Heart Services, LLC, have entered into a Master Trust Indenture (Indenture), which provides, among other things, for certain covenants related to the incurrence of additional indebtedness, the sale, lease, or disposition of property, and the maintenance of certain financial ratios. The Indenture also requires the Health System to satisfy financial performance measures as long as the debt is outstanding.

In the event of a Rating Agency downgrade to a rating of BBB (or its equivalent) or lower, the initial purchasing banks of the 2009 and 2010 series bonds and the reinsurer of the 1997 series bonds may elect to have the Health System repurchase the 2010, 2009, and 1997 bonds. In the event of this election, the Health System would have 90 days to refinance the then outstanding bonds, which total \$61.615 at December 31, 2013.

The following is a summary of the outstanding balances by entity under the Indenture as of December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
The Nebraska Methodist Hospital	\$ 262,553	264,523
Nebraska Methodist Health System, Inc.	3,797	3,797
Jennie Edmundson Memorial Hospital	4,605	5,620
Debt under the Indenture	270,955	273,940
Other debt and capital lease obligations	9,547	9,727
Total debt and capital lease obligations	\$ 280,502	283,667

Property of the Nebraska Methodist College of Nursing and Allied Health is pledged as collateral for the Nebraska Educational Finance Authority Loan.

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Scheduled principal payments are as follows

	Long-term debt and line of credit	Capital lease obligations
2014	\$ 7.983	68
2015	3.621	27
2016	3.789	27
2017	3.964	23
2018	4.159	—
Thereafter	256.850	—
	<u>\$ 280.366</u>	<u>145</u>
Less amount representing interest under capital lease obligations		9
		<u>\$ 136</u>

In March 2014, Jennie Edmundson Memorial Hospital redeemed the Series 1997 Iowa Finance Authority Health Facilities Refunding Revenue Bonds, which were included under the Indenture

In March 2014, Hospital Authority No. 2 and Hospital Authority No. 3 of Douglas County, Nebraska issued \$40,000 of Series 2014 fixed rate nonbank qualified tax-exempt bonds on behalf of the Health System under the Indenture. The proceeds will be used to refund the Series 2009 bonds and finance certain capital projects. The bonds were purchased directly by a bank, mature in 2044, and are subject to mandatory tender in 2022. During the initial term, the bonds will bear interest at a fixed rate equal to the bank cost of funds plus applicable spread.

The Health System has available a \$10,000 unsecured revolving line of credit with an interest rate of one-month LIBOR plus 1.5%. The line of credit expires on August 1, 2014. As of December 31, 2013 and 2012, no amounts have been advanced on the line of credit.

The Health System has available a \$10,000 unsecured revolving line of credit in connection with a vendor payment program with an interest rate of three-month LIBOR plus 1.75%. Interest on the line of credit is paid by the program vendor. The line of credit expires on May 1, 2014. As of December 31, 2013 and 2012, \$4,535 and \$4,232, respectively, have been advanced on the line of credit.

(6) Investments and Assets Limited as to Use

Investments and assets limited as to use are stated at fair value and consist of

(a) Long-Term Investments Including Securities on Loan

Long-term investments will be used to provide liquidity, retire long-term debt, replace existing facilities, expand the present facilities as necessary in the future, and continue the health services currently provided by the Health System. Additionally, certain of these funds have been designated

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to fund self-insurance reserves. Long-term investments are held in a variety of different investment vehicles. See note 7 for a description of investments held.

(b) *Construction Funds*

Proceeds from the 2010 bonds were deposited with a trustee for construction, improvement, equipping, and furnishing of the Methodist Hospital pathology building, employee parking garage, and surgery remodel project. There were no remaining construction funds at December 31, 2013. Construction funds held at December 31, 2012 were comprised mainly of money market funds.

(c) *Bond Trust Fund Investments*

In connection with certain debt obligations, the Health System is required to make periodic deposits into bond sinking and interest funds with the trustee to provide for scheduled interest and principal payments. Bond trust fund investments held at December 31, 2013 were comprised mainly of money market funds. Bond trust fund investments held at December 31, 2012 were comprised mainly of U.S. government and agency obligations.

Unrestricted investment income for investments and assets limited as to use, and cash and cash equivalents comprise the following for the years ending December 31, 2013 and 2012:

		<u>2013</u>	<u>2012</u>
Interest and dividends	\$	5,945	5,693
Realized gains and losses on the sale of securities		5,828	13,917
Impairment losses on investments		(128)	(77)
Change in net unrealized gains and losses on investments		13,228	2,382

Total unrealized losses from historical cost at December 31, 2013 were \$3,283, of which \$762 relates to securities that have been in an unrealized loss position for greater than a year. Management reviewed the securities with unrealized losses at December 31, 2013 and determined that the securities were not other than temporarily impaired. Management reached this conclusion by applying its other-than-temporary loss policy, as well as discussions with its investment consultants and portfolio managers, who relied on industry analyst reports, credit ratings, current market conditions, and other information they deemed relevant to this assessment.

Securities Lending

The Health System participates in a securities lending program operated by Clearlend, a division of Wells Fargo. Under this program, equity and fixed income investment securities are loaned on a temporary basis to investment brokers for a fee. The Health System retains the right to the equivalent of all distributions of the securities while on loan, including but not limited to, dividends, interest, and other cash distributions.

Securities so loaned are fully collateralized by short-term domestic securities that are high grade and quality at the time of investment. The Health System receives the aggregate income derived from the investments net of any tax, rebate, fees paid to borrowers, and other certain expenses.

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All securities loans can be terminated by the lender, the borrower, or the lending agent. Upon termination of a loan, the securities loaned are returned to the lending agent and the associated collateral is returned to the borrower.

The fair market value of securities on loan under the securities lending program was \$3.374 and \$3.461 as of December 31, 2013 and 2012, respectively. The fair market value of the collateral received for the loaned securities was \$3.613 and \$3.725 as of December 31, 2013 and 2012, respectively. None of the collateral was sold or repledged during 2013 or 2012.

(7) Fair Value Measurements

Fair Value Hierarchy

The fair value of financial instruments is the amount that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Health System follows 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 the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Financial instruments classified in this level generally include pooled short-term investment funds, exchange traded equity securities, and mutual funds.

Level 2: Inputs are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Financial instruments classified in this level generally include fixed income government obligations, asset-backed securities, and corporate and municipal bonds.

Level 3: Inputs are unobservable for the asset or liability. The inputs into the determination of fair value require management's judgment or estimation of assumptions that market participants would use in pricing the asset or liability. Financial instruments classified in this level generally include alternative investments, limited partnerships, and private equity investments.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair Value of Financial Instruments

The following is a description of the fair value of financial instruments held and the methods and assumptions that were used to estimate the fair value of each class of financial instrument:

Cash and cash equivalents, patient accounts receivable, other receivables, accounts payable, accrued salaries, wages and benefits, other accrued liabilities, collateral on securities loaned, and estimated

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third-party pay or settlements – the carrying amount approximates fair value due to the short maturity of these instruments

Contributions receivable, liability for charitable remainder unitrusts and annuities payable, and liability under self-insured programs – the carrying amount approximates fair value. The fair value is determined using the income approach by estimating the present value of expected future cash flows based on the best information available.

Conditional asset retirement obligation – the carrying amount approximates fair value. The fair value is determined using the income approach by estimating the present value of expected future cash flows based on the best information available. The conditional asset retirement obligation utilizes Level 3 measurements in determining the fair value.

Debt and capital lease obligations – The fair value of long-term debt and capital lease obligations is \$275.782 and \$301.755 as of December 31, 2013 and 2012, respectively. The fair value of the Health System's long-term debt is measured using quoted offer-side prices when quoted market prices are available. If quoted market prices are not available, the fair value is determined by discounting the future cash flows of each instrument at rates that reflect, among other things, market interest rates and the Health System's credit standing. In determining an appropriate spread to reflect its credit standing, the Health System considers bond yields of other long-term debt offered by the Health System, and interest rates currently offered to the Health System for similar debt instruments of comparable maturities by the Health System's bankers as well as other banks that regularly compete to provide financing to the Health System. Debt and capital lease obligations utilize Level 2 measurements in determining the fair value.

Investments and assets limited as to use, assets held for deferred compensation, and liabilities held for deferred compensation are stated at fair value. Included in the fair value hierarchy table is a description of inputs used by class of investments.

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Fair Value Hierarchy of Assets that are Measured at Fair Value on a Recurring Basis

The following table presents the placement in the fair value hierarchy of assets that are measured at fair value on a recurring basis (including items that are required to be measured at fair value) at December 31, 2013 and 2012

	December 31, 2013 fair value	Level 1	Level 2	Level 3
Assets				
Cash and cash equivalents	\$ 98.117	98.117	—	—
Investments and assets limited as to use				
Money market investments	\$ 69.912	69.912	—	—
Marketable debt securities	22.854	—	22.854	—
Mutual funds				
Fixed income funds	64.040	64.040	—	—
Growth funds	18.792	18.792	—	—
Balanced funds	17.935	17.935	—	—
Value funds	16.384	16.384	—	—
Real asset funds	11.684	11.684	—	—
Preferred stock	266	266	—	—
Common stocks				
Information technology	10.480	10.480	—	—
Financial services	8.150	8.150	—	—
Consumer discretionary	7.940	7.940	—	—
Industrials	5.779	5.779	—	—
American Depository Receipts	5.168	5.168	—	—
Consumer staples	5.046	5.046	—	—
Healthcare	4.818	4.818	—	—
Energy	3.211	3.211	—	—
Other	3.098	3.098	—	—
Funds held in trust by others	2.127	—	—	2.127
Real estate funds	11.276	—	—	11.276
Total investments and assets limited as to use	<u>\$ 288.960</u>	<u>252.703</u>	<u>22.854</u>	<u>13.403</u>
Assets held for deferred compensation	\$ 3.653	3.653	—	—

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	December 31, 2012			
	fair value	Level 1	Level 2	Level 3
Assets				
Cash and cash equivalents	\$ 86.465	86.465	—	—
Investments and assets limited as to use				
Money market investments	\$ 32.107	32.107	—	—
U S government obligations and agencies	14.753	—	14.753	—
Marketable debt securities	23.325	—	23.325	—
Mutual funds				
Fixed income funds	47.880	47.880	—	—
Balanced funds	17.310	17.310	—	—
Value funds	13.264	13.264	—	—
Growth funds	11.972	11.972	—	—
Real asset funds	8.983	8.983	—	—
Preferred stock	803	803	—	—
Common stocks				
Information technology	8.738	8.738	—	—
Consumer discretionary	6.352	6.352	—	—
Financial services	5.773	5.773	—	—
Industrials	4.044	4.044	—	—
Energy	3.327	3.327	—	—
Healthcare	3.272	3.272	—	—
Consumer staples	3.061	3.061	—	—
Other	5.276	5.276	—	—
Funds held in trust by others	2.032	—	—	2.032
Real estate funds	8.639	—	—	8.639
Total investments and assets limited as to use	\$ 220.911	172.162	38.078	10.671
Assets held for deferred compensation	\$ 3.059	3.059	—	—

There were no transfers between levels during 2013. During 2012, funds held in trust by others were transferred to Level 3 from Levels 1 and 2.

The Level 2 and Level 3 financial instruments listed in the fair value hierarchy tables above use the following valuation techniques and inputs:

U S government obligations and agencies – The fair value of investments in U S government obligations and agencies is primarily determined using techniques consistent with the income approach. Significant

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observable inputs to the income approach include data points for benchmark constant maturity curves and spreads

Marketable debt securities – The fair value of investments in marketable debt securities is primarily determined using techniques that are consistent with the market approach. Significant observable inputs include benchmark yields, reported trades, observable broker/dealer quotes, issuer spreads, and security specific characteristics, such as early redemption options

Funds held in trust by others – Funds held in trust by others represent the Health System's beneficial interest in certain assets held by third parties. The valuation of these funds is based on fair value information received from external trustees and is calculated based upon information received from the trustee times the Health System's percentage of ownership. These interests are classified as Level 3 investments as the reported fair values are based on a combination of Level 2 inputs and significant unobservable inputs as determined by the trustees

Real estate funds – The fair value of investments in real estate funds is valued based on the funds' net asset value, or its equivalent, as supplied by the fund administrator and these valuations are used by management as a practical expedient to fair value. The Health System has the ability to liquidate its interest in the funds by providing 90 days written notice. The Health System has committed an additional \$5.690 to these funds in 2014

The following table presents the Health System's activity for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as defined in Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, for the years ended December 31, 2013 and 2012

	Level 3
Balance at December 31, 2011	\$ 350
Transfers into Level 3	1,611
Total change in unrealized gains	71
Realized gains	139
Purchases	8,500
Balance at December 31, 2012	10,671
Total change in unrealized gains	973
Realized gains	57
Purchases	1,826
Sales	(124)
Balance at December 31, 2013	\$ 13,403

Fair Value Option

During the year ended December 31, 2012, the Health System invested in a property limited partnership fund. Upon investing in the fund, the Health System elected the fair value option as allowed by ASC Subtopic 825-10, *Financial Instruments – Overall*, to record its interest in the fund at fair value. The Health System elected to record this investment at fair value in order to measure this investment at

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amounts that more accurately reflect the nature of the investment. The financial reporting results of accounting for the investment under fair value are consistent with the results if the Health System had utilized the equity method. In order to estimate fair value, the Health System utilizes net asset value as reported by the fund manager as a practical expedient to fair value. As the Health System has elected to record this investment at fair value, changes in fair value of this investment are recorded in investment income, which is included in excess of revenues over expenses, in the consolidated statements of operations.

(8) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Building program	\$ 40,654	25,338
Scholarships and education	7,233	5,832
Methodist cancer survivorship program (Harper's Hope)	2,483	2,673
Community counseling, healthcare, and other	1,838	1,385
Nebraska Methodist College of Nursing capital	1,820	1,676
Charitable remainder unitrusts (primarily time restriction)	1,778	1,674
Methodist Cancer Center capital	1,158	1,160
Sexual Assault Nurse Examiner/Sexual Assault Response Team (SANE/SART) program	1,075	1,148
	<u>\$ 58,039</u>	<u>40,886</u>

Net assets were released from restrictions for the following purposes during 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Building program	\$ 5,291	49
Community counseling, healthcare, and other	1,587	1,577
Methodist cancer survivorship program (Harper's Hope)	199	192
Scholarships and education	196	248
Charitable remainder unitrusts (primarily time restriction)	194	—
Sexual Assault Nurse Examiner/Sexual Assault Response Team (SANE/SART) program	73	118
Nebraska Methodist College of Nursing capital	35	64
	<u>\$ 7,575</u>	<u>2,248</u>

Permanently restricted assets of \$2,666 and \$2,585 at December 31, 2013 and 2012, respectively, are available for scholarships and education, community healthcare, and other.

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(9) Retirement Plans

(a) *Nebraska Methodist Health System Tax Sheltered Account Plan*

The Health System sponsors a 403(b) savings plan. Participating employees may make voluntary salary deferrals up to 100% of their recognized compensation as defined by the plan, up to the maximum dollar amounts allowed by law. Employer matching contributions are made in various amounts based on years of service up to 100% of the participant's elective deferral up to 2% of the participant's compensation. The Health System's expense related to the plan was \$3,331 and \$2,793 in 2013 and 2012, respectively.

(b) *Shared Service Systems, Inc. 401 (k) Salary Reduction Plan and Trust*

Shared Service Systems, Inc. (SSS) sponsors a 401 (k) salary reduction plan. Participants may make salary deferrals up to 100% of their recognized compensation as defined by the Plan, up to the maximum dollar amount allowed by law. Employer matching contributions are made in various amounts based on years of service up to 100% of the participant's elective deferral up to 2% of the participant's compensation. SSS may also make employer discretionary contributions. SSS's expense related to the plan was \$68 and \$67 in 2013 and 2012, respectively.

(c) *Nebraska Methodist Health System Retirement Account Plan*

The Health System sponsors a noncontributory defined-benefit pension plan (the Plan) covering substantially all employees (except for employees covered under the Jennie Edmundson Memorial Hospital Employee Retirement Plan) who have completed one year of eligible service, as defined in the Plan, and have attained the age of 21. Benefits are determined based upon years of service and the employee's compensation during the final 15 years of employment or during all years of service if employed less than 15 years. The Health System's funding policy is to contribute annually an amount that satisfies the funding standard account requirements of the Employee Retirement Income Security Act of 1974 (ERISA). The annual costs were calculated using the projected-unit-credit-actuarial cost method.

Effective May 1, 2012, the Plan was frozen to new entrants, the crediting interest rate percentage was reduced to 3%, and active employees who are vested and become totally disabled will no longer remain as active Plan participants. On April 25, 2013, the Plan was amended to provide for an early distribution date to vested participants who terminated after December 31, 2003 and prior to January 1, 2007. To qualify for the early distribution date on October 1, 2013, the participant was required to elect to take the early distribution during an election period beginning July 15, 2013 and ending August 31, 2013. On June 28, 2012, the Plan was amended to provide for an early distribution date to vested participants prior to January 1, 2004. To qualify for the early distribution date on December 1, 2012, the participant was required to elect to take the early distribution during an election period, which began September 1, 2012 and ended November 1, 2012.

(d) *Jennie Edmundson Memorial Hospital Employee Retirement Plan*

Jennie Edmundson Memorial Hospital (Jennie Edmundson) sponsors a noncontributory defined-benefit pension plan (the JEMH Plan) covering substantially all employees. Employees become participants in the JEMH Plan on January 1 following their date of employment. Benefits are

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determined based on the annual compensation for each year the employee was a participant in the JEMH Plan. Jennie Edmundson's funding policy is to contribute annually an amount that satisfies the funding standard account requirements of ERISA. Annual costs are calculated using the projected-unit-credit-actuarial cost method.

The following table summarizes the projected benefit obligation, the fair value of plan assets, and the funded status at the measurement dates of December 31, 2013.

	Health System	Jennie Edmundson
Changes to benefit obligation		
Benefit obligation at beginning of year	\$ 335.031	66.916
Service cost	13.815	2.033
Interest cost	13.191	2.771
Actuarial gain	(40.936)	(7.630)
Benefits paid from plan assets	(20.149)	(1.853)
Benefit obligation at end of year	300.952	62.237
Changes in plan assets		
Fair value of plan assets at beginning of year	273.851	51.669
Actual return on plan assets	33.735	6.338
Employer contributions	16.581	2.500
Benefits paid	(20.149)	(1.853)
Fair value of plan assets at end of year	304.018	58.654
Funded status at end of year	\$ 3.066	(3.583)
	Health System	Jennie Edmundson
Amounts recognized in the consolidated balance sheets		
Assets for pension benefits	\$ 3.066	—
Liability for pension benefits	—	(3.583)
Net amount recognized	\$ 3.066	(3.583)

The accumulated benefit obligation as of December 31, 2013 for the Health System and Jennie Edmundson was \$298.762 and \$57.579, respectively.

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

	Health System	Jennie Edmundson
Service cost during the period	\$ 13,815	2,033
Interest cost on projected benefit obligation	13,191	2,771
Expected return on plan assets	(19,290)	(3,643)
Amortization of unrecognized Prior service credit	(1,190)	—
Losses	8,147	1,190
Net periodic pension cost	<u>\$ 14,673</u>	<u>2,351</u>

Other changes in plan assets and benefit obligations recognized in unrestricted net assets as of December 31, 2013 consist of

	Health System	Jennie Edmundson
Net actuarial loss	\$ 48,337	8,378
Prior service credit	(6,905)	—
Total recognized in unrestricted net assets	<u>\$ 41,432</u>	<u>8,378</u>

Amounts recognized in other changes in unrestricted net assets for the year ended December 31, 2013 are as follows

	Health System	Jennie Edmundson
Amortization of net loss	\$ (8,147)	(1,190)
Amortization of prior service credit	1,190	—
Net gain recognized in the current period	(55,381)	(10,324)
Total change in unrestricted net assets	<u>\$ (62,338)</u>	<u>(11,514)</u>

The estimated net loss and prior service credit for the Health System and Jennie Edmundson that will be amortized from unrestricted net assets into net periodic benefit cost over the next fiscal year are approximately \$648 and \$194, respectively

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Plan asset allocations and target allocations comprise the following investment classifications at December 31, 2013

	Target allocations	Health System	Jennie Edmundson
Equity securities	53%	52%	52%
Fixed income securities	31	29	29
Real asset funds	15	15	15
Cash and cash equivalents	1	4	4
	<u>100%</u>	<u>100%</u>	<u>100%</u>

The Health System and Jennie Edmundson's overall investment objective is to provide a return on investment consistent with maintaining a funded ratio target, which is defined by the Health System and Jennie Edmundson. The strategies employed by the Health System and Jennie Edmundson will provide the opportunity for returns within acceptable levels of risk of loss and volatility of returns with appropriate asset allocation being the primary tool to achieve the return objectives.

The following are the actuarial assumptions used by the Plans to develop the components of pension cost for the year ended December 31, 2013:

	Health System	Jennie Edmundson
Discount rate	4.00%	4.20%
Rate of increase in compensation levels	3.50	3.50
Expected long-term rate of return on plan assets	7.00	7.00

The expected long-term rate of return on plan assets reflects the anticipated rates of return on the classes of funds invested, or to be invested, to provide for the future obligation of the pension plan.

The determination of this rate considers the fund's targeted asset allocation, the historical rates of return for each asset class, as well as the expected rates to be earned over the next 15 to 20 years.

The following are the actuarial assumptions used by the Plans to develop the components of the pension projected benefit obligations for the year ended December 31, 2013:

	Health System	Jennie Edmundson
Discount rate	4.90%	5.00%
Rate of increase in compensation levels	3.50	3.50

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The following table summarizes the projected benefit obligation, the fair value of plan assets, and the funded status at the measurement dates of December 31, 2012

	Health System	Jennie Edmundson
Changes to benefit obligation		
Benefit obligation at beginning of year	\$ 298,693	58,936
Service cost	11,745	1,839
Interest cost	14,204	2,712
Actuarial loss	36,193	5,018
Benefits paid from plan assets	(18,069)	(1,589)
Plan change	(7,735)	—
Benefit obligation at end of year	<u>335,031</u>	<u>66,916</u>
Changes in plan assets		
Fair value of plan assets at beginning of year	246,576	45,527
Actual return on plan assets	30,393	5,531
Employer contributions	14,951	2,200
Benefits paid	(18,069)	(1,589)
Fair value of plan assets at end of year	<u>273,851</u>	<u>51,669</u>
Funded status at end of year	<u>\$ (61,180)</u>	<u>(15,247)</u>
	Health System	Jennie Edmundson
Amounts recognized in the consolidated balance sheets		
Liability for pension benefits	\$ <u>(61,180)</u>	<u>(15,247)</u>
Net amount recognized	<u>\$ (61,180)</u>	<u>(15,247)</u>

The accumulated benefit obligation as of December 31, 2012 for the Health System and Jennie Edmundson was \$335,031 and \$61,380, respectively

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

	Health System	Jennie Edmundson
Service cost during the period	\$ 11,745	1,839
Interest cost on projected benefit obligation	14,204	2,712
Expected return on plan assets	(18,081)	(3,212)
Amortization of unrecognized		
Prior service credit	(986)	—
Losses	6,244	1,060
Net periodic pension cost	<u>\$ 13,126</u>	<u>2,399</u>

Other changes in plan assets and benefit obligations recognized in unrestricted net assets as of December 31, 2012 consist of

	Health System	Jennie Edmundson
Net actuarial loss	\$ 111,864	19,892
Prior service credit	(8,095)	—
Total recognized in unrestricted net assets	<u>\$ 103,769</u>	<u>19,892</u>

Amounts recognized in other changes in unrestricted net assets for the year ended December 31, 2012 are as follows

	Health System	Jennie Edmundson
Amortization of net (loss)	\$ (6,244)	(1,060)
Amortization of prior service credit	986	—
Net loss recognized in the current period	23,881	2,699
Other	(7,735)	—
Total change in unrestricted net assets	<u>\$ 10,888</u>	<u>1,639</u>

The estimated net loss and prior service cost for the Health System and Jennie Edmundson that will be amortized from unrestricted net assets into net periodic benefit cost over the next fiscal year are approximately \$6,774 and \$1,158, respectively

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Plan asset allocations and target allocations are comprised of the following investment classifications at December 31, 2012

	Target allocations	Health System	Jennie Edmundson
Equity securities	55%	52%	52%
Fixed income securities	29	31	31
Real asset funds	15	15	15
Cash and cash equivalents	1	2	2
	<u>100%</u>	<u>100%</u>	<u>100%</u>

The Health System and Jennie Edmundson's overall investment objective is to provide a return on investment consistent with maintaining a funded ratio target, which is defined by the Health System and Jennie Edmundson. The strategies employed by the Health System and Jennie Edmundson will provide the opportunity for returns within acceptable levels of risk of loss and volatility of returns with appropriate asset allocation being the primary tool to achieve the return objectives.

The following are the actuarial assumptions used by the Plans to develop the components of pension cost for the year ended December 31, 2012

	Health System	Jennie Edmundson
Discount rate	4.80%	4.70%
Rate of increase in compensation levels	3.50	3.50
Expected long-term rate of return on plan assets	7.00	7.00

The expected long-term rate of return on plan assets reflects the anticipated rates of return on the classes of funds invested, or to be invested, to provide for the future obligation of the pension plan.

The determination of this rate considers the fund's targeted asset allocation, the historical rates of return for each asset class, as well as the expected rates to be earned over the next 15 to 20 years.

The following are the actuarial assumptions used by the Plans to develop the components of the pension projected benefit obligations for the year ended December 31, 2012

	Health System	Jennie Edmundson
Discount rate	4.00%	4.20%
Rate of increase in compensation levels	3.50	3.50

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The benefits expected to be paid in each year from 2014 to 2018 are as follows

	Health System	Jennie Edmundson
2014	\$ 12.473	2.097
2015	13.713	2.187
2016	14.391	2.402
2017	17.486	2.626
2018	19.216	2.845

The aggregate benefits expected to be paid in the five years from 2019 to 2023 for the Health System and Jennie Edmundson are \$107.627 and \$18.861, respectively. The expected benefits to be paid are based on the same assumptions used to measure the plan's benefit obligation at December 31, 2013 and include estimated employee service.

The Health System and Jennie Edmundson expect to contribute \$10,000 and \$1,400, respectively, to their retirement plans in 2014.

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The following tables present the fair value of plan assets in accordance with the fair value hierarchy (note 7) at December 31, 2013 and 2012

	December 31, 2013 fair value	Level 1	Level 2	Level 3
Health System				
Asset category				
Money market investments	\$ 12.023	12.023	—	—
U S government obligations and agencies	14.729	—	14.729	—
Marketable debt securities	31.835	—	31.835	—
Mutual funds				
Fixed income funds	41.522	41.522	—	—
Growth funds	26.540	26.540	—	—
Balanced funds	26.517	26.517	—	—
Value funds	24.160	24.160	—	—
Real asset funds	15.620	15.620	—	—
Common stock				
Information technology	15.726	15.726	—	—
Financial services	12.382	12.382	—	—
Consumer discretionary	11.593	11.593	—	—
Industrials	8.745	8.745	—	—
American Depository Receipts	7.978	7.978	—	—
Consumer staples	7.916	7.916	—	—
Healthcare	7.232	7.232	—	—
Energy	4.693	4.693	—	—
Other	4.657	4.657	—	—
Real estate funds	30.150	—	—	30.150
	<u>\$ 304.018</u>	<u>227.304</u>	<u>46.564</u>	<u>30.150</u>

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	December 31, 2013 fair value	Level 1	Level 2	Level 3
Jennie Edmundson				
Asset category				
Money market investments	\$ 2.734	2.734	—	—
U S government obligations and agencies	2.892	—	2.892	—
Marketable debt securities	5.903	—	5.903	—
Mutual funds				
Fixed income funds	8.014	8.014	—	—
Growth funds	5.189	5.189	—	—
Balanced funds	5.114	5.114	—	—
Value funds	4.579	4.579	—	—
Real asset funds	3.010	3.010	—	—
Common stock				
Information technology	3.033	3.033	—	—
Financial services	2.374	2.374	—	—
Consumer discretionary	2.241	2.241	—	—
Industrials	1.660	1.660	—	—
American Depository Receipts	1.512	1.512	—	—
Consumer staples	1.511	1.511	—	—
Healthcare	1.413	1.413	—	—
Energy	896	896	—	—
Other	918	918	—	—
Real estate funds	5.661	—	—	5.661
	<u>\$ 58.654</u>	<u>44.198</u>	<u>8.795</u>	<u>5.661</u>

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	December 31, 2012			
	fair value	Level 1	Level 2	Level 3
Health System				
Asset category				
Money market investments	\$ 5,587	5,587	—	—
U S government obligations and agencies	15,981	—	15,981	—
Marketable debt securities	32,690	—	32,690	—
Mutual funds				
Fixed income funds	37,370	37,370	—	—
Balanced funds	28,263	28,263	—	—
Value funds	22,695	22,695	—	—
Growth funds	19,103	19,103	—	—
Real asset funds	13,629	13,629	—	—
Preferred stock	458	458	—	—
Common stock				
Information technology	15,498	15,498	—	—
Consumer discretionary	11,463	11,463	—	—
Financial services	9,841	9,841	—	—
Industrials	6,611	6,611	—	—
Energy	6,452	6,452	—	—
Healthcare	5,788	5,788	—	—
Consumer staples	5,413	5,413	—	—
Materials	4,433	4,433	—	—
Other	4,814	4,814	—	—
Real estate funds	27,762	—	—	27,762
	<u>\$ 273,851</u>	<u>197,418</u>	<u>48,671</u>	<u>27,762</u>

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		December 31, 2012			
		fair value	Level 1	Level 2	Level 3
Jennie Edmundson					
Asset category					
Money market investments	\$	1,265	1,265	—	—
U S government obligations and agencies		3,033	—	3,033	—
Marketable debt securities		6,044	—	6,044	—
Mutual funds					
Fixed income funds		7,159	7,159	—	—
Balanced funds		5,352	5,352	—	—
Value funds		4,145	4,145	—	—
Growth funds		3,742	3,742	—	—
Real asset funds		2,552	2,552	—	—
Preferred stock		86	86	—	—
Common stock					
Information technology		2,928	2,928	—	—
Consumer discretionary		2,163	2,163	—	—
Financial services		1,849	1,849	—	—
Industrials		1,252	1,252	—	—
Energy		1,172	1,172	—	—
Healthcare		1,095	1,095	—	—
Other		2,719	2,719	—	—
Real estate funds		5,113	—	—	5,113
	\$	<u>51,669</u>	<u>37,479</u>	<u>9,077</u>	<u>5,113</u>

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There were no transfers between levels during 2013 and 2012. The following tables present the Health System's activity for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as defined in ASC Topic 820 for the years ended December 31, 2013 and 2012.

	<u>Health System</u>	<u>Jennie Edmundson</u>
Balance at December 31, 2011	\$ 9.910	1.896
Total change in unrealized gains	729	136
Realized losses	—	—
Purchases	17,123	3,081
Sales	—	—
Balance at December 31, 2012	27,762	5,113
Total change in unrealized gains	1,953	366
Realized losses	—	—
Purchases	435	182
Sales	—	—
Balance at December 31, 2013	\$ <u>30,150</u>	<u>5,661</u>

(10) Insurance Coverage

The Health System manages its professional liability risks through a combination of third-party insurance coverage and self-insurance. General and professional liability and employed physician professional liability coverage are provided under a self-insured retention of \$2,000 per occurrence with an annual aggregate of \$9,000. In addition, a \$50,000 umbrella policy is maintained with third-party insurance carriers for claims in excess of any applicable self-insured retention. In the event of insolvency, the Health System maintains a fronting policy with the insurance carrier to pay claims. In turn, the insurance carrier requires the Health System to maintain a letter of credit as collateral for open claims. At December 31, 2013, the amount available under the letter of credit was \$3,427. There were no amounts drawn as of December 31, 2013.

The Health System has established reserves for possible losses on both asserted and unasserted claims based upon an independent actuarial analysis. The reserves were not discounted in 2013 or 2012. The Health System has recognized \$2,489 and \$1,802 of expense related to these self-insured risks during 2013 and 2012, respectively.

Management of the Health System is presently not aware of any incidents, which would result in probable losses materially in excess of amounts provided by insurance policies and established reserves for claims.

The Health System similarly provides for health insurance and workers' compensation coverage through a combination of self-insurance and third-party insurers. Estimated reserves have been established for reported claims and claims, which have been incurred but not reported.

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(11) Functional Expenses

The Health System provides general healthcare services to residents within the region. Support expenses related to providing these services for the years ended December 31, 2013 and 2012 are as follows:

	<u>2013</u>	<u>2012</u>
Healthcare service	\$ 610,318	593,018
General and administrative	51,005	49,840
Fundraising	2,347	2,215
	<u>\$ 663,670</u>	<u>645,073</u>

(12) Contingencies

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, security and privacy of protected data, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Medicare started a post payment audit program in 2009 with retroactive application to October 1, 2007. Refund requests of \$1.709 and \$1.659 have been repaid during fiscal years ending December 31, 2013 and 2012, respectively. In the opinion of management, the Health System is in compliance with fraud and abuse regulations, as well as other applicable government laws and regulations. While no regulatory inquiries have been made, which are expected to have a material effect on the Health System's consolidated financial statements, compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

The Health System has guaranteed a portion of the performance of an unrelated entity to a third party on a revolving line of credit loan. The term of the guarantee is equal to the term of the related debt. At December 31, 2013 and 2012, \$400 has been recorded as a liability for this guarantee and is included in other accrued liabilities on the consolidated balance sheet.

(13) Commitments

Certain equipment and property are being leased under long-term noncancelable operating leases. In most cases, management expects that, in the normal course of operations, the leases will be renewed or replaced by other leases or capital purchases. The total rent expense under operating leases for 2013 and 2012 was \$6,451 and \$6,466, respectively.

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidated Notes to Financial Statements

December 31, 2013 and 2012

Future minimum rental payments required under noncancelable operating leases that have initial or remaining noncancelable lease terms in excess of one year as of December 31, 2013 are as follows

2014	\$	2,512
2015		2,021
2016		915
2017		801
2018		810

At December 31, 2013, the surgery remodel and expansion project has remaining construction and related equipment purchase commitments of approximately \$65,895

(14) Subsequent Events

The Health System has evaluated subsequent events from the consolidated balance sheet date through April 16, 2014, the date at which the consolidated financial statements were available to be issued, and determined there are no other items to disclose, other than the events disclosed in note 5

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

(Consolidating Balance Sheet

December 31, 2013

(\$ Amounts in thousands)

Assets	NMH consolidated		JEMH		PCI		NMH Foundation		NMHS total		SSS		Total		Eliminations		NMHS consolidated	
Current assets																		
Cash and cash equivalents	\$	50,365	0,574	11,422	0,644	21,488	4,137	14,412	—	—	985	98,117	—	—	—	—	98,117	—
Patent accounts receivable less allowance for uncollectible accounts		40,405	—	—	—	—	—	—	—	—	—	82,405	—	—	—	—	82,405	—
Contributions receivable		—	—	—	—	—	3,623	—	—	—	—	3,623	—	—	—	—	3,623	—
Other receivables		2,418	131	507	—	—	—	1,055	—	—	211	11,322	—	—	(2,755)	—	8,567	—
Inventories		55	2,031	1,100	—	—	—	—	—	—	—	10,983	—	—	—	—	10,983	—
Prepaid expenses		5,385	400	691	—	—	—	600	—	—	100	7,301	—	—	—	—	7,301	—
Due from affiliates		4,763	—	—	—	—	—	3,360	—	—	—	8,132	—	—	(8,132)	—	—	—
Total current assets		128,983	23,657	13,520	33,520	—	7,768	10,512	—	—	14,103	227,573	—	—	(10,887)	—	216,686	—
Investments and assets limited as to use																		
Long-term investments		93,175	17,783	—	—	—	132,915	20,688	—	—	—	270,561	—	—	—	—	270,561	—
Securities on loan		1,003	—	—	—	—	1,471	201	—	—	—	3,374	—	—	—	—	3,374	—
Bond trust fund investments		14,764	—	—	—	—	—	—	—	—	—	15,025	—	—	—	—	15,025	—
Total investments and assets limited as to use		109,942	17,783	—	—	—	134,386	20,889	—	—	—	288,960	—	—	—	—	288,960	—
Property and equipment																		
Land		4,257	2,808	—	4,035	—	—	7,888	—	—	10	18,008	—	—	—	—	18,008	—
Land improvements		15,734	2,504	753	—	—	—	1,430	—	—	102	20,532	—	—	—	—	20,532	—
Buildings and improvements		350,607	73,812	42,002	—	—	230	10,222	—	—	4,312	407,271	—	—	—	—	407,271	—
Equipment and furnishings		357,031	45,100	22,430	—	—	80	10,368	—	—	5,646	441,000	—	—	—	—	441,000	—
Construction in progress		24,452	1,309	245	—	—	—	360	—	—	62	20,428	—	—	—	—	20,428	—
Total property and equipment		762,071	125,623	70,461	—	—	325	30,277	—	—	10,132	1,004,880	—	—	—	—	1,004,880	—
Less accumulated depreciation		411,941	90,636	43,335	—	—	314	21,583	—	—	0,200	577,000	—	—	—	—	577,000	—
Total property and equipment net		350,130	34,987	27,126	—	—	11	8,694	—	—	932	427,880	—	—	—	—	427,880	—
Other assets																		
Contributions receivable		—	—	—	—	—	4,344	—	—	—	—	4,344	—	—	—	—	4,344	—
Deferred financing costs		5,084	40	—	—	—	—	147	—	—	—	0,171	—	—	—	—	0,171	—
Beneficial interest in the net assets of the Foundation		52,060	—	—	—	—	—	807	—	—	—	142,235	—	—	(142,235)	—	—	—
Investments in unconsolidated entities		4073	100	—	—	—	—	3,480	—	—	—	7,13	—	—	—	—	7,13	—
Assets for pension benefits		—	—	—	—	—	—	3,000	—	—	—	3,000	—	—	—	—	3,000	—
Other		5,910	—	—	—	—	255	3,918	—	—	575	10,007	—	—	(1,948)	—	8,059	—
Total other assets		68,045	230	—	—	—	4,609	90,877	—	—	575	174,226	—	—	(144,183)	—	30,043	—
Total assets	\$	657,000	70,657	60,646	—	—	146,641	101,062	—	—	15,610	1,118,630	—	—	(155,070)	—	963,560	—

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES
 Consolidating Statement of Operations
 Year ended December 31, 2013
 (Amounts in thousands)

	NMH consolidated	JEMH	PCI	NMH Foundation	NMHS total	\$\$\$	Total	Eliminations	NMHS consolidated
Unrestricted revenues, gains, and other support									
Patient service revenue, net of contractual adjustments and discounts	\$ 415,408 (1,830)	84,335 (688)	127,030 (1,170)	—	—	—	627,070 (3,703)	(3,251)	624,428 (3,703)
Provision for uncollectible accounts	—	—	—	—	—	—	—	—	—
Net patient service revenue	415,408	84,335	127,030	—	—	—	627,070	—	624,428
Sales of supplies, linen, and laundry services	13,384	—	—	—	—	—	13,384	—	13,384
Tuition, housing, and bookstore	23,530	5,514	6,120	2,674	6,676	11,270	44,520	(17,308)	27,188
Caterina rental and other	—	—	—	—	—	—	—	—	—
Total revenues, gains, and other support	450,492	89,849	133,150	2,674	6,676	11,270	693,167	(25,233)	667,934
Expenses									
Salaries and wages	157,070	34,441	80,107	753	20,201	4,602	312,263	(289)	312,974
Employee benefits	45,427	10,100	18,284	130	8,095	1,600	83,523	(128)	83,651
Supplies	73,105	15,070	9,078	15	527	1,600	100,301	(4,354)	95,947
Professional fees and purchased services	38,058	7,324	5,518	202	5,404	28	50,714	(5,604)	45,110
Plant and utilities	31,017	4,517	7,880	70	1,711	1,262	47,072	(7,060)	40,012
Depreciation	34,510	3,710	2,748	17	1,471	1,62	42,633	—	42,633
Interest and amortization	13,537	350	104	—	262	—	14,250	(104)	14,146
Allocations	25,138	7,158	6,070	550	(30,723)	801	—	—	—
Other	12,055	3,748	4,574	3,972	5,010	825	31,114	(7,600)	23,514
Total expenses	432,332	80,430	144,368	5,811	9,168	10,880	680,007	(25,337)	654,670
(Operating income (loss))	18,160	2,724	(11,485)	(3,137)	(2,492)	300	4,160	101	4,261
Other income (expense)									
Investment income	4,011	682	1	5,478	977	—	11,749	(104)	11,645
Income from unconsolidated entities	2,127	278	—	—	50	—	2,701	—	2,701
Gain on sale of property and equipment	17	40	(24)	—	—	3	45	—	48
Income taxes	(737)	—	(24)	—	88	(135)	(808)	—	(808)
Total other income (expense) net	6,318	1,000	(47)	5,478	1,121	(132)	13,747	(104)	13,643
Excess (deficiency) of revenues over expenses	24,478	3,723	(11,532)	2,341	(1,371)	258	17,907	—	17,907
Other changes in unrestricted net assets									
Change in net unrealized gains and losses on investments	5,010	700	—	6,083	1,300	—	13,228	—	13,228
Change in value of charitable remainder unitrusts and related annuities payable	—	—	—	(242)	—	—	(242)	—	(242)
Change in liability for pension benefits	—	11,515	—	—	62,337	—	73,852	—	73,852
Net assets released from restrictions for the purchase of property and equipment	5,462	—	—	5,325	—	—	5,325	—	5,325
Transfers to (from) affiliate for capital	(11,532)	—	11,532	(5,462)	(2,137)	—	—	—	—
Transfer of revolving loan funds	(89)	—	—	2,137	—	—	—	—	—
Total other changes in unrestricted net assets	(1,110)	12,221	11,532	7,841	61,500	—	92,074	—	92,074
Increase in unrestricted net assets	23,368	15,944	—	10,182	60,228	258	109,981	—	109,981

See accompanying independent auditors' report

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidating Statement of Changes in Net Assets

Year ended December 31, 2013

(Amounts in thousands)

	NMH consolidated	JEMH	PCI	NMH Foundation	NMHS total	\$\$\$	Total	Eliminations	NMHS consolidated
Unrestricted									
Beginning balance January 1, 2013	\$ 243,117	30,900	24,061	70,710	(10,361)	0,475	370,011	—	370,011
Excess (deficiency) of revenues over expenses	24,478	3,733	(11,532)	2,341	(1,371)	258	17,907	—	17,907
Change in net unrealized gains on investments	5,010	706	—	6,083	1,300	—	13,228	—	13,228
Change in value of charitable remainder unitrusts and related annuities payable	—	—	—	(212)	—	—	(242)	—	(242)
Change in liability for pension benefits	—	11,515	—	—	62,337	—	3,852	—	3,852
Net assets released from restrictions for the purchase of property and equipment	—	—	—	5,325	—	—	5,325	—	5,325
Transfers to (from) affiliate for capital	5,462	—	—	(5,462)	—	—	—	—	—
Transfers to (from) affiliates	(11,532)	—	11,532	2,137	(2,137)	—	—	—	—
Transfer of revolving loan funds	(80)	—	—	—	—	—	(80)	—	(80)
Ending balance December 31, 2013	\$ 260,476	52,863	24,061	80,892	40,867	0,733	480,892	—	480,892
Temporarily restricted									
Beginning balance January 1, 2013	\$ 37,018	1,385	—	36,015	78,393	—	154,511	(113,025)	40,886
Restricted gifts and grants	670	300	—	22,515	—	—	23,893	—	23,893
Restricted interest and investment income	—	4	—	235	—	—	230	—	230
Change in net unrealized gains on investments	—	—	—	557	—	—	564	—	564
Change in value of charitable remainder unitrusts and related annuities payable	—	—	—	24	—	—	24	—	24
Net assets released from restrictions for use in operations	(75)	(440)	—	(1,355)	—	—	(2,250)	—	(2,250)
Net assets released from restrictions for the purchase of property and equipment	—	—	—	(5,325)	—	—	(5,325)	—	(5,325)
Change in beneficial interest in the net assets of the Foundation	15,967	—	—	—	10,494	—	26,461	(26,461)	—
Modification of donor intent	—	—	—	8	—	—	8	—	8
Ending balance December 31, 2013	\$ 51,780	1,255	—	53,194	88,887	—	198,125	(140,080)	58,030
Permanently restricted									
Beginning balance January 1, 2013	\$ 2,005	201	—	2,157	370	—	4,742	(2,157)	2,585
Change in beneficial interest in the net assets of the Foundation	(8)	—	—	—	—	—	(8)	8	—
Transfer of revolving loan funds	80	—	—	—	—	—	80	—	80
Modification of donor intent	—	—	—	(8)	—	—	(8)	—	(8)
Ending balance December 31, 2013	\$ 2,080	201	—	2,140	370	—	4,815	(2,140)	2,600

See accompanying independent auditors' report

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidating Balance Sheet

December 31, 2013

(Amounts in thousands)

Assets	NMH	MWH	MCON	NMH total	Eliminations	NMH consolidated
Current assets						
Cash and cash equivalents	\$ 58,953	5	407	59,365	—	59,365
Patient accounts receivable, less allowance for uncollectible accounts	38,027	11,468	—	49,495	—	49,495
Other receivables	1,274	267	877	2,418	—	2,418
Inventories	5,997	971	589	7,557	—	7,557
Prepaid expenses	4,971	176	238	5,385	—	5,385
Due from affiliates	4,686	77	—	4,763	—	4,763
Total current assets	113,908	12,964	2,111	128,983	—	128,983
Investments and assets limited as to use						
Long-term investments	93,175	—	—	93,175	—	93,175
Securities on loan	1,903	—	—	1,903	—	1,903
Bond trust fund investments	2,775	11,989	—	14,764	—	14,764
Total investments and assets limited as to use	97,853	11,989	—	109,842	—	109,842
Property and equipment						
Land	2,233	—	2,024	4,257	—	4,257
Land improvements	9,607	5,618	509	15,734	—	15,734
Buildings and improvements	239,807	95,165	24,725	359,697	—	359,697
Equipment and furnishings	268,496	84,383	5,052	357,931	—	357,931
Construction in progress	24,437	15	—	24,452	—	24,452
Total property and equipment	544,580	185,181	32,310	762,071	—	762,071
Less accumulated depreciation	369,115	31,879	10,947	411,941	—	411,941
Total property and equipment, net	175,465	153,302	21,363	350,130	—	350,130
Other assets						
Deferred financing costs	2,262	3,710	12	5,984	—	5,984
Beneficial interest in the net assets of the Foundation	46,708	—	6,261	52,969	—	52,969
Investments in unconsolidated entities	4,073	—	—	4,073	—	4,073
Other	1,948	—	3,971	5,919	—	5,919
Total other assets	54,991	3,710	10,244	68,945	—	68,945
Total assets	\$ 442,217	181,965	33,718	657,900	—	657,900

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidating Balance Sheet

December 31, 2013

(\$ Amounts in thousands)

	Liabilities and Net Assets		NMH	MWH	MCON	NMH total	Eliminations	NMH consolidated
Current liabilities								
Current portion of long-term debt and capital lease obligations			\$ 5,437	1,395	145	6,977	—	6,977
Current portion of accrued liabilities under self-insured programs			3,993	141	5	4,139	—	4,139
Accounts payable			18,273	1,615	567	20,455	—	20,455
Accrued salaries, wages, and benefits			15,818	3,106	645	19,569	—	19,569
Other accrued liabilities			3,041	1,565	397	5,003	—	5,003
Collateral for securities on loan			2,021	—	—	2,021	—	2,021
Estimated third-party payor settlements			3,031	—	—	3,031	—	3,031
Due to affiliates			—	—	69	69	—	69
Total current liabilities			51,614	7,822	1,828	61,264	—	61,264
Conditional asset retirement obligation			4,591	—	—	4,591	—	4,591
Other long-term liabilities			1,944	—	—	1,944	—	1,944
Long-term debt and capital lease obligations, net of current portion			91,680	170,884	2,554	265,118	—	265,118
Accrued liabilities under self-insured programs, net of current portion			1,271	354	7	1,632	—	1,632
Total liabilities			151,100	179,060	4,389	334,549	—	334,549
Net assets								
Unrestricted			244,408	2,905	19,163	266,476	—	266,476
Temporarily restricted			46,110	—	8,679	54,789	—	54,789
Permanently restricted			599	—	1,487	2,086	—	2,086
Total net assets			291,117	2,905	29,329	323,351	—	323,351
Total liabilities and net assets			\$ 442,217	181,965	33,718	657,900	—	657,900

See accompanying independent auditor's report

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidating Statement of Operations

Year ended December 31, 2013

(Amounts in thousands)

	NMH	MWH	MCON	NMH Total	Eliminations	NMH consolidated
Unrestricted revenues, gains, and other support						
Patient service revenue, net of contractual adjustments and discounts	\$ 334,383	81,025	—	415,408	—	415,408
Provision for uncollectible accounts	(1,219)	(617)	—	(1,836)	—	(1,836)
Net patient service revenue	333,164	80,408	—	413,572	—	413,572
Tuition, housing, and bookstore	—	—	13,384	13,384	—	13,384
Cafeteria, rental, and other	19,176	3,992	986	24,154	(618)	23,536
Total revenues, gains, and other support	352,340	84,400	14,370	451,110	(618)	450,492
Expenses						
Salaries and wages	121,211	28,555	8,213	157,979	—	157,979
Employee benefits	34,683	8,479	2,265	45,427	—	45,427
Supplies	63,751	9,113	241	73,105	—	73,105
Professional fees and purchased services	29,043	8,981	652	38,676	(618)	38,058
Plant and utilities	26,433	4,340	844	31,617	—	31,617
Depreciation	24,599	8,364	1,553	34,516	—	34,516
Interest and amortization	3,727	9,671	139	13,537	—	13,537
Allocations	17,164	6,459	1,515	25,138	—	25,138
Other	9,361	1,347	2,247	12,955	—	12,955
Total expenses	329,972	85,309	17,669	432,950	(618)	432,332
Operating income (loss)	22,368	(909)	(3,299)	18,160	—	18,160
Other income (expense)						
Investment income	4,177	430	4	4,611	—	4,611
Income from unconsolidated entities	2,427	—	—	2,427	—	2,427
Gain (loss) on sale of property and equipment	24	(2)	(5)	17	—	17
Income taxes	(737)	—	—	(737)	—	(737)
Total other income (expense), net	5,891	428	(1)	6,318	—	6,318
Excess (deficiency) of revenues over expenses	28,259	(481)	(3,300)	24,478	—	24,478
Other changes in unrestricted net assets						
Change in net unrealized gains on investments	5,254	(214)	—	5,040	—	5,040
Transfers to affiliate for capital	5,290	—	172	5,462	—	5,462
Transfers to (from) affiliate	(9,074)	(4,856)	2,398	(11,532)	—	(11,532)
Transfer of revolving loan funds	—	—	(89)	(89)	—	(89)
Total other changes in unrestricted net assets	1,470	(5,070)	2,481	(1,119)	—	(1,119)
Increase (decrease) in unrestricted net assets	\$ 29,729	(5,551)	(819)	23,359	—	23,359

See accompanying independent auditors' report

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidating Statement of Changes in Net Assets

Year ended December 31, 2013

(Amounts in thousands)

	NMH	MWH	MCON	NMH Total	Eliminations	NMH consolidated
Unrestricted						
Beginning balance, January 1, 2013	\$ 214,679	8,456	19,982	243,117	—	243,117
Excess (deficiency) of revenues over expenses	28,259	(481)	(3,300)	24,478	—	24,478
Change in net unrealized gains on investments	5,254	(214)	—	5,040	—	5,040
Transfers to affiliate for capital	5,290	—	172	5,462	—	5,462
Transfers to (from) affiliates	(9,074)	(4,856)	2,398	(11,532)	—	(11,532)
Transfer of revolving loan funds	—	—	(89)	(89)	—	(89)
Ending balance, December 31, 2013	\$ 244,408	2,905	19,163	266,476	—	266,476
Temporarily restricted						
Beginning balance, January 1, 2013	\$ 30,798	—	7,120	37,918	—	37,918
Restricted gifts and grants	—	—	979	979	—	979
Net assets released from restrictions for use in operations	—	—	(75)	(75)	—	(75)
Change in beneficial interest in the net assets of the Foundation	15,312	—	655	15,967	—	15,967
Ending balance, December 31, 2013	\$ 46,110	—	8,679	54,789	—	54,789
Permanently restricted						
Beginning balance, January 1, 2013	\$ 599	—	1,406	2,005	—	2,005
Change in beneficial interest in the net assets of the Foundation	—	—	(8)	(8)	—	(8)
Transfer of revolving loan funds	—	—	89	89	—	89
Ending balance, December 31, 2013	\$ 599	—	1,487	2,086	—	2,086

See accompanying independent auditor's report

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidating Balance Sheet

December 31, 2013

(\$ Amounts in thousands)

Assets	NMHS	MHP	Self-Insured Trust	NMHS total	Eliminations	NMHS total
Current assets						
Cash and cash equivalents	\$ 14,193	124	95	14,412	—	14,412
Other receivables	805	—	250	1,055	—	1,055
Inventories	7	—	—	7	—	7
Prepaid expenses	437	236	26	699	—	699
Due from affiliates	3,369	—	—	3,369	—	3,369
Total current assets	18,811	360	371	19,542	—	19,542
Investments and assets limited as to use						
Long-term investments	7,941	—	18,747	26,688	—	26,688
Bond trust fund investments	261	—	—	261	—	261
Total investments and assets limited as to use	8,202	—	18,747	26,949	—	26,949
Property and equipment						
Land	7,888	—	—	7,888	—	7,888
Land improvements	1,439	—	—	1,439	—	1,439
Buildings and improvements	16,222	—	—	16,222	—	16,222
Equipment and furnishings	10,318	50	—	10,368	—	10,368
Construction in progress	360	—	—	360	—	360
Total property and equipment	36,227	50	—	36,277	—	36,277
Less accumulated depreciation	21,543	40	—	21,583	—	21,583
Total property and equipment, net	14,684	10	—	14,694	—	14,694
Other assets						
Deferred financing costs	147	—	—	147	—	147
Beneficial interest in the net assets of the Foundation	89,266	—	—	89,266	—	89,266
Investments in unconsolidated entities	100	3,380	—	3,480	—	3,480
Assets for pension benefits	3,066	—	—	3,066	—	3,066
Other	3,918	—	—	3,918	—	3,918
Total other assets	96,497	3,380	—	99,877	—	99,877
Total assets	\$ 138,194	3,750	19,118	161,062	—	161,062

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidating Balance Sheet

December 31, 2013

(Amounts in thousands)

Liabilities and Net Assets	NMHS	MHP	Self-Insured Trust	NMHS total	Eliminations	NMHS total
Current liabilities						
Current portion of accrued liabilities under self-insured programs	\$ 35	—	1,604	1,639	—	1,639
Accounts payable	1,471	8	—	1,479	—	1,479
Accrued salaries, wages, and benefits	7,274	—	—	7,274	—	7,274
Other accrued liabilities	967	—	—	967	—	967
Due to affiliates	—	2,719	25	2,744	—	2,744
Total current liabilities	9,747	2,727	1,629	14,103	—	14,103
Conditional asset retirement obligation	941	—	—	941	—	941
Other long-term liabilities	4,061	264	—	4,325	—	4,325
Long-term debt and capital lease obligations, net of current portion	3,797	—	—	3,797	—	3,797
Accrued liabilities under self-insured programs, net of current portion	44	—	7,719	7,763	—	7,763
Total liabilities	18,590	2,991	9,348	30,929	—	30,929
Net assets						
Unrestricted	30,338	759	9,770	40,867	—	40,867
Temporarily restricted	88,887	—	—	88,887	—	88,887
Permanently restricted	379	—	—	379	—	379
Total net assets	119,604	759	9,770	130,133	—	130,133
Total liabilities and net assets	\$ 138,194	3,750	19,118	161,062	—	161,062

See accompanying independent auditor's report

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidating Statement of Operations

Year ended December 31, 2013

(Amounts in thousands)

	NMHS	MHP	Self-Insured Trust	NMHS total	Eliminations	NMHS total
Unrestricted revenues, gains, and other support						
Cafeteria, rental, and other	\$ 3,156	665	2,855	6,676	—	6,676
Total revenues, gains, and other support	3,156	665	2,855	6,676	—	6,676
Expenses						
Salaries and wages	25,674	617	—	26,291	—	26,291
Employee benefits	7,904	191	—	8,095	—	8,095
Supplies	525	2	—	527	—	527
Professional fees and purchased services	5,189	230	75	5,494	—	5,494
Plant and utilities	1,687	24	—	1,711	—	1,711
Depreciation	1,467	4	—	1,471	—	1,471
Interest and amortization	262	—	—	262	—	262
Allocations	(39,723)	—	—	(39,723)	—	(39,723)
Other	2,597	28	2,415	5,040	—	5,040
Total expenses	5,582	1,096	2,490	9,168	—	9,168
Operating income (loss)	(2,426)	(431)	365	(2,492)	—	(2,492)
Other income						
Investment income	248	—	729	977	—	977
Income from unconsolidated entities	—	56	—	56	—	56
Income taxes	—	88	—	88	—	88
Total other income, net	248	144	729	1,121	—	1,121
Excess (deficiency) of revenues over expenses	(2,178)	(287)	1,094	(1,371)	—	(1,371)
Other changes in unrestricted net assets						
Change in net unrealized gains and losses on investments	200	193	1,006	1,399	—	1,399
Change in liability for pension benefits	62,337	—	—	62,337	—	62,337
Transfers to (from) affiliate	(2,137)	—	—	(2,137)	—	(2,137)
Total other changes in unrestricted net assets	60,400	193	1,006	61,599	—	61,599
Increase (decrease) in unrestricted net assets	\$ 58,222	(94)	2,100	60,228	—	60,228

See accompanying independent auditor's report

NEBRASKA METHODIST HEALTH SYSTEM, INC. AND AFFILIATES

Consolidating Statement of Changes in Net Assets

Year ended December 31, 2013

(Amounts in thousands)

	NMHS	MHP	Self-Insured Trust	NMHS total	Eliminations	NMHS total
Unrestricted						
Beginning balance, January 1, 2013	\$ (27,884)	853	7,670	(19,361)	—	(19,361)
Excess (deficiency) of revenues over expenses	(2,178)	(287)	1,094	(1,371)	—	(1,371)
Change in net unrealized gains and losses on investments	200	193	1,006	1,399	—	1,399
Change in liability for pension benefits	62,337	—	—	62,337	—	62,337
Transfers to (from) affiliate	(2,137)	—	—	(2,137)	—	(2,137)
Ending balance, December 31, 2013	<u>\$ 30,338</u>	<u>759</u>	<u>9,770</u>	<u>40,867</u>	<u>—</u>	<u>40,867</u>
Temporarily restricted						
Beginning balance, January 1, 2013	\$ 78,393	—	—	78,393	—	78,393
Change in beneficial interest in the net assets of the Foundation	10,494	—	—	10,494	—	10,494
Ending balance, December 31, 2013	<u>\$ 88,887</u>	<u>—</u>	<u>—</u>	<u>88,887</u>	<u>—</u>	<u>88,887</u>
Permanently restricted						
Beginning balance, January 1, 2013	\$ 379	—	—	379	—	379
Ending balance, December 31, 2013	<u>\$ 379</u>	<u>—</u>	<u>—</u>	<u>379</u>	<u>—</u>	<u>379</u>

See accompanying independent auditor's report