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Form 990



Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

Do not enter Social Security numbers on this form as it may be made public

By law, the IRS generally cannot redact the information on the form

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

OMB No 1545-0047

2013

Open to Public Inspection

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

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization

REGIONAL WEST MEDICAL CNTR

Doing Business As

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

4021 AVENUE B

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

SCOTTSBLUFF, NE 69361

D Employer identification number

47-0385129

E Telephone number

(308) 635-3711

G Gross receipts \$ 202,087,199

F Name and address of principal officer

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

☐ Yes☒ No

H(b) Are all subordinates included?

☐ Yes☐ No

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

H(c) Group exemption number

I Tax-exempt status

☒ 501(c)(3)

☐ 501(c) () (insert no)

☐ 4947(a)(1) or ☐ 527

J Website: WWW RWHS ORG

K Form of organization

☒ Corporation☐ Trust☐ Association☐ Other

L Year of formation

M State of legal domicile

Part I		Summary	
Activities & Governance	1	Briefly describe the organization's mission or most significant activities PROVIDING MEDICAL CARE	
	2	Check this box <input type="checkbox"/> 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)	17
	4	Number of independent voting members of the governing body (Part VI, line 1b)	11
Revenue	5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	1,627
	6	Total number of volunteers (estimate if necessary)	
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	15,732,813
	b	Net unrelated business taxable income from Form 990-T, line 34	-1,227,895
	8	Contributions and grants (Part VIII, line 1h)	116,066
	9	Program service revenue (Part VIII, line 2g)	163,370,656
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	4,835,296
Expenses	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	25,160,117
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	193,482,135
	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	16,199,994
	14	Benefits paid to or for members (Part IX, column (A), line 4)	
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	85,380,479
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	
	b	Total fundraising expenses (Part IX, column (D), line 25) ⁰	
Net Assets or Fund Balances	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	94,029,262
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	195,609,735
	19	Revenue less expenses Subtract line 18 from line 12	-2,127,600
		Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	152,667,143
	21	Total liabilities (Part X, line 26)	80,977,922
	22	Net assets or fund balances Subtract line 21 from line 20	71,689,221

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

2014-11-15

Date

DAVID GRIFFITHS CFO & VP OF FINANCE

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name

DAN W CHARRON CPA CMA

Preparer's signature

Date

2014-11-17

Check ☐ if self-employed

PTIN P00036203

Firm's name

CONTRYMAN ASSOCIATES PC CPA'S

Firm's EIN

47-0623143

Firm's address

PO BOX 2246

SCOTTSBLUFF, NE 69363

Phone no

(308) 635-7705

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

PROVIDING MEDICAL CARE

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

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?

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 \$ 132,137,139 including grants of \$) (Revenue \$)

REGIONAL WEST MEDICAL CENTER PROVIDED 32,363 DAYS OF INPATIENT CARE TO 7,648 PATIENTS AND REGISTERED APPROXIMATELY 52,046 OUTPATIENTS REGIONAL WEST MEDICAL CENTER PROVIDED 20,648,459 IN BENEFITS TO THE COMMUNITY, EXCLUDING MEDICARE SHORTFALL, AND 47,056,6406 OF COMMUNITY BENEFITS INCLUDING THE MEDICARE SHORTFALL

4b

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

4c

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

4d

Other program services (Describe in Schedule O)


















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

4e

Total program service expenses 132,137,139

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	No
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	No
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f	No
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a Yes	
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	No
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		No
22	Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a	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	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
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		
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.	90	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
1c			
2a		1,627	
2b		Yes	
3a		Yes	
3b		Yes	
4a			No
b			
5a			No
5b			No
5c			
6a			No
6b			
7			
7a			No
7b			
7c			No
7d			
7e			No
7f			No
7g			No
7h			No
8			
9			
9a			
9b			
10			
10a			
10b			
11			
11a			
11b			
12a			
12b			
13			
13a			
13b			
13c			
14a			No
14b			

Part VI

Governance, Management, and Disclosure

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	17	
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	11	
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	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶DAVID GRIFFITHS 4021 AVENUE B SCOTTSBLUFF, NE 693614602 (308) 630-1111

Part VII

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

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

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

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JEFFREY HOLLOWAY MD	1 00 40 00	X						0	639,203	10,200
(2) DAVID HOLDT MD	1 00 40 00	X						0	559,614	10,200
(3) TODD S SORENSEN CEO	1 00 40 00	X		X				0	516,124	64,979
(4) JON MORGAN MD VP OF MEDICA	40 00	X						381,923	16,558	10,200
(5) LISA SCHEPPERS	1 00 40 00	X						0	393,526	14,125
(6) MARK HARTMAN MD	1 00	X						53,580	0	0
(7) TOM HOLYOKE	1 00	X						16,156	0	0
(8) H HOD KOSMAN CHAIRMAN	1 00	X		X				0	0	0
(9) GLEN FORNEY MD	1 00	X						0	0	0
(10) JANE HUNTER	1 00	X						0	0	0
(11) JIM TRUMBULL	1 00	X						0	0	0
(12) REV LAUREN EKDAHL	1 00	X						0	0	0
(13) JIM DARNELL	1 00	X						0	0	0
(14) MARK GILLAM	1 00	X						0	0	0
(15) JULIE MARSHALL	1 00	X						0	0	0
(16) DONALD GENTRY MD	1 00	X						0	0	0
(17) DENNIS HADDEN	1 00	X						0	0	0

Part VII

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099- MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) LEE GLENN	1 00	X						0	0	0
(19) DAVID GRIFFITHS	1 00			X				0	255,460	38,699
TREASURER	40 00									
(20) JENNIFER BROOKER	1 00			X				0	46,314	6,318
SECRETARY	40 00									
(21) SHIRLEY KNODEL	40 00				X			213,234	0	25,503
CHIEF OF NUR										
(22) JAN TAYLOR	40 00				X			211,178	0	28,324
VP OF ANCILL										
(23) THOMAS DREDLA IV	40 00					X		222,644	0	14,633
CRNA										
(24) THOMAS DREDLA III	40 00					X		207,230	0	9,987
CRNA										
(25) JANET HANSON	40 00					X		202,033	0	13,925
CRNA										
(26) CINDY BRAMAN	40 00					X		201,808	0	16,015
CRNA										
(27) STEVE HODGES							X	0	182,180	22,727
(28) LISA BEWLEY							X	0	141,688	10,561
(29) RALPH PHELPS	40 00						X	195,266	0	24,585
CRNA										
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								1,905,052	2,750,667	320,981

2	Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization▶8			
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	Yes	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <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
MCKESSON INFORMATION SYSTEMS PO BOX 98347 CHICAGO IL 606938347	SVC MTN & EQUIP	3,444,445
MAYO MEDICAL LABORATORIES PO BOX 9146 MINNEAPOLIS MN 55480	REFERENCE LAB	1,434,677
FOCUSONE SOLUTIONS LLC PO BOX 3037 OMAHA NE 68103	AGENCY STAFFING	832,899
O GRADY PEYTON 4441 COLLECTIONS CENTER DRIVE CHICAGO IL 60693	AGENCY STAFFING	784,486
RADIOLOGY IMAGING OF NEBRASKA 10700 E GEDDES AVE ENGLEWOOD CO 80112	PROFESSIONAL	783,063
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 ▶61	

Part VIII

Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns 1a				
	b	Membership dues 1b				
	c	Fundraising events 1c				
	d	Related organizations 1d				
	e	Government grants (contributions) 1e				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	14,471			
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f	14,471			
Program Service Revenue	2a	NET PATIENT SERVICE REVENUE	163,500,003	163,500,003		
	b					
	c					
	d					
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f	163,500,003			
		Business Code				
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	1,088,677			1,088,677
	4	Income from investment of tax-exempt bond proceeds				
	5	Royalties				
	6a	Gross rents				
	b	Less rental expenses				
	c	Rental income or (loss)				
	d	Net rental income or (loss)				
	7a	Gross amount from sales of assets other than inventory	10,886,378			
	b	Less cost or other basis and sales expenses	7,438,922			
	c	Gain or (loss)	3,447,456			
	d	Net gain or (loss)	3,447,456	3,447,456		
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18				
	b	Less direct expenses				
	c	Net income or (loss) from fundraising events				
	9a	Gross income from gaming activities See Part IV, line 19				
	b	Less direct expenses				
	c	Net income or (loss) from gaming activities				
	10a	Gross sales of inventory, less returns and allowances				
	b	Less cost of goods sold				
	c	Net income or (loss) from sales of inventory				
		Miscellaneous Revenue				
	11a	REFERENCE LABORATORY	11,028,409		11,028,409	
	b	ADMINISTRATIVE & MISC	5,389,511			5,389,511
	c	PHARMACY SALES	4,704,404		4,704,404	
	d	All other revenue	5,475,346	1,316,134		4,159,212
	e	Total. Add lines 11a-11d	26,597,670			
	12	Total revenue. See Instructions	194,648,277	168,263,593	15,732,813	10,637,400

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.				
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.				
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.				
4	Benefits paid to or for members.				
5	Compensation of current officers, directors, trustees, and key employees.	806,336	806,336		
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	195,266	195,266		
7	Other salaries and wages.	60,412,312	49,034,310	11,378,002	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	1,388,502	1,131,836	256,666	
9	Other employee benefits.	15,170,230	11,027,408	4,142,822	
10	Payroll taxes.	4,277,711	3,494,027	783,684	
11	Fees for services (non-employees):				
a	Management.				
b	Legal.	89,973		89,973	
c	Accounting.	63,459		63,459	
d	Lobbying.				
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.				
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	7,984,142	7,819,572	164,570	
12	Advertising and promotion.				
13	Office expenses.	1,286,173	846,306	439,867	
14	Information technology.				
15	Royalties.				
16	Occupancy.	2,005,307	1,404,576	600,731	
17	Travel.	529,458	279,365	250,093	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	341,510	276,036	65,474	
20	Interest.	2,513,093	2,051,292	461,801	
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	11,531,628	7,550,156	3,981,472	
23	Insurance.	1,129,846	757,509	372,337	
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	SUPPLIES	30,978,085	30,531,213	446,872	
b	OTHER PURCHASED SERVICES	18,692,429	8,422,175	10,270,254	
c	EQUIPMENT RENTAL & MAINT	7,499,703	4,162,317	3,337,386	
d	MISCELLANEOUS	2,874,686	1,008,732	1,865,954	
e	All other expenses	2,173,182	1,338,707	834,475	
25	Total functional expenses. Add lines 1 through 24e.	171,943,031	132,137,139	39,805,892	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 <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		-2,844	1	8,187
	2	Savings and temporary cash investments		7,016,224	2	13,395,244
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		30,022,692	4	30,376,794
	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		614,592	7	2,248,475
	8	Inventories for sale or use		4,857,035	8	4,926,462
	9	Prepaid expenses and deferred charges		5,158,154	9	5,282,372
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a198,595,442			
	b	Less accumulated depreciation	10b142,913,654	57,848,883	10c	55,681,788
	11	Investments—publicly traded securities		45,568,511	11	41,825,062
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	40,935
	15	Other assets See Part IV, line 11		1,583,896	15	3,469,661
	16	Total assets. Add lines 1 through 15 (must equal line 34)		152,667,143	16	157,254,980
Liabilities	17	Accounts payable and accrued expenses		18,268,369	17	18,410,081
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		54,447,052	20	58,630,541
	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		1,721,190	23	485,882
	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		6,541,311	25	5,100,115
	26	Total liabilities. Add lines 17 through 25		80,977,922	26	82,626,619
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		71,689,221	27	74,628,361
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		71,689,221	33	74,628,361
	34	Total liabilities and net assets/fund balances		152,667,143	34	157,254,980

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	194,648,277
2	Total expenses (must equal Part IX, column (A), line 25)	2	171,943,031
3	Revenue less expenses Subtract line 2 from line 1	3	22,705,246
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	71,689,221
5	Net unrealized gains (losses) on investments	5	1,840,771
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	-21,606,877
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	74,628,361

Part XII Financial Statements and Reporting

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

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

SCHEDULE A

(Form 990 or 990EZ)

Department of the
Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2013

Open to Public
Inspection

Name of the organization REGIONAL WEST MEDICAL CNTR	Employer identification number 47-0385129
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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 33¹/₃% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33¹/₃% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated

e

☐

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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

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

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

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

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

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

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

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

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

Facts And Circumstances Test

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

SCHEDULE 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 REGIONAL WEST MEDICAL CNTR	Employer identification number 47-0385129
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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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

Part II

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

1

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

☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area

☐ Protection of natural habitat ☐ Preservation of a certified historic structure

☐ Preservation of open space

2

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

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

3

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

4

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

5

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

☐ Yes ☐ No

6

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

7

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

8

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

☐ Yes ☐ No

9

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

Part III

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

1a

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

b

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

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

▶ \$ _____

(ii) Assets included in Form 990, Part X

▶ \$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b

Assets included in Form 990, Part X

▶ \$ _____

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

Cat No 52283D

Schedule D (Form 990) 2013

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

- 3

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

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other
- 4

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

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

☐ Yes

☐ No

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

- 1a

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

☐ Yes

☐ No
- b

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

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	
- 2a

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

☐ Yes

☐ No
- b

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

☐

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

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

- 2

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

Board designated or quasi-endowment
- b

Permanent endowment
- c

Temporarily restricted endowment

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

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

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

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

3b

Yes

No

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		3,522,831		3,522,831
b Buildings				
c Leasehold improvements				
d Equipment		193,467,482	142,913,654	50,553,828
e Other		1,605,129		1,605,129
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				55,681,788

Schedule D (Form 990) 2013

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	199,285,443
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	1,840,771
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	2,796,395
e	Add lines 2a through 2d	2e	4,637,166
3	Subtract line 2e from line 1	3	194,648,277
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	194,648,277

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	175,558,610
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	3,615,579
e	Add lines 2a through 2d	2e	3,615,579
3	Subtract line 2e from line 1	3	171,943,031
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	171,943,031

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
SCHEDULE D, PAGE 4, PART XI, LINE 2D	CHANGE IN FMV OF INT RATE SWAP 2,707,214 CHANGE IN NET PERIODIC PENSION COST 0 BANK CHARGES RECLASSIFIED ON RETURN 0 TRANSFER FROM FOUNDATION 89,181
SCHEDULE D, PAGE 4, PART XI, LINE 4B	FRIENDS OF REGIONAL WEST 0
SCHEDULE D, PAGE 4, PART XII, LINE 2D	CHANGE IN NET PERIODIC PENSION EXPENSE 3,615,579
SCHEDULE D, PAGE 4, PART XII, LINE 4B	BANK CHARGES RECLASSIFIED ON RETURN 0

[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
REGIONAL WEST MEDICAL CNTR

Employer identification number
47-0385129

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 <div><input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities</div>		
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 <div><input checked="" type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %</div>	3a Yes	
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 <div><input type="checkbox"/> 200% <input checked="" type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %</div>	3b Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4 Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b 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?	5c	No
6a	Did the organization prepare a community benefit report during the tax year?	6a Yes	
b	If "Yes," did the organization make it available to the public?	6b Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.		

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			5,479,550		5,479,550	3 190 %
b Medicaid (from Worksheet 3, column a)			10,432,628		10,432,628	6 070 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			15,912,178		15,912,178	9 250 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			396,692	40,908	355,784	0 210 %
f Health professions education (from Worksheet 5)			1,679,283	46,000	1,633,283	0 950 %
g Subsidized health services (from Worksheet 6)			13,709,075	4,300	13,704,775	7 970 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			366,084		366,084	0 210 %
j Total Other Benefits			16,151,134	91,208	16,059,926	9 340 %
k Total. Add lines 7d and 7j			32,063,312	91,208	31,972,104	18 590 %

Part II

Community Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing					
2	Economic development					
3	Community support					
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building					
7	Community health improvement advocacy					
8	Workforce development		1,462,796		1,462,796	0.850 %
9	Other					
10	Total		1,462,796		1,462,796	0.850 %

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

Did the organization report bad debt expense in accordance with Healthcare 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

3,547,920

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

39,230,565

6

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

6

67,481,631

7

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

7

-28,251,066

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 IV

Management Companies and Joint Ventures

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V

Facility Information

Section A. Hospital Facilities

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

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

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

Part V

Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group

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

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply)	1 Yes	
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input checked="" type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a CHNA 20 <u>13</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3 Yes	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	No
5 Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5 Yes	
a <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>WWW RWHS ORG</u>		
b <input type="checkbox"/> Other website (list url)		
c <input checked="" type="checkbox"/> Available upon request from the hospital facility		
d <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)		
a <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b <input checked="" type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Participation in the development of a community-wide plan		
d <input type="checkbox"/> Participation in the execution of a community-wide plan		
e <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input checked="" type="checkbox"/> Prioritization of health needs in its community		
h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7 Yes	
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V

Facility Information (continued)

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>100 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>250 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 <input checked="" type="checkbox"/> Income level					
b <input type="checkbox"/> Asset level					
c <input checked="" type="checkbox"/> Medical indigency					
d <input checked="" type="checkbox"/> Insurance status					
e <input checked="" type="checkbox"/> Uninsured discount					
f <input checked="" type="checkbox"/> Medicaid/Medicare					
g <input type="checkbox"/> State regulation					
h <input type="checkbox"/> Residency					
i <input type="checkbox"/> Other (describe in Part VI)					
13 Explained the method for applying for financial assistance?		13	Yes		
14 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		14	Yes		
a <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website					
b <input checked="" type="checkbox"/> The policy was attached to billing invoices					
c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms					
d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices					
e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility					
f <input checked="" type="checkbox"/> The policy was available upon request					
g <input type="checkbox"/> Other (describe in Part VI)					
Billing and Collections					
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?		15	Yes		
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP					
a <input type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in Section C)					
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?				17	No
If "Yes," check all actions in which the hospital facility or a third party engaged					
a <input type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in Section C)					

Part V

Facility Information (continued)

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

☐

Notified individuals of the financial assistance policy on admission
- b

☐

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

☐

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

☐

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

☐

Other (describe in Section C)

Policy Relating to Emergency Medical Care

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

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

20		
Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care		
a	<input type="checkbox"/>	The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
b	<input type="checkbox"/>	The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
c	<input type="checkbox"/>	The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
d	<input checked="" type="checkbox"/>	Other (describe in Part VI)
21		No
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		
22		No
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		

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

[illegible]

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? _____

Name and address	Type of Facility (describe)
1	
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 7G - SUBSIDIZED HEALTH SERVICES EXPLANATION	INCLUDED IN THE COSTS REPORTED AS SUBSIDIZED HEALTH SERVICES ARE FUNDS USED TO HELP SUPPORT REGIONAL WEST PHYSICIANS CLINIC, A RELATED ORGANIZATION OF REGIONAL WEST MEDICAL CENTER (RWMC) REGIONAL WEST PHYSICIANS CLINIC (RWPC) IS A NOT-FOR-PROFIT ORGANIZATION OF MULTI-SPECIALTY PHYSICIAN CLINICS LOCATED IN SCOTTSBLUFF, NE RWMC IS COMMITTED TO SUBSIDIZING THE CLINICS OF RWPC TO ENSURE THAT QUALITY MEDICAL CARE, BOTH IN FAMILY PRACTICE AND IN THE SPECIALTY AREAS COVERED BY THE RWPC CLINICS, CONTINUES TO BE PROVIDED FOR THE COMMUNITY OF SCOTTSBLUFF AND THE REGION SERVED BY THE HOSPITAL WITHOUT THE FUNDING PROVIDED BY RWMC, MANY OF THE CLINICS THAT ARE WITHIN RWPC WOULD NOT BE ABLE TO CONTINUE TO PROVIDE MEDICAL CARE IN THE AREA, WHICH WOULD RESULT IN LARGER VOID IN MEDICAL CARE IN THIS ALREADY MEDICALLY UNDERSERVED RURAL AREA A SUMMARY OF THE RWPC CLINICS SUBSIDIZED BY RWMC AND THE DOLLARS USED TO SUPPORT THE PATIENT CARE PROVIDED BY THESE CLINICS ARE AS FOLLOWS UROLOGY 413,000 WOMENS CENTER 833,000 ORTHOPEDICS 1,614,000 SURGICAL VASCULAR DIAGNOSTICS 337,000 EAR, NOSE & THROAT HEAD & NECK SURGERY 384,000 NEUROSURGERY 1,247,000 CARDIOLOGY 128,000 PLASTIC SURGERY 503,000 INTERNAL MEDICINE 1,950,000 DIABETES CARE CENTER 359,000 FAMILY MEDICINE SCOTTSBLUFF 327,000 FAMILY MEDICINE GERING 618,000 FAMILY MEDICINE MORRILL 73,000 FAMILY MEDICINE MITCHELL 7,000 PEDIATRICS 331,000 PSYCHIATRY & BEHAVIORAL HEALTH 856,000 NEUROLOGY 602,000 REHABILITATION MEDICINE 623,000 PAIN MANAGEMENT 795,000
PART II - COMMUNITY BUILDING ACTIVITIES	RWMC'S MAJOR COMMUNITY BUILDING ACTIVITIES INCLUDE DISASTER READINESS SUPPORT SYSTEM ENHANCEMENT FOR THE IMMEDIATE COMMUNITY AND SCOTTS BLUFF COUNTY, AND PHYSICIAN RECRUITMENT THE DISASTER READINESS SUPPORT INCLUDES COMMUNITY WIDE DRILLS, COMMUNITY DISEASE AWARENESS MEETINGS, COUNTY LEVEL DISASTER MEETINGS AND COOPERATION WITH THE LOCAL POLICE DEPARTMENT TO PROVIDE DISASTER SUPPORT FOR THE COMMUNITY RWMC REPRESENTATIVES ALSO VISIT LOCAL BUSINESSES AND SCHOOLS TO PROVIDE INFORMATION ON ANY VIRUS OUTBREAKS OR ALERTS, SUCH AS THE H1N1 CRISIS IN 2009 RWMC IS INVOLVED WITH THE VARIOUS COMMUNITY-WIDE SCHOOL PROGRAMS THEREBY PROVIDING SUPPORT TO A LOCAL SCHOOLS THROUGH PROMOTING ACTIVITIES, RAISING FUNDS, AND HELPING TO SERVE LUNCHES ETC RWMC, AS A HOSPITAL THAT PROVIDES SERVICE TO A MEDICALLY UNDERSERVED AREA, IS ACTIVELY INVOLVED IN RECRUITING QUALITY PHYSICIANS AND MEDICAL SPECIALISTS TO THE AREA TO PROVIDE NEEDED MEDICAL SERVICES THIS ONGOING RECRUITMENT ACTIVITY IS ESSENTIAL TO THE COMMUNITY AND REGION IN ORDER TO ENSURE THAT RESIDENTS HAVE REGIONAL ACCESSIBILITY TO NEEDED MEDICAL SERVICES

Form and Line Reference	Explanation
PART III, LINE 2 - BAD DEBT EXPENSE METHODOLOGY	THE PORTION OF THE NOTES TO THE FINANCIAL STATEMENTS OF THE AUDIT REPORT THAT ADDRESSES BAD DEBT IS UNDER THE "PATIENT RECEIVABLES, NET" PARAGRAPH IN NOTE 1 DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES IN THIS SECTION THE NOTES STATE ACCOUNTS ARE CONSIDERED DELINQUENT AND SUBSEQUENTLY WRITTEN OFF AS BAD DEBTS BASED ON INDIVIDUAL CREDIT EVALUATION AND SPECIFIC CIRCUMSTANCES OF THE ACCOUNT IT IS IMPORTANT TO NOTE THAT THE BAD DEBT EXPENSE ON THE FINANCIAL STATEMENTS IS STATED IN TERMS OF UNREALIZABLE REVENUE, RATHER THAN AT THE ACTUAL COSTS ASSOCIATED WITH THE BAD DEBT RWMC HAS COST ACCOUNTING SOFTWARE FROM WHICH THE ACTUAL COSTS OF THE BAD DEBT AS REPORTED ABOVE WERE OBTAINED THE COST OF BAD DEBT EXPENSE, USING THIS SOFTWARE, IS CALCULATED BY ADDING THE DIRECT COSTS OF THE MEDICAL SERVICES PROVIDED ALONG WITH A COMBINATION OF AN ALLOCATION OF OVERHEAD BASED ON COST ACCOUNTING METHODOLOGY AND COST TO RATIO CHARGES FOR NEW SERVICE CODES RWMC USES A METHOD SIMILAR TO THE METHOD OF CALCULATING CHARITY CARE COST TO CALCULATE BAD DEBT AT COST THE TOTAL COST OF THE BAD DEBT, OBTAINED FROM THE COST ACCOUNTING SYSTEM, IS REDUCED BY PAYMENTS THAT WERE MADE AND ANY RECOVERIES THAT WERE REALIZED ON THE ACCOUNTS AFTER ELIMINATING ANY CREDIT BALANCES, THE REMAINING COST IS DETERMINED TO BE A REASONABLE ESTIMATE OF THE COST OF BAD DEBT AT THIS TIME THE COMMUNITY BENEFIT DOES NOT INCLUDE ANY BAD DEBT AMOUNTS
PART III, LINE 8 - MEDICARE EXPLANATION	APPROXIMATED 47% OF THE NET PATIENT SERVICES REVENUE IS FROM PATIENTS PARTICIPATING IN THE MEDICARE PROGRAM, THUS PROVIDING SERVICES TO MEDICARE PATIENTS IS A PROMOTION OF HEALTHCARE SERVICES TO A SIGNIFICANT PORTION OF THE POPULATION OF THE COMMUNITY AND REGION THAT RWMC SERVES MEDICARE COST IS THE ALLOWABLE COSTS AS REPORTED ON THE REGIONAL WEST MEDICAL CENTER COST REPORT FOR 2011

Form and Line Reference	Explanation
PART III, LINE 9B - COLLECTION PRACTICES EXPLANATION	THE COLLECTION POLICY OF RWMC, AND THE RELATED CHARITY CARE POLICY, STATES THAT SINCE A PATIENT'S ABILITY TO PAY FOR HEALTHCARE SERVICES CAN CHANGE, A CHARITY DETERMINATION CAN BE MADE PRIOR TO, DURING OR FOLLOWING TREATMENT AT RWMC ONCE A PATIENT HAS DEMONSTRATED OR COMMUNICATED A NEED THROUGH NONPAYMENT, OR THROUGH A COMPLETED FINANCIAL ASSISTANCE APPLICATION, THE FINANCIAL ASSISTANCE TEAM OF RWMC WILL REVIEW THE ACCOUNT AND BASED ON FEDERAL POVERTY GUIDELINES WILL MAKE A DETERMINATION OF WHETHER THE ACCOUNT QUALIFIES FOR CHARITY CARE TREATMENT SOME ITEMS CONSIDERED IN THE DETERMINATION, ACCORDING TO RWMC POLICY, ARE ABILITY TO PAY, EXHAUSTION OF MEDICARE OR MEDICAID BENEFITS COMBINED WITH INABILITY TO PAY, DISCOUNTED CARE FOR THOSE UNABLE TO PAY, ALL OTHER POSSIBLE SOURCES OF COLLECTION USING SOUND BUSINESS PRACTICES HAVE BEEN MADE TO ENABLE THE PATIENT TO PAY, CARE PROVIDED TO A DECEASED PATIENT WITH NO ESTATE, OR CARE PROVIDED TO PATIENT AFTER WHICH A NEGOTIATED SETTLEMENT WAS MADE FOR THE PATIENTS ACCOUNT
PART VI, LINE 2 - NEEDS ASSESSMENT	COMMUNITY NEEDS ARE ASSESSED BY USING UNRELATED DATA COLLECTION SOURCES AND THROUGH THE ACTIVE OBSERVATION AND INVOLVEMENT OF THE ENTITIES EMPLOYEES THROUGHOUT THE COMMUNITIES AND REGION SERVED ONE OF THE MAIN DATA COLLECTION SOURCES USED IS THE BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM (BFRSS) THIS ANNUAL SURVEY COLLECTS DATA ON THE PREVALENCE OF MAJOR HEALTH RISK FACTORS AMONG ADULTS RESIDING THE THE STATE THIS INFORMATION IS USED TO TARGET HEALTH EDUCATION AND RISK REDUCTION ACTIVITIES THROUGHOUT THE STATE AND GIVES RWMC A STARTING POINT FOR PROGRAM IDEAS RWMC IS ALSO INVOLVED WITH THE MOBILIZING FOR ACTION THROUGH PLANNING AND PARTNERSHIPS (MAPP) PROCESS WITH PANHANDLE PUBLIC HEALTH DISTRICT THIS IS A COMMUNITY WIDE STRATEGIC PLANNING TOOL FOR IMPROVING COMMUNITY HEALTH WHICH IS FACILITATED BY PUBLIC HEALTH LEADERSHIP AND HELPS COMMUNITIES PRIORITIZE PUBLIC HEALTH ISSUES AND IDENTIFY RESOURCES FOR ADDRESSING THEM THE NEBRASKA STATE DEPARTMENT OF HEALTH IS A MAJOR RESOURCE FOR DATA USED IN NEEDS ASSESSMENT AN ASSESSMENT IS DONE OF THE GRANTS OFFERRED BY THE STATE TO DETERMINE IF THE GRANT COULD BE USED TO ADDRESS A NEED IN THE COMMUNITIES SERVED AND IF THE PROGRAM WOULD BE SUSTAINABLE ONCE STARTED COMMUNICATION WITH OTHER GROUPS IN THE REGION IS ONGOING SO THAT SERVICES ARE NOT DUPLICATED THE STATE DEPARTMENT OF HEALTH PROVIDES RWMC WITH MONTHLY CALLS ON REPORTABLE DISEASE SURVEILLANCE WHICH HELPS RWMC DIRECT EDUCATION PROGRAMS AND RESOURCES TOWARDS AREAS OF CONCERN

Form and Line Reference	Explanation
PART VI, LINE 3 - PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	PATIENTS ARE NOTIFIED AT ONE OR MORE TIMES THROUGHOUT THE PROCESS OF SCHEDULING, IN-HOUSE, THROUGH STATEMENTS, LETTERS, AT THE POINT OF DISCHARGE, IN THE ADMISSIONS PACKET, AND OCCASIONALLY BY THEIR PHYSICIAN ABOUT THE FINANCIAL ASSISTANCE AND THE PAYMENT POLICIES OF RWMC. RWMC HAS A TIME OF SERVICE (TOS) COLLECTION POLICY THAT IS COMMUNICATED TO THE PATIENT OR THE PATIENT'S FAMILY PRIOR TO, OR FOLLOWING TREATMENT, AT THE FACILITY. DURING THIS CONFERENCE, THE PATIENT IS ALSO GIVEN MATERIALS EXPLAINING THE FINANCIAL ASSISTANCE AVAILABLE. THE VERBAL COMMUNICATION OF THIS POLICY PROVIDES RWMC AN OPPORTUNITY TO ASSESS IF PATIENTS HAVE A FINANCIAL NEED SO THAT THE FINANCIAL LIABILITIES OF RWMC WILL BE ABLE TO PROACTIVELY WORK WITH THE PATIENTS TO DETERMINE IF THEY QUALIFY FOR FINANCIAL ASSISTANCE. AT THIS TIME PAYMENT OPTIONS ARE COMMUNICATED AND DISCUSSED WITH THE PATIENT/PATIENT'S FAMILY. A FINANCIAL ASSISTANCE APPLICATION, IF APPLICABLE, IS PROVIDED FOR THE PATIENT TO FILL OUT THAT IS THEN EVALUATED TO DETERMINE THE PATIENT'S ABILITY, OR INABILITY, TO PAY, USING A MEASUREMENT OF INCOME BASED ON THE MOST RECENTLY PUBLISHED POVERTY GUIDELINES FROM THE FEDERAL REGISTER. DECISIONS REGARDING FINANCIAL ASSISTANCE ARE THEN COMMUNICATED TO THE PATIENT IN A LETTER.
PART VI, LINE 4 - COMMUNITY INFORMATION	RWMC SERVES THE REGIONAL AREA INCLUDING THE PANHANDLE OF NEBRASKA, EASTERN WYOMING, SOUTHWESTERN SOUTH DAKOTA, AND NORTHERN COLORADO. THIS AREA IS MAINLY RURAL WITH AGRICULTURE BEING THE BIGGEST INDUSTRY. THE AVERAGE ANNUAL INCOME FOR THE IMMEDIATE SCOTTS BLUFF COUNTY AREA IS APPROXIMATELY 50,295 FOR A FAMILY OF 3. THE 2010 CENSUS PROJECTED THE POPULATION OF THE AREA TO BE 37,000 IN 2011. OF THIS POPULATION, 30% IS ESTIMATED TO BE OVER THE AGE OF 65. IN THE REGION THERE ARE 5 OTHER SMALLER HOSPITALS, BUT RWMC IS THE ONLY HOSPITAL IN THE PANHANDLE OF NEBRASKA TO BE DESIGNATED A TRAUMA CENTER, AND AS THE LARGEST FACILITY, PROVIDES SUPPORT SERVICES TO THE SMALLER HOSPITALS IN THE REGION. RWMC ESTIMATES THAT 47% OF ITS REVENUE IS DERIVED FROM MEDICAL TREATMENT OF PATIENTS COVERED BY MEDICARE, 13% OF REVENUE IS DERIVED FROM PATIENTS COVERED BY MEDICAID.

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
REGIONAL WEST MEDICAL CNTR

Employer identification number
47-0385129

Part I

Questions Regarding Compensation

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

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
SCHEDULE J, PAGE 1, PART I, LINE 4	TODD S SORENSEN 0 174,023 0 DAVID GRIFFITHS 0 26,014 0 SHIRLEY KNODEL 0 23,381 0 JAN TAYLOR 0 23,194 0 STEVE HODGES 0 20,017 0 LISA BEWLEY 0 7,892 0

Additional Data

Software ID:

Software Version:

EIN: 47-0385129

Name: REGIONAL WEST MEDICAL CNTR

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				
JEFFREY HOLLOWAY MD	(i) (ii)	497,370	141,023	810	10,200	28,430	649,403	
DAVID HOLDT MD	(i) (ii)	535,004	21,691	2,919	10,200	22,452	569,814	
TODD S SORENSEN CEO	(i) (ii)	502,745		13,379	64,979	17,923	581,103	61,620
JON MORGAN MD VP OF MEDICAL STAFF	(i) (ii)	381,262 16,558		661	9,527 673	23,421 981	391,450 17,231	
LISA SCHEPPERS	(i) (ii)	382,627	9,100	1,799	14,125	28,218	407,651	
DAVID GRIFFITHS TREASURER	(i) (ii)	246,352		9,108	38,699	23,518	294,159	4,881
SHIRLEY KNODEL CHIEF OF NURSING	(i) (ii)	203,678		9,556	25,503	13,124	238,737	
JAN TAYLOR VP OF ANCILL	(i) (ii)	200,528		10,650	28,324	23,099	239,502	33,869
THOMAS DREDLA IV CRNA	(i) (ii)	221,489		1,155	14,633	25,282	237,277	
THOMAS DREDLA III CRNA	(i) (ii)	206,192		1,038	9,987	23,332	217,217	
JANET HANSON CRNA	(i) (ii)	201,357		676	13,925	20,525	215,958	
CINDY BRAMAN CRNA	(i) (ii)	201,651		157	16,015	25,663	217,823	
STEVE HODGES	(i) (ii)	173,382		8,798	22,727	21,025	204,907	19,599
LISA BEWLEY	(i) (ii)	141,688			10,561	560	152,249	
RALPH PHELPS CRNA	(i) (ii)	194,012		1,254	24,585	25,281	219,851	

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
REGIONAL WEST MEDICAL CNTR

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

Employer identification number
47-0385129

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 AUTHORITY NO 1 OF SB CO NE SERIES 2012 A REVENUE BONDS			02-23-2012	23,161,032			X		X		X
B	HOSPITAL AUTHORITY NO 1 SB CO NE SERIES 2012B REVENUE BOND			04-25-2012	32,544,735			X		X		X
C	HOSPITAL AUTHORITY NO 1 SERIES 2013			09-27-2013	6,000,000			X		X		X

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds legally defeased								
3	Total proceeds of issue								
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
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								
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		X			X		
15	Were the bonds issued as part of an advance refunding issue?	X		X			X		
16	Has the final allocation of proceeds been made?	X		X			X		
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?		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		
2	Are there any lease arrangements that may result in private business use of bond-financed property?		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		
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		
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								
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								
6	Total of lines 4 and 5								
7	Does the bond issue meet the private security or payment test?		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		
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		

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		
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X		X		X		
b	Exception to rebate?		X		X		X		
c	No rebate due?		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		
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		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		
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		X		X		
7	Has the organization established written procedures to monitor the requirements of section 148?		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?							

Part VI

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

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

Department of the Treasury
Internal Revenue Service

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

OMB No 1545-0047
2013
Open to Public Inspection

Name of the organization
REGIONAL WEST MEDICAL CNTR

Employer identification number
47-0385129

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) CHALOUPKA HOLYOKE HOFMEISTER	DIRECTOR		LEGAL SERVICES		No
(2) REGIONAL RADIATION ONCOLOGY CARE	DIRECTOR		MEDICAL DIRECTOR		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 REGIONAL WEST MEDICAL CNTR	Employer identification number 47-0385129
--	--

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PAGE 6, PART VI, LINE 11B	FORM IS PRESENTED TO AND REVIEWED BY THE BOARD IN THE MONTH PRIOR TO THE FILING DEADLINE
FORM 990, PAGE 6, PART VI, LINE 12C	ANNUAL DISCLOSURE BY BOARD MEMBERS OF ANY CONFLICT OF INTEREST, AS SET FORTH IN THE POLICES, IS REQUIRED FOR ANY POSSIBLE CONFLICT OF INTEREST IDENTIFIED, THE REMAINING BOARD DETERMINES IF IT ACTUALLY CONSTITUTES A CONFLICT OF INTEREST WITHOUT THE CONFLICTED BOARD MEMBER PRESENT IF A CONFLICT OF INTEREST IS DETERMINED TO EXIST, THE BOARD, LESS THE CONFLICTED MEMBER, WILL THEN DECIDE THE LEVEL OF INVOLVEMENT OF THE MEMBER IN DECISION MAKING FOR THE ENTITY, IF THERE IS AN ALTERNATIVE ARRANGEMENT THAT WILL ELIMINATE THE CONFLICT OF INTEREST, AND THE APPROPRIATENESS OF THE CONFLICTED MEMBER CONTINUING AS A BOARD MEMBER FAILURE TO DISCLOSE A CONFLICT OF INTEREST CAN RESULT IN DISCIPLINARY AND CORRECTIVE ACTION FOR OR THE CONFLICTED MEMBER
FORM 990, PAGE 6, PART VI, LINE 15A	COMPENSATION IS DETERMINED BY THE COMPENSATION COMMITTEE OF THE RWHS BOARD FOR THE CEO AND EXECUTIVE TEAM BASED ON MARKET DATA AND RECOMMENDATIONS FROM AN INDEPENDENT CONSULTING FIRM WHO COLLECTS THAT DATA FOR COMPARISON PURPOSES MINUTES ARE KEPT OF THESE MEETINGS
FORM 990, PAGE 6, PART VI, LINE 15B	SEE COMPENSATION PROCESS FOR CEO
FORM 990, PAGE 6, PART VI, LINE 19	GOVERNING DOCUMENTS AND POLICIES ARE MADE AVAILABLE TO THE PUBLIC THROUGH POSTING ON THE ORGANIZATION'S WEBSITE
FORM 990, PART XI, LINE 9	CHANGE IN FMV OF INT RATE SWAP 2,707,214 CHANGE IN NET PERIODIC PENSION COST 0 BANK CHARGES RECLASSIFIED ON RETURN 0 TRANSFER FROM FOUNDATION 89,181 FRIENDS OF REGIONAL WEST 0 CHANGE IN NET PERIODIC PENSION EXPENSE -3,615,579 BANK CHARGES RECLASSIFIED ON RETURN 0
FORM 990, PART XI, LINE 9	TRANSFER FROM PANHANDLE HEALTH PROPERTIES 2,393,372 TRANSFER FROM FOUNDATION 236,162 TRANSFER TO PANHANDLE HEALTH PROPERTIES 6,389,807 TRANSFER TO RWPC 16,900,004 TRANSFER TO FOUNDATION 127,416

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
REGIONAL WEST MEDICAL CNTR

Employer identification number
47-0385129

Part I Identification of Disregarded Entities

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

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

Part II Identification of Related Tax-Exempt Organizations

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) REGIONAL WEST HEALTH SERVICES 4021 AVENUE B SCOTTSBLUFF, NE 69361 36-3314157	HEALTH SVC	NE	501C3	11A	N/A		No
(2) REGIONAL WEST FOUNDATION 4021 AVENUE B SCOTTSBLUFF, NE 69361 23-7171022	SUPPORT	NE	501C3	11A	N/A		No
(3) REGIONAL WEST VILLAGE 4021 AVENUE B SCOTTSBLUFF, NE 69361 36-3314162	ASSIS LIV	NE	501C3	9	N/A		No
(4) PANHANDLE HEALTH PROPERTIES 4021 AVENUE B SCOTTSBLUFF, NE 69361 36-3314161	MED RENTAL	NE	501C2		N/A		No
(5) REGIONAL WEST HEALTH SERVICES EMPLO 4021 AVENUE B SCOTTSBLUFF, NE 69361 47-0658690	HEALTH PLA	NE	501C9		N/A		No
(6) PRAIRIE HAVEN HOSPICE 4021 AVENUE B SCOTTSBLUF, NE 69361 39-1904975			501C3	3	N/A		No
(7) REGIONAL WEST PHYSICIANS CLINIC 4021 AVENUE B SCOTTSBLUF, NE 69361 36-3314159			501C3	3	N/A		No

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) Dispropportionate 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	

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) REGIONAL CARE INC 4021 AVENUE B SCOTTSBLUF, NE 69361 47-0760050			N/A						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) PANHANDLE HEALTH PROPERTIES	B	3,996,435	CASH
(2) PANHANDLE HEALTH PROPERTIES	H	2,393,372	NET BOOK VALUE
(3) REGIONAL WEST PHYSICIANS CLINIC	B	16,900,004	CASH
(4) REGIONAL WEST FOUNDATION	C	197,927	CASH
(5) PANHANDLE HEALTH PROPERTIES	K	671,776	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: 47-0385129
Name: REGIONAL WEST MEDICAL CNTR

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) REGIONAL WEST HEALTH SERVICES 4021 AVENUE B SCOTTSBLUFF, NE 69361 36-3314157	HEALTH SVC	NE	501C3	11A	N/A		No
(1) REGIONAL WEST FOUNDATION 4021 AVENUE B SCOTTSBLUFF, NE 69361 23-7171022	SUPPORT	NE	501C3	11A	N/A		No
(2) REGIONAL WEST VILLAGE 4021 AVENUE B SCOTTSBLUFF, NE 69361 36-3314162	ASSIS LIV	NE	501C3	9	N/A		No
(3) PANHANDLE HEALTH PROPERTIES 4021 AVENUE B SCOTTSBLUFF, NE 69361 36-3314161	MED RENTAL	NE	501C2		N/A		No
(4) REGIONAL WEST HEALTH SERVICES EMPLO 4021 AVENUE B SCOTTSBLUFF, NE 69361 47-0658690	HEALTH PLA	NE	501C9		N/A		No
(5) PRAIRIE HAVEN HOSPICE 4021 AVENUE B SCOTTSBLUF, NE 69361 39-1904975			501C3	3	N/A		No
(6) REGIONAL WEST PHYSICIANS CLINIC 4021 AVENUE B SCOTTSBLUF, NE 69361 36-3314159			501C3	3	N/A		No

TY 2013 GeneralDependencySmall**Name:** REGIONAL WEST MEDICAL CNTR**EIN:** 47-0385129**Business Name or Person Name:****Taxpayer Identification Number:****Form, Line or Instruction****Reference:****Regulations Reference:****Description:** WAIVE NOL CARRYBACK

Attachment Information: YEAR ENDING: DECEMBER 31, 2013 47-0385129 REGIONAL WEST MEDICAL CNTR 4021 AVENUE B SCOTTSBLUFF, NE 69361 NOL CARRYBACK ELECTION UNDER IRC SECTION 172(B)(3), THE TAXPAYER ELECTS TO RELINQUISH THE ENTIRE CARRYBACK PERIOD WITH RESPECT TO ANY REGULAR TAX AND AMT NET OPERATING LOSS INCURRED DURING THE CURRENT TAX YEAR.

Regional West Medical Center
Scottsbluff, Nebraska

Financial Statements
December 31, 2013 and 2012

Together with Independent Auditor's Report

Regional West Medical Center

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SEIM JOHNSON

Independent Auditor's Report

To the Board of Directors of
Regional West Medical Center
Scottsbluff, Nebraska

Report on the Financial Statements

We have audited the accompanying financial statements of Regional West Medical Center which comprise the balance sheets as of December 31, 2013 and 2012, and the related statements of operations and changes in net assets and cash flows for the years then ended and related notes to the financial statements

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement.

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

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

Opinion

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

SEIM JOHNSON, LLP.

Omaha, Nebraska,
April 25, 2014

Regional West Medical Center

Balance Sheets

December 31, 2013 and 2012

	2013	2012
ASSETS		
Current assets		
Cash and cash equivalents	\$ 9,644,654	4,099,501
Patient accounts receivable, net of allowance of \$16,699,203 in 2013 and \$14,451,266 in 2012	30,376,915	30,022,812
Inventory	4,926,462	4,857,035
Prepaid expenses and other	5,282,251	5,158,035
Estimated amounts due from Medicare and Medicaid	605,947	20,460
Total current assets	50,836,229	44,157,843
Assets limited as to use	45,583,835	48,482,389
Notes and contributions receivable, affiliates	1,976,266	279,742
Property and equipment, net	55,681,788	57,848,883
Other assets		
Deferred financing costs, net	409,120	413,367
Notes receivable, net	272,210	334,850
Intangible assets and other integration costs, net	40,935	--
Other	1,188,576	1,150,069
Total other assets	1,910,841	1,898,286
Total assets	\$ 155,988,959	152,667,143
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of long-term debt	\$ 2,973,467	2,851,942
Accounts payable and other current liabilities	7,237,943	6,999,100
Accrued salaries, wages, and benefits	6,378,076	7,463,011
Accrued interest payable	197,694	217,421
Total current liabilities	16,787,180	17,531,474
Liability for pension benefits	3,055,368	1,688,837
Long-term debt, net of current portion	56,142,956	53,316,301
Interest rate swap agreement	3,834,097	6,541,311
Other	1,541,000	1,900,000
Total liabilities	81,360,601	80,977,923
Unrestricted net assets	74,628,358	71,689,220
Total liabilities and net assets	\$ 155,988,959	152,667,143

See notes to financial statements

Regional West Medical Center

Statements of Operations and Changes in Net Assets For the Years Ended December 31, 2013 and 2012

	2013	2012
UNRESTRICTED REVENUE		
Net patient service revenue	\$ 180,966,148	182,566,537
Provision for bad debts	(9,588,973)	(11,432,419)
Net patient service revenue less provision for bad debts	171,377,175	171,134,118
Other revenue	18,819,306	16,983,045
Total unrestricted revenue	190,196,481	188,117,163
EXPENSES		
Salaries and wages	61,413,913	63,090,759
Employee benefits	20,836,442	22,243,805
Supplies and other	48,588,995	49,410,010
Purchased services	18,819,711	22,351,747
Professional fees	7,979,066	6,817,036
Depreciation and amortization	11,726,749	11,484,106
Interest and other financing costs	2,513,093	2,792,194
Total expenses	171,877,969	178,189,657
OPERATING INCOME	18,318,512	9,927,506
NONOPERATING GAINS (LOSSES)		
Investment income, net	4,375,182	4,819,501
Change in fair value of interest rate swap agreement	2,707,214	116,402
Loss on advance refunding	--	(1,155,110)
Other, net	100,731	465,736
Nonoperating gains, net	7,183,127	4,246,529
EXCESS OF REVENUE OVER EXPENSES	25,501,639	14,174,035
CHANGE IN UNREALIZED GAINS AND LOSSES ON OTHER THAN TRADING SECURITIES	1,840,771	145,175
TRANSFERS TO AFFILIATES, NET	(20,787,693)	(16,474,996)
PENSION RELATED CHANGES OTHER THAN NET PERIODIC PENSION COST	(3,615,579)	1,277,554
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	2,939,138	(878,232)
NET ASSETS, beginning of year	71,689,220	72,567,452
NET ASSETS, end of year	\$ 74,628,358	71,689,220

See notes to financial statements

Regional West Medical Center

Statements of Cash Flows For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,939,138	(878,232)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	11,726,749	11,484,106
Loss on advance refunding	--	1,155,110
Change in net unrealized gains and losses on other than trading securities	(1,840,771)	(145,175)
Transfers to affiliates, net	20,787,693	16,474,996
Loss on sale of property and equipment	3,717	38,581
Change in fair value of interest rate swap agreement	(2,707,214)	(116,402)
Change in liability for pension benefits	1,366,531	(2,900,501)
Increase in other assets	(202,247)	(234,268)
(Increase) decrease in current assets -		
Patient accounts receivable	(354,103)	1,167,330
Inventory	(69,427)	(126,077)
Prepaid expenses and other	(483,216)	(553,965)
Estimated amounts due from Medicare and Medicaid	(585,487)	(20,460)
Increase (decrease) in current liabilities -		
Accounts payable and other current liabilities	537,000	1,134,562
Accrued salaries, wages, and benefits	(1,084,935)	625,509
Accrued interest payable	(19,727)	12,117
Estimated amounts due to Medicare and Medicaid	--	(2,547,379)
Net cash provided by operating activities	<u>30,013,701</u>	<u>24,569,852</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment, net	(9,666,406)	(7,008,140)
Withdrawals from assets limited as to use, net	4,739,325	1,952,909
(Increase) decrease in notes receivable, net	62,640	(85,695)
Net cash used in investing activities	<u>(4,864,441)</u>	<u>(5,140,926)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Transfers to affiliates, net	(20,787,693)	(16,474,996)
Proceeds from issuance of long-term debt	6,000,000	55,705,766
Principal payments on long-term debt	(3,051,820)	(58,495,542)
Change in notes receivable, affiliates	(1,696,524)	(154,868)
Payment of deferred and other financing costs	(68,070)	(1,352,823)
Net cash used in financing activities	<u>(19,604,107)</u>	<u>(20,772,463)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,545,153	(1,343,537)
CASH AND CASH EQUIVALENTS - Beginning of year	<u>4,099,501</u>	<u>5,443,038</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 9,644,654</u>	<u>4,099,501</u>
SUPPLEMENTAL SCHEDULE OF CASH FLOWS INFORMATION		
Cash paid during the year for interest	\$ 1,400,160	1,610,478

See notes to financial statements

Regional West Medical Center

Notes to Financial Statements December 31, 2013 and 2012

(1) Organization and Summary of Significant Accounting Policies

The following is a summary of the organization and significant accounting policies of Regional West Medical Center. These policies are in accordance with accounting principles generally accepted in the United States of America.

A Organization

Regional West Medical Center (Medical Center) primarily earns revenue by providing a wide range of general and specialized healthcare services, including inpatient, outpatient and emergency care services, to patients in Scottsbluff, Nebraska. The Medical Center is an affiliate of Regional West Health Services (RWHS), a not-for-profit corporation, which was formed as the parent company for the Medical Center and other related entities.

B Industry Environment

The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursements for patient services, and Medicare and Medicaid fraud and abuse. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Management believes that the Medical Center is in compliance with government laws and regulations as they apply to areas of fraud and abuse. While no regulatory inquiries have been made which are expected to have a material effect on the Medical Center's 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.

As a result of recently enacted federal healthcare reform legislation, substantial changes are anticipated in the United States healthcare system. Such legislation includes numerous provisions affecting the delivery of healthcare services, the financing of healthcare costs, reimbursement of healthcare providers and the legal obligations of health insurers, providers and employers. These provisions are currently slated to take effect at specified times over approximately the next decade.

C Use of Estimates

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

D 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 amounts whose use is limited by board designation or other arrangements under indenture agreements.

Regional West Medical Center

Notes to Financial Statements December 31, 2013 and 2012

E Patient Receivables, Net

The Medical Center reports patient accounts receivable for services rendered at net realizable amounts from third-party payors, patients and others. Accounts receivable are reduced by an allowance for doubtful accounts. The Medical Center records a monthly provision for bad debts based on a percentage of charges from certain major payors. The resulting allowance for doubtful accounts is then evaluated. In evaluating the collectibility of accounts receivable, the Medical Center analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Medical Center analyzes contractually due amounts and considers an allowance for doubtful accounts based on a percentage of historical write offs and for those accounts over a certain age based on discharge that make the realization of amounts due unlikely. For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Medical Center records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Patient receivables are due in full when billed. Accounts are considered delinquent and subsequently written off as bad debts based on individual credit evaluation and specific circumstances of the account.

F Inventories

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

G Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying balance sheets. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in excess of revenue over expenses unless the income or loss is restricted by donor or law. Changes in unrealized gains and losses on investments are excluded from excess of revenue over expenses unless the investments are trading securities. During 2013 and 2012 there was \$-0- and \$14,664, respectively, in unrealized losses that were deemed to be other than temporary and is included in investment income, net in the statements of operations and changes in net assets.

H Assets Limited as to Use

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

Regional West Medical Center

Notes to Financial Statements December 31, 2013 and 2012

I Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is computed using the straight-line method based upon useful lives set forth using general guidelines from the American Hospital Association Guide for Estimated Useful Lives of Depreciable Hospital Assets. Equipment under capital lease obligations is amortized on the straight-line method over the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements. The Medical Center maintains a capitalization policy of \$2,500.

Gifts of long-lived assets such as land, buildings or equipment are reported as unrestricted support and are excluded from the excess of revenue 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 into service.

J Deferred Financing Costs, Net

Deferred financing costs are amortized over the term of the related indebtedness using the interest method. Amortization expense of \$72,317 in 2013 and \$71,547 in 2012 is included in the accompanying statements of operations and changes in net assets.

K Notes Receivable

The Medical Center has entered into several agreements to recruit and relocate employees to the community of Scottsbluff, Nebraska. Notes receivable represents amounts advanced to employees net of an allowance for uncollectible accounts. All monies advanced under these agreements will be forgiven over a one to three year period. Advances must be repaid with interest if employees fail to fulfill their contract responsibilities.

L Excess of Revenue Over Expenses

The statements of operations and changes in net assets include excess of revenue over expenses as a performance indicator. Changes in unrestricted net assets that are excluded from excess of revenue over expenses, consistent with industry practice, include extraordinary items, change in unrealized gains and losses on investments other than trading securities, permanent transfers to and from affiliates for other than goods and services, pension related changes other than net periodic pension cost, and contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purpose of acquiring such assets).

M Net Patient Service Revenue

The Medical Center has arrangements with third-party payors that provide for payments to the Medical Center at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. 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.

Regional West Medical Center

Notes to Financial Statements December 31, 2013 and 2012

N Charity Care

The Medical Center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue in the statements of operations and changes in net assets. Management's disclosure of charity care costs is described in Note 3.

O Group Health Insurance Costs

The Medical Center is partially self-insured under its employee group health program, up to certain limits. Included in the accompanying statements of operations and changes in net assets is a provision for premiums for excess coverage insurance and payments for claims, including estimates of the ultimate costs for both reported claims and claims incurred but not yet reported.

P Income Taxes

The Medical Center is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code. The Medical Center has received a determination letter that it is exempt from federal income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. The Internal Revenue Service has established standards to be met to maintain tax exempt status. In general, such standards require the Medical Center to meet a community benefit standard and comply with various laws and regulations.

The Medical Center accounts for uncertainties in accounting for income tax assets and liabilities using guidance included in FASB ASC Topic 740, *Income Taxes*. The Medical Center recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. At December 31, 2013, the Medical Center had no uncertain tax positions accrued. With few exceptions, the Medical Center is no longer subject to income tax examinations for the years ended prior to December 31, 2010.

Q Conditional Asset Retirement Obligations

FASB ASC 410, *Asset Retirement and Environmental Obligations*, clarifies that the term condition, as used in the guidance governing the accounting for asset retirement obligations, refers to a legal obligation to perform an asset retirement activity in which the timing or method of settlement, or both, are conditional on a future event that may or may not be within the control of the entity. An entity must recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. The Medical Center assessed the impact of the interpretation and determined that it did not have an obligation that required recognition at December 31, 2013.

R Fair Value of Financial Instruments

The carrying amounts of all financial instruments approximate estimated fair value. Cash and cash equivalents, receivables and current liabilities are reasonable estimates of their fair values due to their short term nature. Assets limited as to use and interest rate swap agreement are stated at fair value as discussed in Note 4. The carrying value of long-term debt approximates fair value since the rates closely reflect current market rates.

S Subsequent Events

The Medical Center considered events occurring through April 25, 2014 for recognition or disclosure in the financial statements as subsequent events. That date is the date the financial statements were available to be issued.

Regional West Medical Center

Notes to Financial Statements December 31, 2013 and 2012

(2) Net Patient Service Revenue

The Medical Center recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. See summary of payment arrangements below. For uninsured patients that do not qualify for charity care, the Medical Center recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the Medical Center's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Medical Center records a significant provision for bad debts related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the year from these major payor sources, is as follows:

December 31, 2013					
	Medicare (including managed care)	Medicaid (including managed care)	Commercial	Self Pay	Total
Gross patient charges	\$ 194,047,070	47,010,757	154,350,168	39,369,873	434,777,868
Less contractual allowances and discounts	144,469,329	42,404,001	52,232,153	14,706,237	253,811,720
Net patient service revenue	\$ 49,577,741	4,606,756	102,118,015	24,663,636	180,966,148

December 31, 2012					
	Medicare (including managed care)	Medicaid (including managed care)	Commercial	Self Pay	Total
Gross patient charges	\$ 186,739,448	46,839,251	148,467,225	38,856,424	420,902,348
Less contractual allowances and discounts	137,043,613	41,592,407	45,467,052	14,232,739	238,335,811
Net patient service revenue	\$ 49,695,835	5,246,844	103,000,173	24,623,685	182,566,537

The Medical Center has agreements with third-party payors for payments to the Medical Center at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare. Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient skilled nursing services are reimbursed at prospectively determined rates per day of care. Inpatient non-acute services are paid at prospectively determined rates per day. Outpatient services related to Medicare beneficiaries are paid at prospectively determined rates based on ambulatory payment classifications or fee schedule amounts. The Medical Center is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare Administrative Contractor. The Medical Center's Medicare cost reports have been audited by the Medicare Administrative Contractor through December 31, 2009.

The "Budget Control Act of 2011" requires, among other things, mandatory across-the-board reductions in Federal spending, also known as sequestration. The "American Taxpayer Relief Act of 2012" postponed sequestration for two months. As required by law, President Obama issued a sequestration order on March 1, 2013. In general, Medicare claims with dates of service or dates of discharge on or after April 1, 2013, will incur a two percent reduction in Medicare payment.

Regional West Medical Center

Notes to Financial Statements December 31, 2013 and 2012

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 a reduced average ratio of cost to charges. Outpatient lab services related to Medicaid beneficiaries are paid based on fee schedule amounts.

The Medical Center has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for reimbursement under these agreements primarily includes discounts from established charges.

Net patient service revenue (before the provision of bad debts), as reflected in the accompanying statements of operations and changes in net assets, consists of the following as of December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Gross patient charges		
Inpatient charges	\$ 224,813,826	222,066,327
Outpatient charges	<u>209,964,042</u>	<u>198,836,021</u>
Total gross patient charges	434,777,868	420,902,348
Less deductions from gross patient charges		
Contractual adjustments and charity care - Medicare, Medicaid and other	<u>253,811,720</u>	<u>238,335,811</u>
Net patient service revenue	<u>\$ 180,966,148</u>	<u>182,566,537</u>

Revenue from the Medicare and Medicaid programs accounted for approximately 27% and 3%, respectively, of the Medical Center's net patient revenue for the years ended December 31, 2013 and 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.

(3) Charity Care

The Medical Center provides charity care to patients with limited to no ability to pay for the health care services they receive. Patients who qualify for charity care are given a discount from established charges through the completion of the application for financial assistance based on the most recent published poverty guidelines or through a predictive charity scoring model. The Medical Center determines the costs associated with providing charity care by aggregating the direct and indirect costs, including salaries, benefits, supplies, and other operating expenses, based on the overall cost-to-charge ratio as reported in the internal cost accounting system. The costs of caring for charity care patients for the years ended December 31, 2013 and 2012 were approximately \$5,500,000 and \$5,600,000, respectively.

(4) Fair Value

Fair Value Hierarchy

The Medical Center has adopted ASC 820 for fair value measurements of financial assets and financial liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. ASC 820 establishes 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:

Regional West Medical Center

Notes to Financial Statements December 31, 2013 and 2012

Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date

Level 2 inputs are other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly through either corroboration or observable market data

Level 3 inputs are unobservable for the asset or liability. Therefore, unobservable inputs shall reflect the entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk) developed based on the best information available in the circumstances

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

The following methods and assumptions were used to estimate the fair value for each class of financial instrument measured at fair value

Cash and cash equivalents and accrued interest – The fair value of cash and cash equivalents, consisting primarily of deposit accounts, money market funds and accrued interest is classified as Level 1 as these funds are valued using quoted market prices

Certificates of deposit – Investments in certificates of deposit are classified as Level 2 based on multiple sources of information, which may include market data and/or quoted market prices from either markets that are not active or are for the same or similar assets of active markets

Fixed income securities – Investments in fixed income securities are comprised of U.S. Treasury bonds and notes, government sponsored debt securities, and corporate bonds and notes. U.S. Treasury bonds and notes are classified as Level 1 if they trade with sufficient frequency and volume to enable the Medical Center to obtain pricing information on an ongoing basis. The remaining fixed income securities are classified as Level 2 based on multiple sources of information, which may include market data and/or quoted market prices from either markets that are not active or are for the same or similar assets in active markets

Mutual funds – Mutual funds are classified as Level 1 as the fair value is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers

Interest rate swap – Interest rate swap is classified as Level 2 as the fair value is based on the spread between the exchanged interest rate payments. The rate used in determining the interest payment is based on either market data from markets that are not active or from markets that are for the same or similar types of rates

For the fiscal years ended December 31, 2013 and 2012, the application of valuation techniques applied to similar assets and liabilities has been consistent

The following table presents the financial instruments 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

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Notes to Financial Statements December 31, 2013 and 2012

Fair Value Measurements at December 31, 2013				
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 2,428,833	--	--	2,428,833
Certificates of deposit	--	1,347,811	--	1,347,811
Fixed income securities -				
Government sponsored debt securities	--	170,195	--	170,195
Corporate bonds and notes	--	348,841	--	348,841
U S Treasury bonds and notes	318,398	--	--	318,398
Mutual funds -				
U S stock index	19,322,876	--	--	19,322,876
International stock index	4,612,118	--	--	4,612,118
Bond index	7,024,245	--	--	7,024,245
Inter-term U S Treasury index	3,758,329	--	--	3,758,329
Inflation-protected	2,087,289	--	--	2,087,289
Real estate investment trust index	4,164,766	--	--	4,164,766
Money market	134	--	--	134
	<u>\$ 43,716,988</u>	<u>1,866,847</u>	<u>--</u>	<u>45,583,835</u>
Interest rate swap	\$ --	3,834,097	--	3,834,097

Fair Value Measurements at December 31, 2012				
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 1,591,281	--	--	1,591,281
Certificates of deposit	--	1,340,055	--	1,340,055
Fixed income securities -				
Government sponsored debt securities	--	256,020	--	256,020
Corporate bonds and notes	--	352,847	--	352,847
U S Treasury bonds and notes	530,127	--	--	530,127
Mutual funds -				
U S stock index	20,910,943	--	--	20,910,943
International stock index	5,046,807	--	--	5,046,807
Bond index	7,492,764	--	--	7,492,764
Inter-term U S Treasury index	4,115,887	--	--	4,115,887
Inflation-protected	2,270,499	--	--	2,270,499
Real estate investment trust index	4,574,602	--	--	4,574,602
Money market	557	--	--	557
	<u>\$ 46,533,467</u>	<u>1,948,922</u>	<u>--</u>	<u>48,482,389</u>
Interest rate swap	\$ --	6,541,311	--	6,541,311

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Notes to Financial Statements December 31, 2013 and 2012

The Medical Center's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There were no transfers into or out of Level 1 or Level 2 for the years ended December 31, 2013 and 2012.

(5) Assets Limited as to Use

In connection with the issuance of the Series 2013 Bonds and related trust indenture agreements, the Medical Center is required to maintain the following:

Project Fund – Established for the deposit of the proceeds from the sale of the Series 2013 Bonds to be used for payment of the cost of the Series 2013 project and related issuance costs.

In addition, the Medical Center's Board of Directors has set aside assets for future capital improvements, over which the Board retains control and may at its discretion, subsequently use for other purposes.

Assets limited as to use are recorded at fair value and the amounts as of December 31, 2013 and 2012 are as follows:

	<u>2013</u>	<u>2012</u>
By Board for future capital improvements	\$ 45,403,898	48,482,389
By Trustee under indenture agreements	<u>179,937</u>	<u>--</u>
Total at fair value	<u>\$ 45,583,835</u>	<u>48,482,389</u>

Investment return for the years ended December 31, 2013 and 2012 is summarized as follows:

	<u>2013</u>	<u>2012</u>
Interest and dividends	\$ 1,032,010	1,209,995
Realized gains, net	3,343,172	3,609,506
Change in unrealized gains	<u>1,840,771</u>	<u>145,175</u>
Total investment return	<u>\$ 6,215,953</u>	<u>4,964,676</u>
Included in nonoperating gains, net	\$ 4,375,182	4,819,501
Reported separately as a change in unrestricted net assets	<u>1,840,771</u>	<u>145,175</u>
Total investment return	<u>\$ 6,215,953</u>	<u>4,964,676</u>

(6) Property and Equipment

Property and equipment as of December 31, 2013 and 2012 is summarized as follows:

	<u>2013</u>	<u>2012</u>
Land and land improvements	\$ 3,522,830	3,476,200
Buildings and building service equipment	108,805,293	102,472,118
Equipment and furnishings	84,662,190	81,916,351
Construction in process	<u>1,605,128</u>	<u>1,544,106</u>
	198,595,441	189,408,775
Less accumulated depreciation	<u>142,913,653</u>	<u>131,559,892</u>
	<u>\$ 55,681,788</u>	<u>57,848,883</u>

Regional West Medical Center

Notes to Financial Statements December 31, 2013 and 2012

Depreciation expense of \$11,531,625 and \$11,412,559 as of December 31, 2013 and 2012, respectively, is included in the accompanying statements of operations and changes in net assets

Construction in progress primarily consists of multiple building addition and renovation projects and related equipment purchases with an estimated completion through various dates in 2014. These projects are being funded through the issuance of Series 2013 Bonds (Note 7) with a maximum advancement of \$10,000,000 and existing funded depreciation reserves

(7) Long-Term Debt

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

	<u>2013</u>	<u>2012</u>
Hospital Authority No. 1, of Scotts Bluff County, Nebraska, Revenue Bond (total available advance of \$10,000,000), Series 2013, maturing September 25, 2020, subject to monthly principal and interest payments of \$77,124 (based on current advance) at a fixed rate of 2.20%, collateralized by a security interest in accounts receivable	\$ 5,800,122	--
Hospital Authority No. 1, of Scotts Bluff County, Nebraska, Revenue Bond, Series 2012A, maturing February 1, 2027, subject to monthly principal and interest payments of \$170,558 at a fixed rate of 3.97%, collateralized by a security interest in accounts receivable	20,960,872	22,149,701
Hospital Authority No. 1, of Scotts Bluff County, Nebraska, Revenue Bond, Series 2012B, maturing December 1, 2028 (subject to bondholder tender rights on April 1, 2019), subject to annual principal payments of varying installments, monthly interest payments at variable rates of one-month LIBOR plus a LIBOR margin rate of 1.75% less a tax-exempt factor of 73.53% as determined monthly (1.42% on December 31, 2013), collateralized by a security interest in accounts receivable	31,869,547	32,297,351
Note payable, monthly payments of \$61,312 through August 31, 2014, including interest, at a fixed rate of 2.42%, collateralized by equipment	485,882	1,200,458
Capital lease obligation for IT equipment, principal and interest payments due in three installments of \$533,333 at 2.20%, paid in full in February 2013	--	520,733
	<u>59,116,423</u>	<u>56,168,243</u>
Less current maturities	<u>2,973,467</u>	<u>2,851,942</u>
	<u>\$ 56,142,956</u>	<u>53,316,301</u>

Pursuant to a Master Trust Indenture, as amended and supplemented (the Master Trust), the Medical Center (the Obligated Group) is obligated to pay debt service on the Series 2013, 2012A and 2012B Bonds.

The Master Trust for the Series 2013, 2012A and 2012B Bonds requires the Medical Center to comply with certain restrictive covenants including minimum insurance coverage, maintaining a long-term debt service coverage ratio of at least 1.20, liquidity and leverage covenants, and restrictions on incurrence of additional debt.

Regional West Medical Center

Notes to Financial Statements December 31, 2013 and 2012

The aggregate annual maturities of long-term debt at December 31, 2013 are

<u>Years Ending December 31:</u>	<u>Long-Term Debt</u>
2014	\$ 2,973,467
2015	3,865,938
2016	4,001,009
2017	4,139,077
2018	4,289,507
Thereafter	39,847,425
	<u>\$ 59,116,423</u>

Interest expense of \$1,380,631 and \$1,622,595 as of December 31, 2013 and 2012, respectively, is included with interest and other financing costs in the accompanying statements of operations and changes in net assets

(8) Derivative Financial Instrument

As a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, the Medical Center entered into an interest rate swap agreement to effectively convert the variable rate Series 2005 Bonds to bear interest at a fixed rate. Proceeds from subsequent bond issuances were utilized to refund the Series 2005 Bonds, however, the swap agreement remains in place, utilizing the original amortization schedule of the Series 2005 Bonds to calculate the associated interest rate payment. The swap agreement provides for the Medical Center to receive interest from the counterparty at 67% of LIBOR and to pay interest to the counterparty at a fixed rate of 3.398%. The notional amount of the swap agreement is intended to equal the original outstanding principal amount of the Series 2005 Bonds during the term of the swap agreement - \$33,120,000 and \$34,760,000 at December 31, 2013 and 2012, respectively. The fair value of the swap agreement fluctuates based on the spread between the exchanged interest rate payments. Under the swap agreement, the Medical Center pays or receives the net interest amount monthly. Total amounts paid under the swap agreement for the years ended December 31, 2013 and 2012 were \$1,132,462 and \$1,169,599, respectively, and are included with interest and other financing costs in the accompanying statements of operations and changes in net assets.

The Medical Center recognizes all derivative instruments as either assets or liabilities in the balance sheets at fair value. Management has designated their interest rate swap as a cash flow hedging instrument but did not evaluate the hedge effectiveness for the years ending December 31, 2013 and 2012, therefore, the derivative instrument's change in fair value of \$2,707,214 and \$116,402, respectively, is reported as a component of excess revenue over expenses within nonoperating gains, net, in the statements of operations and changes in net assets.

(9) Retirement Plans

Defined Contribution Plan

The Medical Center employees participated in the RWHS 401(k) Profit Sharing Plan (the Defined Contribution Plan). The Defined Contribution Plan allows for employee contributions equal to 100% of the employee's annual compensation up to the maximum amount allowed by law and is fully vested. Employer matching contributions up to 4% are made by the Medical Center. Employer discretionary profit sharing contributions are determined annually by the Board. A participant is immediately vested in the Medical Center's matching contributions. The Medical Center's portion of retirement expense was \$2,056,064 and \$2,028,803 for 2013 and 2012, respectively.

Regional West Medical Center

Notes to Financial Statements December 31, 2013 and 2012

Defined Benefit Plan

The Medical Center employees participated in the RWHS Retirement Income Plan (the Defined Benefit Plan). On May 31, 2012, the Board of Directors of RWHS adopted a resolution to formally terminate the Defined Benefit Plan. The termination process remained ongoing at year end as regulatory approval had been granted but settlement of the obligation had not occurred. RWHS has frozen entry to the Defined Benefit Plan. Employees hired after August 1, 2008 are only eligible to participate in the Defined Contribution Plan. The Defined Benefit Plan provides benefits based on years of credited service, age, and compensation for each year of participation. RWHS' funding policy is to make the annual contributions to the Defined Benefit Plan in amounts that are approximately equal to or exceed the minimum funding requirements of ERISA, plus such amounts as RWHS may determine to be appropriate from time to time. Contributions are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future. In accordance with the Board of Directors' resolution to terminate the Defined Benefit Plan, a plan amendment has been adopted under which funding requirements will cease once the plan termination receives regulatory approval and the final settlement is known.

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

	<u>2013</u>	<u>2012</u>
Change in projected benefit obligation		
Benefit obligation at beginning of period	\$ 36,389,477	35,872,937
Service cost	--	302,480
Interest cost	1,446,970	1,545,520
Actuarial loss	1,869,982	741,625
Benefits paid	<u>(3,875,616)</u>	<u>(2,073,085)</u>
Projected benefit obligation at end of period	\$ <u>35,830,813</u>	<u>36,389,477</u>
Change in plan assets		
Fair value of plan assets at the beginning of period	\$ 34,700,640	31,283,599
Actual return on plan assets	253,022	3,638,418
Contributions by employer	1,697,399	1,851,708
Benefits paid	<u>(3,875,616)</u>	<u>(2,073,085)</u>
Fair value of plan assets at end of period	\$ <u>32,775,445</u>	<u>34,700,640</u>
Reconciliation of funded status		
Funded status at end of year (underfunded)	\$ <u>(3,055,368)</u>	<u>(1,688,837)</u>
Amounts recognized in the Balance Sheet		
Non current liabilities	\$ <u>(3,055,368)</u>	<u>(1,688,837)</u>
Amounts recognized in net assets		
Total net loss	\$ <u>13,136,848</u>	<u>9,521,269</u>

The following are the actuarial assumptions used by the Plan to develop the components of the projected benefit obligation for the years ended December 31, 2013 and 2012.

	<u>2013</u>	<u>2012</u>
Discount rates	5.00%	4.20%
Rates of increase in compensation levels	N/A	4.00

Regional West Medical Center

Notes to Financial Statements December 31, 2013 and 2012

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

	<u>2013</u>	<u>2012</u>
Discount rates	4.20%	4.40%
Rates of increase in compensation levels	N/A	4.00
Expected long-term rate of return on plan assets	8.00	8.00

Historical and future expected returns of multiple asset classes were analyzed to develop a risk-free real rate of return and risk premiums for each asset class. The overall rate of each asset class was developed by combining a long-term inflation component, the risk-free real rate of return, and the associated risk premium. A weighted average rate was developed based on those overall rates and the target asset allocation of the plan.

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

Asset allocation is primarily based on a strategy to provide stable earnings while still permitting the plan to recognize potentially higher returns through a limited investment in equity securities, including mutual funds. The target asset allocation percentages for 2013 and 2012 are as follows:

	<u>2013</u>	<u>2012</u>
Equity securities	--	60%
Fixed income and cash	100%	40

The fair value of the Medical Center's pension plan assets at December 31, 2013 and 2012 by asset category is as follows:

Fair Value Measurements at December 31, 2013			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>Total</u>		
Mutual funds (a)	\$ 32,775,445	--	--
	<u>32,775,445</u>		

Fair Value Measurements at December 31, 2012			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>Total</u>		
Mutual funds (b)	\$ 34,700,640	--	--
	<u>34,700,640</u>		

- (a) Mutual fund investments consist of 14 individual funds and are comprised of approximately 1% U.S. stocks, 93% bonds, and 6% cash and other investments.
- (b) Mutual fund investments consist of 14 individual funds and are comprised of approximately 1% U.S. stocks, 93% bonds, and 6% cash and other investments.

Regional West Medical Center

Notes to Financial Statements December 31, 2013 and 2012

The Medical Center's investment objective with respect to the pension plan is to produce sufficient current income and capital growth through a portfolio of equity and fixed income investments, which together with appropriate employer contributions is sufficient to provide for the pension benefit obligations. Pension assets are managed by outside investment managers in accordance with the investment policies and guidelines established by the pension trustees, and are diversified by investment style, asset category, sector, industry, issuer, and maturity.

The Medical Center expects to contribute approximately \$239,000 to the plan in 2014.

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

2014	\$ 2,528,067
2015	2,615,374
2016	1,435,890
2017	3,012,595
2018	2,223,131
2019 – 2023	13,112,313

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

	<u>2013</u>	<u>2012</u>
Components of net period benefit cost (income)		
Service cost during the period	\$ --	302,480
Interest cost on projected benefit obligation	1,446,970	1,545,520
Expected return on plan assets	(2,682,750)	(2,509,551)
Amortization of net actuarial loss	<u>684,131</u>	<u>890,312</u>
Net periodic pension cost (income)	\$ <u>(551,649)</u>	<u>228,761</u>
Other changes recognized in net assets		
Net loss (gain)	4,299,710	(387,242)
Amortization of net loss	<u>(684,131)</u>	<u>(890,312)</u>
Total recognized in net assets	\$ <u>3,615,579</u>	<u>(1,277,554)</u>
Total recognized in net periodic pension cost and net assets	\$ <u>3,063,930</u>	<u>(1,048,793)</u>

Subsequent to year end, RWHS settled the Defined Benefit Plan obligation by making lump-sum cash payments to plan participants in exchange for their rights to receive pension benefits of approximately \$31,600,000 and purchasing nonparticipating annuity contracts of approximately \$1,400,000 that alleviated the obligation for payment of pension benefits.

(10) Professional Liability Insurance

The Medical Center is insured by a multi-provider captive for professional liability coverage. The captive is made up of several health care facilities (subscribers) across the Mountain States. The captive provides \$500,000 of coverage for injuries per occurrence and \$3,000,000 of aggregate coverage. If the loss fund of the captive is insufficient to pay for losses incurred from incidents during the year by the subscriber participating in the captive, a supplemental premium may be issued to the subscribers of the program. There have been no requests for supplemental premiums as of December 31, 2013.

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Notes to Financial Statements December 31, 2013 and 2012

The Medical Center qualifies under the Nebraska Hospital Medical Liability Act (the Act). The Excess Liability Fund under the Act, on a claims-made basis, pays claims in excess of \$500,000 for losses up to \$1,750,000 per occurrence. The statutes limit covered claims above \$1,750,000 and, in connection therewith, the Medical Center carries an excess liability policy which also provides an additional \$10,000,000 of professional liability coverage per occurrence and aggregate coverage. These policies provide coverage on a claims-made basis covering only the claims which have occurred and are reported to the insurance company while the coverage is in force.

The Medical Center could have exposure on possible incidents that have occurred for which claims will be made in the future, should professional liability insurance not be obtained, should coverage be limited and/or not available, or should the Act change.

Accounting principles generally accepted in the United States of America require a healthcare provider to recognize the ultimate costs of malpractice claims or similar contingent liabilities, which include costs associated with litigating or settling claims, when the incidents that give rise to the claims occur. The Medical Center does evaluate all incidents and claims along with prior claim experienced to determine if a liability is to be recognized. For the years ending December 31, 2013 and 2012, management determined a liability of \$1,641,000 and \$2,000,000, respectively, should be recognized for asserted or unasserted claims and is included in the accompanying balance sheets as other liabilities. Management has also recorded \$1,291,000 and \$1,650,000 in estimated malpractice insurance-related recoveries for 2013 and 2012, respectively, and is shown as prepaid expenses and other in the accompanying balance sheets.

(11) Other Revenue

The Health Information Technology for Economic and Clinical Health Act contains specific financial incentives designed to accelerate the adoption of electronic health record (EHR) systems among health care providers. Incentive payments are available to organizations by attesting to meeting specific criteria set by the Centers for Medicare and Medicaid Services (CMS). Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period. The Medical Center accounts for meaningful use incentive payments under the grant accounting model, cliff recognition. Medicare EHR incentive payments are recognized as revenue when eligible providers demonstrate meaningful use of certified EHR technology and data is available to estimate the incentive payments for each period (a 365 day period after the initial 90 day attestation period). The Medical Center recognized approximately \$1,680,000 of Medicare meaningful use grant revenue in other revenue in the statements of operations and changes in net assets for the year ended December 31, 2013.

In addition, the State of Nebraska provides EHR incentive payments that will be earned and received through various payments through 2014. Incentive revenue of approximately \$552,000 and \$695,000 from the State of Nebraska has been recognized in the statements of operations and changes in net assets for the years ended December 31, 2013 and 2012, respectively, as part of other revenue. The amounts recognized are based on management's best estimates and are subject to change, which would be recognized in the period in which the change occurs.

(12) Related Party Transactions

The Medical Center provides certain administrative services to RWHS and its affiliates. The Medical Center also rents space from Panhandle Health Properties (PHP), an affiliate of RWHS, and purchases certain other services from its affiliates.

The services provided by the Medical Center to RWHS and its affiliates, rent expense to PHP and other purchased services from RWHS' affiliates during the years ended December 31, 2013 and 2012, are reported in the Medical Center's financial statements as follows:

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	<u>2013</u>	<u>2012</u>
Other operating revenue	\$ <u>2,425,529</u>	<u>1,881,585</u>
Operating expenses – Supplies and other	\$ <u>11,714,319</u>	<u>14,011,195</u>

During 2013 and 2012, the Medical Center also transferred a net total of \$20,787,693 and \$16,474,996, respectively, to RWHS and affiliates for the purpose of providing an increase in funds

(13) Concentrations of Credit Risk

The Medical Center grants credit without collateral to its patients, most of who are area residents and are insured under the third-party payor agreements. The mix of receivables from patients and third-party payors at December 31, 2013 and 2012 approximates the following

	<u>2013</u>	<u>2012</u>
Medicare (including managed care)	28%	29%
Medicaid	6	12
Other third-party payors	46	35
Patients	20	24
	<u>100%</u>	<u>100%</u>

Financial instruments that potentially subject the Medical Center to concentrations of credit risk include cash and cash equivalents and investments. Investments and cash and cash equivalents are managed within guidelines established by the Board of Directors which, as a matter of policy, limit the amounts that may be invested with one issuer and the type of investment. Management believes the risks related to its investments and cash and cash equivalents is minimal.

(14) Functional Expenses

The Medical Center provides general health care services to residents within its geographic location. Expenses related to providing these services are as follows:

	<u>2013</u>	<u>2012</u>
Health care services	\$ 132,072,078	137,706,062
General and administrative	<u>39,805,891</u>	<u>40,483,595</u>
	\$ <u>171,877,969</u>	<u>178,189,657</u>

(15) Commitments and Contingencies

The Medical Center is involved in litigation and regulatory investigations arising in the normal course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Medical Center's future financial position or results from operations.