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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

Charleston Area Medical Center Inc

Doing Business As

CAMC

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

PO Box 1547

Room/suite

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

Charleston, WV 253261547

F Name and address of principal officer

Larry Hudson

501 Morris Street

Charleston, WV 253010000

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 camc org

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other ☐

L Year of formation

1971

M State of legal domicile

WV

Part I

Summary

Activities & Governance	<div><div>1</div><div>Briefly describe the organization's mission or most significant activities</div><div>Striving to provide the best health care to every patient, every day Charleston Area Medical Center, Inc 's ("CAMC") primary charitable exempt purpose is to provide hospital care, without distinction, for all the inhabitants of the City of Charleston, State of WV and elsewhere, to promote legitimate methods for the prevention of disease and positive promotion of health (both personal and public), and to foster and conduct education in medicine in all its branches and adjunct arts and sciences, such as nursing and technical occupations, which contribute to the diagnosis, treatment and prevention of disease CAMC owns and operates three seperately-licensed hospitals as a tertiary-care academic medical center designed to provide care for community residents throughout every stage of life CAMC patients depend on CAMC to provide convenient and compassionate care delivered regardless of a patient's ability to pay</div></div>		
	<div><div>2</div><div>Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets</div></div>		
	<div><div>3</div><div>Number of voting members of the governing body (Part VI, line 1a)</div></div>	<div><div>3</div></div>	<div>15</div>
	<div><div>4</div><div>Number of independent voting members of the governing body (Part VI, line 1b)</div></div>	<div><div>4</div></div>	<div>11</div>
	<div><div>5</div><div>Total number of individuals employed in calendar year 2013 (Part V, line 2a)</div></div>	<div><div>5</div></div>	<div>7,855</div>
	<div><div>6</div><div>Total number of volunteers (estimate if necessary)</div></div>	<div><div>6</div></div>	<div>270</div>
	<div><div>7a</div><div>Total unrelated business revenue from Part VIII, column (C), line 12</div></div>	<div><div>7a</div></div>	<div>8,205,625</div>
	<div><div>b</div><div>Net unrelated business taxable income from Form 990-T, line 34</div></div>	<div><div>7b</div></div>	<div>869,576</div>
Revenue	<div><div>8</div><div>Contributions and grants (Part VIII, line 1h)</div></div>	<div><div>Prior Year</div></div>	<div><div>Current Year</div></div>
	<div><div>9</div><div>Program service revenue (Part VIII, line 2g)</div></div>	<div>604,243</div>	<div>2,537,667</div>
	<div><div>10</div><div>Investment income (Part VIII, column (A), lines 3, 4, and 7d)</div></div>	<div>942,131,054</div>	<div>969,174,674</div>
	<div><div>11</div><div>Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)</div></div>	<div>8,726,415</div>	<div>23,977,558</div>
	<div><div>12</div><div>Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)</div></div>	<div>1,527,731</div>	<div>1,614,490</div>
		<div>952,989,443</div>	<div>997,304,389</div>
Expenses	<div><div>13</div><div>Grants and similar amounts paid (Part IX, column (A), lines 1–3)</div></div>	<div>1,520,054</div>	<div>1,794,378</div>
	<div><div>14</div><div>Benefits paid to or for members (Part IX, column (A), line 4)</div></div>	<div>0</div>	<div>0</div>
	<div><div>15</div><div>Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)</div></div>	<div>349,893,516</div>	<div>368,032,788</div>
	<div><div>16a</div><div>Professional fundraising fees (Part IX, column (A), line 11e)</div></div>	<div>0</div>	<div>0</div>
	<div><div>b</div><div>Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0</div></div>		
	<div><div>17</div><div>Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)</div></div>	<div>540,906,350</div>	<div>584,369,189</div>
	<div><div>18</div><div>Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)</div></div>	<div>892,319,920</div>	<div>954,196,355</div>
	<div><div>19</div><div>Revenue less expenses Subtract line 18 from line 12</div></div>	<div>60,669,523</div>	<div>43,108,034</div>
Net Assets or Fund Balances		<div><div>Beginning of Current Year</div></div>	<div><div>End of Year</div></div>
	<div><div>20</div><div>Total assets (Part X, line 16)</div></div>	<div>761,799,914</div>	<div>889,754,010</div>
	<div><div>21</div><div>Total liabilities (Part X, line 26)</div></div>	<div>498,853,306</div>	<div>566,875,501</div>
	<div><div>22</div><div>Net assets or fund balances Subtract line 21 from line 20</div></div>	<div>262,946,608</div>	<div>322,878,509</div>

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

Date

Larry Hudson Executive VP & CFO

Type or print name and title

Paid Preparer Use Only

Prnt/Type preparer's name

Laura Gillespie

Preparer's signature

Date

Check ☐ if self-employed

PTIN P00855604

Firm's name ☒ Deloitte Tax LLP

Firm's EIN ☒ 86-1065772

Firm's address ☒ 111 S Wacker Drive

Chicago, IL 60606

Phone no (312) 486-1000

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

Striving to provide the best health care to every patient, every day

2

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

☐ Yes ☒ No

If "Yes," describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4

Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code) (Expenses \$ 586,665,826 including grants of \$ 562,774) (Revenue \$ 941,022,768)

CAMC is West Virginia's largest medical center with over 6311 employees and 560 medical staff CAMC is licensed for 838 beds at three campuses and our health care services delivery focuses on providing a full range of inpatient and outpatient services as a tertiary regional referral center, teaching and safety net hospital As a regional referral center, CAMC has one of only two state Level 1 Trauma Centers, a Level III Neonatal ICU, a Pediatric ICU, a TJC-Certified Primary Stroke Center, and Bariatric Center of Excellence CAMC is the primary medical safety net provider of women and children's and trauma services in central and southern West Virginia and provides 21% of the charity care in the state There were inpatient days of 193,333, outpatient visits of 551,512, emergency department visits of 75,672 and deliveries of 2,718 in 2013 CAMC gives back to the community because we understand the impact that high quality medical care, charity care, education, corporate contributions and community partnerships have on the lives of real people

4b

(Code) (Expenses \$ 31,824,412 including grants of \$ 1,058,293) (Revenue \$)

CAMC has established medical and allied health education excellence as a core competency Provision and support for education include training for interns and residents, nurses, anesthesiologists and other personnel 71 WVU/WVSOM medical students trained at CAMC hospitals and 171 medical residents were employed by CAMC CAMC provided faculty support to the University of Charleston helping educate 56 students, assisted 120 employees through student loan forgiveness, and distributed 288 scholarships

4c

(Code) (Expenses \$ 150,458,976 including grants of \$ 173,311) (Revenue \$ 299,166)

CAMC does much more than just provide health care, being involved in nearly every aspect of the lives and well being of the community CAMC offered 82 programs which served an estimated 66,792 people CAMC provided acute inpatient and outpatient hospital services including unreimbursed charity care at cost of \$43,292,223 and bad debts at cost of \$43,448,235 Creative, state-of-the-art programs and services are provided to our community to serve our community-particularly the needs of the low income, elderly, and other vulnerable persons Community benefits are programs or activities that provide treatment or promote health and healing as a response to identified community needs and meet at least one of the following community benefit criteria 1) Improves access to health care services 2) Enhances health of the community 3) Advances medical or health care knowledge 4) Relieves or reduces the burden of government or other community efforts

4d



















Other program services (Describe in Schedule O)

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

4e

Total program service expenses ▶ 768,949,214

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4 Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III 	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9 Yes	
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10 Yes	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c Yes	
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV	16	No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? 	20b Yes	

Part IV

Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance			
Check if Schedule O contains a response or note to any line in this Part V <input type="checkbox"/>			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	488
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	2a	7,855
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.	3b	Yes
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7 Organizations that may receive deductible contributions under section 170(c).			
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9 Sponsoring organizations maintaining donor advised funds.			
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10 Section 501(c)(7) organizations. Enter			
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11 Section 501(c)(12) organizations. Enter			
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b	
c	Enter the amount of reserves on hand.	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	

Part VI

Governance, Management, and Disclosure

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	15	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
1b	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	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	8a	Yes
8b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

Section B. Policies

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶WV
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 ▶Larry Hudson 501 Morris Street Charleston, WV 25301 (304) 388-7603

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

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

Form **990** (2013)

Part VII

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	9,752,261	0	2,635,743

2 Total number of individuals (including but not limited to those listed in the table) who received more than \$100,000 of reportable compensation from the organization: 248

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Siemens Medical Solutions PO Box 120001 Dallas TX 753120733	IT Service and Support	25,159,214
West Virginia University Physicians of C 3110 MacCorkle Ave SE Charleston WV 25304	GME/Physician Services	17,249,045
Maynard C Smith Construction Company PO Box 11888 Charleston WV 25339	Contractor Services	8,207,122
Jackson Nurse Professionals PO Box 404118 Atlanta GA 303844118	Nursing Services	3,832,719
WL Gore & Associates PO Box 751331 Charlotte NC 28275	Contractor Services	2,450,601

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 ▶220

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	2,257,995			
	e	Government grants (contributions) 1e	159,672			
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	120,000			
	g	Noncash contributions included in lines 1a-1f \$	120,000			
	h	Total. Add lines 1a-1f	2,537,667			
Program Service Revenue	2a	Patient Revenue	Business Code 621990	928,589,645	928,589,645	0
	b	Lab Services	621500	9,413,614	33,809	8,073,334
	c	Pharmacy	446110	7,985,601	82,256	7,903,345
	d	Cafetera/Vending	721000	5,960,188		5,960,188
	e	Rental (non residentia	531120	5,443,908	1,404,495	4,039,413
	f	All other program service revenue		11,781,718	9,408,714	50,035
	g	Total. Add lines 2a-2f		969,174,674		
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	9,981,204	271,249		9,709,955
	4	Income from investment of tax-exempt bond proceeds	397,748			397,748
	5	Royalties	468			468
	6a	Gross rents	(i) Real	(ii) Personal		
	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	(i) Securities	(ii) Other		
			123,545,251	593,695		
	b	Less cost or other basis and sales expenses	110,534,446	5,894		
	c	Gain or (loss)	13,010,805	587,801		
	d	Net gain or (loss)	13,598,606			13,598,606
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a			
	b	Less direct expenses	b			
	c	Net income or (loss) from fundraising events				
	9a	Gross income from gaming activities See Part IV, line 19	a			
	b	Less direct expenses	b			
	c	Net income or (loss) from gaming activities				
	10a	Gross sales of inventory, less returns and allowances	a			
	b	Less cost of goods sold	b			
	c	Net income or (loss) from sales of inventory				
	Miscellaneous Revenue		Business Code			
	11a	Laundry	812300	966,740	966,740	
	b	Medical Center Inn	721110	417,920	417,920	
	c	Affiliate Transfers	541610	210,859	210,859	
	d	All other revenue		18,503	18,503	
	e	Total. Add lines 11a-11d		1,614,022		
	12	Total revenue. See Instructions		997,304,389	941,321,934	8,205,625
						45,239,163

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States. See Part IV, line 21.	1,365,288	1,365,288		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	429,090	429,090		
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.	9,630,275	10,000	9,620,275	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	832,719	325,426	507,293	
7	Other salaries and wages.	268,880,506	229,530,894	39,349,612	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	9,871,332	8,155,178	1,716,154	
9	Other employee benefits.	58,826,053	48,836,728	9,989,325	
10	Payroll taxes.	19,991,903	16,398,769	3,593,134	
11	Fees for services (non-employees):				
a	Management.	4,365,349	1,976,558	2,388,791	
b	Legal.	3,480,988		3,480,988	
c	Accounting.	410,730		410,730	
d	Lobbying.	116,153		116,153	
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.	1,007,997		1,007,997	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	73,211,795	44,593,336	28,618,459	
12	Advertising and promotion.	1,204,377	130,724	1,073,653	
13	Office expenses.	3,372,206	1,328,802	2,043,404	
14	Information technology.	9,528,986	514,461	9,014,525	
15	Royalties.				
16	Occupancy.	16,541,618	11,342,525	5,199,093	
17	Travel.	1,537,321	659,412	877,909	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	519,768	318,750	201,018	
20	Interest.	15,529,797		15,529,797	
21	Payments to affiliates.	37,486,566	37,486,566		
22	Depreciation, depletion, and amortization.	33,861,966	18,053,619	15,808,347	
23	Insurance.	7,289,182	57,622	7,231,560	
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O).				
a	Medical Supplies	184,749,577	182,806,829	1,942,748	0
b	Prov. For Uncollectible	71,936,972	71,820,074	116,898	0
c	Charity Allowance	65,160,641	65,160,641	0	0
d	Provider Tax	21,572,866	21,572,866	0	0
e	All other expenses	31,484,334	6,075,056	25,409,278	
25	Total functional expenses. Add lines 1 through 24e.	954,196,355	768,949,214	185,247,141	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 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		35,795	1	35,285
	2	Savings and temporary cash investments		158,001,537	2	224,637,657
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		123,289,940	4	107,050,786
	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		1,094,140	7	750,343
	8	Inventories for sale or use		17,451,285	8	16,272,808
	9	Prepaid expenses and deferred charges		6,542,191	9	5,175,371
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.	10a872,706,773			
	b	Less: accumulated depreciation	10b589,542,003	266,376,453	10c	283,164,770
	11	Investments—publicly traded securities			11	
	12	Investments—other securities. See Part IV, line 11.		28,970,481	12	28,969,287
	13	Investments—program-related. See Part IV, line 11.		46,478,973	13	124,414,605
	14	Intangible assets		5,336,261	14	4,822,465
	15	Other assets. See Part IV, line 11.		108,222,858	15	94,460,633
	16	Total assets. Add lines 1 through 15 (must equal line 34).		761,799,914	16	889,754,010
Liabilities	17	Accounts payable and accrued expenses		107,817,698	17	100,528,118
	18	Grants payable			18	
	19	Deferred revenue		8,612,138	19	9,626,344
	20	Tax-exempt bond liabilities		296,432,928	20	292,977,525
	21	Escrow or custodial account liability. Complete Part IV of Schedule D.		93,885	21	69,066
	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		9,157,646	23	89,890,435
	24	Unsecured notes and loans payable to unrelated third parties		7,729,080	24	7,134,535
	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.		69,009,931	25	66,649,478
	26	Total liabilities. Add lines 17 through 25.		498,853,306	26	566,875,501
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		231,831,475	27	286,561,948
	28	Temporarily restricted net assets		19,765,523	28	24,753,415
	29	Permanently restricted net assets		11,349,610	29	11,563,146
	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		262,946,608	33	322,878,509
	34	Total liabilities and net assets/fund balances		761,799,914	34	889,754,010

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	997,304,389
2	Total expenses (must equal Part IX, column (A), line 25)	2	954,196,355
3	Revenue less expenses Subtract line 2 from line 1	3	43,108,034
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	262,946,608
5	Net unrealized gains (losses) on investments	5	15,957,365
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	866,502
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	322,878,509

Part XII Financial Statements and Reporting

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

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

Additional Data

Software ID:
Software Version:
EIN: 55-0526150
Name: Charleston Area Medical Center Inc

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

[illegible]

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

[illegible]

SCHEDULE A
(Form 990 or 990EZ)

Department of the
Treasury
Internal Revenue Service

Public Charity Status and Public Support
Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization Charleston Area Medical Center Inc	Employer identification number 55-0526150
--	--

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	
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SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ **Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.**

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

OMB No 1545-0047

2013

Open to Public Inspection

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

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

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

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

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

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

Name of the organization Charleston Area Medical Center Inc	Employer identification number 55-0526150
--	--

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

1	Provide a description of the organization's direct and indirect political campaign activities in Part IV	
2	Political expenditures	▶ \$
3	Volunteer hours	

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

1	Enter the amount of any excise tax incurred by the organization under section 4955	▶ \$
2	Enter the amount of any excise tax incurred by organization managers under section 4955	▶ \$
3	If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If "Yes," describe in Part IV	

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

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	▶ \$
2	Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities	▶ \$
3	Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b	▶ \$
4	Did the filing organization file Form 1120-POL for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

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

Part II-A

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

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

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

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

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

Part II-B

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
	a Volunteers?		No	
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?	Yes		4,985
	e Publications, or published or broadcast statements?		No	
	f Grants to other organizations for lobbying purposes?		No	
	g Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		166,075
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	i Other activities?	Yes		1,382
j Total. Add lines 1c through 1i.				172,442
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

Return Reference	Explanation
Part II-B, Line 1	Occasionally, individuals are asked by legislators at both the state and national levels for opinions on certain issues and the process of health-related legislation. At such times, CAMC representatives may hold discussions with legislative officials to present their information and perspectives regarding various health care issues. Such interactions do not typically involve CAMC expressing whether or not they support a particular bill, but rather consist of general discussions related to the pertinent health issues.

[illegible]

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 Charleston Area Medical Center Inc	Employer identification number 55-0526150
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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

d

☐

Loan or exchange programs

b

☐

Scholarly research

e

☐

Other

c

☐

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

☐ No

Part IV

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

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

☒ No
- b
- If "Yes," explain the arrangement in Part XIII and complete the following table
- | | |
|----|--------|
| | Amount |
| 1c | |
| 1d | |
| 1e | |
| 1f | |

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance
- 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	31,115,133	27,674,365	28,121,864	25,031,594	20,516,626
b Contributions	747,434	751,017	637,036	865,051	1,047,818
c Net investment earnings, gains, and losses	5,250,714	3,451,658	-192,637	2,980,879	3,812,540
d Grants or scholarships					
e Other expenditures for facilities and programs	793,950	758,744	888,233	710,409	311,551
f Administrative expenses	2,770	3,163	3,665	45,251	33,839
g End of year balance	36,316,561	31,115,133	27,674,365	28,121,864	25,031,594

- 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 32 000 %

c

Temporarily restricted endowment 68 000 %

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	20,729,009		20,729,009
b	Buildings	334,609,879	202,780,275	131,829,604
c	Leasehold improvements	6,868,943	4,909,773	1,959,170
d	Equipment	461,387,852	375,252,428	86,135,424
e	Other	49,111,090	6,599,527	42,511,563
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				283,164,770

Part XI

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

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

Part XII

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

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

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

Part XIII

Supplemental Information

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

Return Reference	Explanation
Part IV, Line 2b	CAMC operates HealthCare Financial Services, which provides collections services to outside clients. Payments that are recovered by the collection department include both the commission portion and the amount due to the outside client. The amount listed in Part X Line 21 reflects the amount CAMC transmitted to the client.
Part V, Line 4	To further the mission of the organization.
Part X, Line 2	CAMC's financial statements are audited as part of the audit of the financial statements of CAMC Health System, Inc. and Subsidiaries (collectively, the "System"). Language regarding ASC 740 (FIN 48) included in the consolidated footnotes is as follows: The IRS has determined that CAMC, the Foundation, the Institute and CAMC Teays, are exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code (the "Code") and applicable state statutes, but are subject to unrelated business income tax. A provision of \$373,000 has been made in the accompanying consolidated financial statements for the year ended December 31, 2013, for estimated unrelated business income tax. The System does not have any material uncertain tax positions at December 31, 2013.

[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
Charleston Area Medical Center Inc

Employer identification number
55-0526150

Part I

Financial Assistance and Certain Other Community Benefits at Cost

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

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			43,292,223		43,292,223	4 910 %
b Medicaid (from Worksheet 3, column a)			148,985,505	116,579,000	32,406,505	3 670 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . .			4,703,016	1,708,105	2,994,911	0 340 %
d Total Financial Assistance and Means-Tested Government Programs . .			196,980,744	118,287,105	78,693,639	8 920 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			3,385,979	86,883	3,299,096	0 370 %
f Health professions education (from Worksheet 5)			47,583,802	6,876,819	40,706,983	4 610 %
g Subsidized health services (from Worksheet 6)			721,942	671,423	50,519	0 010 %
h Research (from Worksheet 7)						0 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			224,995		224,995	0 030 %
j Total Other Benefits			51,916,718	7,635,125	44,281,593	5 020 %
k Total . Add lines 7d and 7j . .			248,897,462	125,922,230	122,975,232	13 940 %

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					0 %
2	Economic development					0 %
3	Community support		110,141		110,141	0 010 %
4	Environmental improvements		3,200		3,200	0 %
5	Leadership development and training for community members					0 %
6	Coalition building					0 %
7	Community health improvement advocacy					0 %
8	Workforce development		75		75	0 %
9	Other		139,330	31,607	107,723	0 010 %
10	Total		252,746	31,607	221,139	0 020 %

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

No

2

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

2

71,098,404

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

43,448,235

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

265,242,314

6

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

6

335,594,496

7

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

7

-70,352,182

8

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

☐

Cost accounting system

☒

Cost to charge ratio

☐

Other

Section C. Collection Practices

9a

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

9a

Yes

b

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

9b

Yes

Part IV

Management Companies and Joint Ventures

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1 1 General Division Medical Office Building Partnership	Medical Office Space Rental	79.630 %		20.370 %
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Section A. Hospital Facilities

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

Schedule H (Form 990) 2013

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group

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

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply)	1 Yes	
a <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>11</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3 Yes	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4 Yes	
5 Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5 Yes	
a <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>www.camc.org</u>		
b <input checked="" type="checkbox"/> Other website (list url) <u>www.healthycanawha.org</u>		
c <input checked="" type="checkbox"/> Available upon request from the hospital facility		
d <input checked="" 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 checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input checked="" type="checkbox"/> Prioritization of health needs in its community		
h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7	No
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$_____		

Part V

Facility Information (continued)

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

Part V

Facility Information (continued)

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

☐

Notified individuals of the financial assistance policy on admission
- b

☐

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

☐

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

☐

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

☐

Other (describe in Section C)

Policy Relating to Emergency Medical Care

	Yes	No
19	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		

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? 13

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

Part VI

Supplemental Information

Provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Form and Line Reference	Explanation
Part I, Line 7	Utilized Worksheet 2 to determine cost-to-charge ratio
Part II, Community Building Activities	Community-building activites include programs and services that address root causes of health problems. Examples include CAMC's membership in the Partners in Health Network, Inc ("Partners"), members of which comprise a network of mostly small and rural hospitals, clinics and health departments who work together to address quality and educational needs for improving care management, assistance with NCQA accreditation for patient centered medical homes and improved quality through addressing sepsis. Access to health care for 5,000 working uninsured individuals in central and southern West Virginia is provided through Partners' Community Access Program. Additionally, CAMC provides students enrolled in post-secondary education with related on-the-job training that is required for their graduation. Health Fairs for the community focusing on adults and children provide screening and health information to identify and address health issues.

Form and Line Reference	Explanation
Part III, Line 8	CAMC treats any government reimbursement that is insufficient to cover allocated costs as being a community benefit CAMC chooses to serve the community by participating in the Medicare program and accepting Medicaid reimbursement
Part III, Line 9b	CAMC's collection policy makes provisions for patients who qualify for charity care or financial assistance Patients who receive charity assistance must meet the following requirements income at 200% or less of Federal poverty income and resource guidelines, insufficient assets to pay for the care, and not eligible for any public programs Patients without third-party coverage who do not qualify for charity are given a 20% discount from charges (which is greater than any commercial discount) In addition to charity and uninsured discounts, CAMC provides assistance with payment plans, government programs, and an Employee Assistance Program

Form and Line Reference	Explanation
Part III Line 4 Bad Debt Footnote	<p>Allowance for Uncollectible Accounts - The patient portion of accounts receivable, including self-pay accounts for patients with no insurance and patient deductibles and co-payments on third-party accounts, are reduced by an allowance for doubtful accounts. Management maintains an allowance for doubtful accounts for each of its major revenue sources to reserve for estimated losses based on the length of time the account has been past due and historical experience. The System considers the patient portion of accounts receivable for write-off beginning 90 days after billing. Certain patient accounts are excluded from consideration when the following conditions exist: the patient account has a credit balance, the charge has been voided, hold on the account, unapplied credits that exist on the patient account, or a payment was made on the patient account in the last 45 days. Excluded accounts are reviewed weekly by the business office to assess collectibility. To estimate the amount of the bad debt expense attributable to patients eligible under the charity care policy, one month of actual bad debt written off was reviewed. Sixty three percent of this was for uninsured patients. A sample of 100 of the uninsured patients from the month was taken and entered into a credit worthy calculator to determine that 97% of the patients met the income eligibility guidelines under the charity care policy.</p>
Part VI, Line 2	<p>CAMC is an active sponsor of the community health survey completed every three years by the Kanawha Coalition for Community Health Improvement. This random telephone survey of Kanawha County residents provides information from our community on community health issues that is used in a county-wide open Community Forum to establish the top three health issues the community will address over the next three years. CAMC conducted its fifth triennial community health needs assessment through Kanawha Coalition for Community Health Improvement during 2011. CAMC participates on the Coalition's Steering Committee and oversees the Community Work Groups as they address these priority issues. Additionally, since 2006 the Kanawha Coalition for Community Health Improvement has been the coordinating body for addressing youth risks and interventions in Kanawha county.</p>

Form and Line Reference	Explanation
Part VI, Line 3	CAMC 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 CAMC's charity care policy during the registration process. Brochures are available at each registration point with contact information and phone numbers for our Financial Counselors. CAMC Financial Counselors are located in each Emergency Department and Admitting area. During registration, if a patient is uninsured, they may be referred to a Financial Counselor who provides education about Charity Care, Medicaid Eligibility and Federal Disability. WV state employees are also on site at each hospital to accept and process Medicaid applications and notify patients if they qualify.
Part VI, Line 4	CAMC's community and primary area of focus is Kanawha County. Putnam, Boone, Fayette, Logan, Braxton, Jackson, Lincoln, Raleigh, Clay, Nicholas and Roane Counties are secondary service areas to CAMC. Kanawha County constitutes a population of 198,762 with a median age of 42 and household median income of 36,541. CAMC provides, alone and in collaboration, with others, a wide-ranging array of community benefit services designed to improve community health and the health of individuals, and to increase access to health care. This includes providing free and discounted services to people who are uninsured and underinsured.

Form and Line Reference	Explanation
Part VI, Line 5	CAMC's governing board is its Board of Trustees, which is a predominately volunteer community board comprised of prominent civic leaders. A minority of board members are hospital administrators, physicians or others professionally connected to the hospital. Admission to the medical staff is open to all qualified physicians in the area, consistent with the size and nature of the facility. Each CAMC hospital operates a full-time emergency room open to everyone, regardless of ability to pay. CAMC serves a broad cross-section of the community through research or charity care. CAMC applies any surplus funds toward improving facilities, equipment, patient care, medical training, research and education. CAMC's community-building activities promote the health of the community through workforce development activities including educational and health care career presentations for youth, under-employed adults and those changing careers, and by providing work experiences for students enrolled in post-secondary programs with work-based experience needed for graduation. CAMC also provides community support through all-terrain vehicle ("ATV") safety education.
Part VI, Line 6	CAMC Health Education and Research Institute, Inc. ("CHERI"), a sister company to CAMC, is actively engaged in clinical trials and has active research protocols in oncology, cardiology/cardiovascular medicine, internal medicine and medicine subspecialties, behavioral health, community medicine, pediatrics, nursing and trauma/pain. The majority of this research is conducted at CAMC hospitals and in collaboration with CAMC. CHERI also manages CAMC's residency program and other educational programs conducted at CAMC's hospital facilities. CAMC Foundation, Inc.'s ("the Foundation") mission is to support and promote CAMC's delivery of excellent and compassionate health services, and its contribution to the quality of life and economic vitality of the region, through accepting donations and raising funds. Integrated Health Care Providers, Inc., a sister company to CAMC, operates physician practices to meet CAMC's needs to specialty physicians to maintain adequate coverage for emergency and trauma services. CAMC Teays Valley Hospital, Inc., a sister company to CAMC, is a 70 bed community hospital in Putnam County, WV and provides acute and emergency services to its community as well as community benefit to the residents in its county. CAMC's governing board is its Board of Trustees, which is a predominantly volunteer, community board comprised of prominent civic leaders. A minority of board members are hospital administrators, physicians or others professionally connected to the hospital. Admission to medical staff is open to all qualified physicians in the area, consistent with the size and nature of the facility. Each CAMC hospital operates a full-time emergency room open to everyone, regardless of ability to pay. CAMC serves a broad cross-section of the community through research or charity care. CAMC applies any surplus funds toward improving facilities, equipment, patient care, medical training, research and education.

Form and Line Reference	Explanation
Part VI, Line 7, Reports Filed With States	WV

Additional Data

Software ID:
Software Version:
EIN: 55-0526150
Name: Charleston Area Medical Center Inc

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

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

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

Name and address	Type of Facility (describe)
1 CAMC LabWorks 3004 Chesterfield Charleston, WV 253040000	Laboratory Services
2 CAMC Imaging Center (Kanawha City Locati 3416 MacCorkle Ave SE Charleston, WV 253040000	Laboratory Services
3 CAMC Imaging Center (Trace Fork Location 60 RHL Boulevard South Charleston, WV 253090000	Laboratory Services
4 CAMC Urgent Care Center 314 Goff Mountain Road Suite 3 Cross Lanes, WV 253130000	Laboratory Services
5 CAMC Phys Therapy & Sport Med Center 200 Tracy Way Charleston, WV 253111258	Laboratory Services
6 CAMC Wound Healing Center 600 Morris Street Suite 103 Charleston, WV 253010000	Laboratory Services
7 CAMC Ambulatory Infusion Center 3100 MacCorkle Ave Suite 101 Charleston, WV 253040000	Laboratory Services
8 Cardiac Imaging Center 2930 Chesterfield Avenue Charleston, WV 253041066	Laboratory Services
9 CAMC Occupational Lung Center 600 Morris Street Suite 100 Charleston, WV 253010000	Laboratory Services
10 Cardiac Imaging Center 2335 Chesterfield Avenue Charleston, WV 253041066	Laboratory Services
11 CAMC Solutions 2568 Pennsylvania Avenue Charleston, WV 253024907	Laboratory Services
12 CAMC Pharmacy (Cross Lanes Location) 314 Goff Mountain Road Cross Lanes, WV 253130000	Laboratory Services
13 St Mary's Laboratory Service 2900 First Ave Ste 607 Huntington, WV 257020000	Laboratory Services

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
Charleston Area Medical Center Inc

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

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

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

OMB No 1545-0047

2013

Open to Public
Inspection

Employer identification number
55-0526150

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No
- 2

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

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) University of Charleston 2300 MacCorkle Avenue SE Charleston, WV 25304	55-0357039	501(c)(3)	285,000				Nursing and Pharmacy Program Support
(2) Kanawha Valley Community and Technical College 2001 Union Carbide Drive South Charleston, WV 25303	35-2380021	501(c)(3)	344,204				Nursing Program Support
(3) WV Health Right Inc 1520 Washington Street Charleston, WV 25311	31-1066881	501(c)(3)	172,024				General Program Support
(4) Ronald McDonald House Charities of Southern West Virginia Inc 30th Street SE Charleston, WV 25304	55-0631080	501(c)(3)	11,891				General Program Support
(5) American Heart Association 162 Court Street Charleston, WV 25301	13-5613797	501(c)(3)	7,500				General Program Support
(6) Braxton County Memorial Hospital 100 Hoylman Drive Gassaway, WV 26624	55-0611919	501(c)(3)	200,000				General Program Support
(7) Buckskin Council BSA 2829 Kanawha Blvd E Charleston, WV 25311	55-0357013	501(c)(3)	6,500				General Program Support
(8) Clay Center for the Arts One Clay Square Charleston, WV 25301	55-0702471	501(c)(3)	9,600				General Program Support
(9) Fund for the Arts 803 Quarrier Street 100 Charleston, WV 25301	55-0614854	501(c)(3)	10,500				General Program Support
(10) HospiceCare 1606 Kanawha Blvd W Charleston, WV 25387	34-1337316	501(c)(3)	7,000				General Program Support
(11) YMCA of Charleston 100 YMCA Drive Charleston, WV 25311	55-0357058	501(c)(3)	6,000				General Program Support

2

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

11

3

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

0

Part III

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

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) Nursing Scholarships	76	149,775			
(2) Allied Health Scholarships	19	46,750			
(3) Medical Scholarships	13	78,475			
(4) Employee Dependent Scholarships	29	36,250			
(5) Employee Scholarships	151	117,840			

Part IV Supplemental Information. Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.	
Return Reference	Explanation
Part I, Line 2	CAMC provides nursing, allied health and medical student scholarships funded by the Foundation. An application portfolio is submitted by the candidate and reviewed and scored anonymously by the Foundation's Nursing Allied Health and Medical Student Scholarship committee co-chairs for subsequent scholarship award by the committee. CAMC provides employee and employee dependent scholarships. Candidates submit an application and required materials and a committee reviews applications based on scholarship guidelines and criteria and awards scholarships. Scholarship payments are submitted directly to the college or university on behalf of the recipient. CAMC provides support to the University of Charleston ("UC") nursing program and pharmacy school program. UC is a nonprofit, tax-exempt organization. UC provided CAMC with an acknowledgement letter along with a giving history report. CAMC provides assistance to various community programs which are reviewed by the Civic Affairs Council for award or at the discretion of the Chief Executive Officer.

Additional Data

Software ID:
Software Version:
EIN: 55-0526150
Name: Charleston Area Medical Center Inc

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
University of Charleston 2300 MacCorkle Avenue SE Charleston, WV 25304	55-0357039	501(c)(3)	285,000				Nursing and Pharmacy Program Support

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Kanawha Valley Community and Technical College 2001 Union Carbide Drive South Charleston, WV 25303	35-2380021	501(c)(3)	344,204				Nursing Program Support

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
WV Health Right Inc 1520 Washington Street Charleston, WV 25311	31-1066881	501(c)(3)	172,024				General Program Support

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Ronald McDonald House Charities of Southern West Virginia Inc 30th Street SE Charleston, WV 25304	55-0631080	501(c)(3)	11,891				General Program Support

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
American Heart Association 162 Court Street Charleston, WV 25301	13-5613797	501(c)(3)	7,500				General Program Support

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Braxton County Memorial Hospital 100 Hoylman Drive Gassaway, WV 26624	55-0611919	501(c)(3)	200,000				General Program Support

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Buckskin Council BSA 2829 Kanawha Blvd E Charleston, WV 25311	55-0357013	501(c)(3)	6,500				General Program Support

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Clay Center for the Arts One Clay Square Charleston, WV 25301	55-0702471	501(c)(3)	9,600				General Program Support

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Fund for the Arts 803 Quarrier Street 100 Charleston, WV 25301	55-0614854	501(c)(3)	10,500				General Program Support

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
HospiceCare 1606 Kanawha Blvd W Charleston, WV 25387	34-1337316	501(c)(3)	7,000				General Program Support

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
YMCA of Charleston 100 YMCA Drive Charleston, WV 25311	55-0357058	501(c)(3)	6,000				General Program Support

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
Charleston Area Medical Center Inc

Employer identification number
55-0526150

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 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>1b</div><div>If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain</div></div>		
<div><div>2</div><div>Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?</div></div>		
<div><div>3</div><div>Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III</div><div><div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div><div><div><input type="checkbox"/> Written employment contract</div><div><input type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Approval by the board or compensation committee</div></div></div></div>		
<div><div>4</div><div>During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization</div></div>		
<div><div>4a</div><div>Receive a severance payment or change-of-control payment?</div></div>		No
<div><div>4b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>	Yes	
<div><div>4c</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>		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>5a</div><div>The organization?</div></div>		No
<div><div>5b</div><div>Any related organization?</div></div> <div>If "Yes," to line 5a or 5b, describe in Part III</div>		No
<div><div>6</div><div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of</div></div>		
<div><div>6a</div><div>The organization?</div></div>		No
<div><div>6b</div><div>Any related organization?</div></div> <div>If "Yes," to line 6a or 6b, describe in Part III</div>		No
<div><div>7</div><div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III</div></div>	Yes	
<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>		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>		

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
Part I, Line 3	The CAMCHSI Board of Directors Compensation Committee selects and supervises an independent consultant who advises the Committee on compensation arrangements and transactions between CAMCHSI companies and executives. The Committee uses the data to determine the total compensation of the CAMC's CEO and the other executives. The data is reviewed every two years or when a new person comes into an executive role.
Part I, Line 4b	Supplemental Executive Retirement Plan ("SERP"). Participants are members of the Executive group. Participant Lynn Brookshire in 2013 was paid in the amount of \$1,465,446 in SERP benefits. Terms & Conditions of SERP Plan: Defined Benefit. Vest at age 60, or later, if one time postponement is made prior to age 59. Deferred vesting date cannot be earlier than age 65 or later than age 68. Benefit at age 60 with 30 years of service is computed as the difference between 55% of Final Average Total compensation and sum of retirement benefits paid from CAMC Health System, Inc. Qualified Retirement Plan, Non-Qualified Retirement Benefit Restoration Plan and 50% of projected age 62 Primary Social Security Benefit. Eligible to receive SERP benefits upon earliest of: normal retirement or date elected, if extended, death, disability, involuntary termination without cause. Early retirement at age 55 with at least 5 years of service reduced 1.83% for each year of service less than 30 and 5% reduction for each month prior to Normal Retirement Date (age 60). Taxes due upon distribution. Subject to the Substantial Risk of Forfeiture. CEO Supplemental Executive Retirement Plan ("SERP"). Participant-CEO. Terms and Conditions of CEO SERP Plan: Defined Contribution. Vest at age 65. Benefit at age 65 projected as the difference between 60% of Final 5 Year Average Total compensation and sum of retirement benefits paid from CAMC Health System, Inc. Qualified Retirement Plan and 50% of projected age 65 Primary Social Security Benefit. Actual benefits will depend upon simulated investment results based on investment options selected by participant. Eligible to receive SERP benefits upon earliest of: deferred vesting date, death, disability, involuntary termination without cause. Taxes due upon vesting. Subject to the Substantial Risk of Forfeiture.
Part I, Line 7	CAMC provides incentive payments to certain employees after operating and performance goals are achieved. Incentive payment plans are reviewed and approved by the CAMC Health System, Inc. (CAMC's parent company) Board of Directors Compensation Committee.

Additional Data

Software ID:
Software Version:
EIN: 55-0526150
Name: Charleston Area Medical Center Inc

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				
David L Ramsey President, CEO & Trustee	(i) (ii)	666,525 0	288,100 0	122,912 0	639,870 0	26,008 0	1,743,415 0	67,308 0
Larry C Hudson Executive VP & CFO	(i) (ii)	367,845 0	91,023 0	110,503 0	72,734 0	19,184 0	661,289 0	54,145 0
Glenn Crotty Jr MD Executive VP & COO	(i) (ii)	420,285 0	115,242 0	64,873 0	56,276 0	33,702 0	690,378 0	39,748 0
Marshall A McMullen Jr Secretary & Gen Counsel	(i) (ii)	273,284 0	38,333 0	58,207 0	53,103 0	21,434 0	444,361 0	26,109 0
Michael D Williams VP Administrator	(i) (ii)	241,663 0	31,962 0	37,546 0	169,553 0	25,780 0	506,504 0	23,964 0
S Andrew Weber VP Administrator	(i) (ii)	187,408 0	26,937 0	30,924 0	109,022 0	30,315 0	384,606 0	20,316 0
Stephen Z Bell VP Finance	(i) (ii)	178,061 0	28,881 0	34,378 0	158,636 0	29,793 0	429,749 0	20,981 0
Robert D Whitler VP Gov't & Comm Affairs	(i) (ii)	166,871 0	24,709 0	35,885 0	10,409 0	26,446 0	264,320 0	0 0
Lynn Y Brookshire VP Info Svc & CIO	(i) (ii)	167,786 0	38,682 0	1,525,342 0	19,403 0	11,044 0	1,762,257 0	940,611 0
Ronald E Moore VP Prof Prac & CNO	(i) (ii)	197,470 0	26,973 0	46,595 0	175,607 0	18,956 0	465,601 0	16,020 0
Robert B Danielson VP Compliance	(i) (ii)	160,997 0	22,466 0	41,794 0	51,734 0	19,561 0	296,552 0	31,789 0
Dale R Wood VP System Improv & CQO	(i) (ii)	256,493 0	40,218 0	40,621 0	209,003 0	11,998 0	558,333 0	27,917 0
Jeffrey H Goode VP Ambulatory Services	(i) (ii)	186,540 0	26,900 0	29,133 0	98,054 0	33,319 0	373,946 0	17,754 0
Jeff Oskin VP Administrator	(i) (ii)	263,890 0	33,805 0	54,851 0	123,161 0	23,657 0	499,364 0	34,214 0
Kristi Snyder VP Human Resources	(i) (ii)	196,553 0	6,173 0	10,819 0	169,978 0	10,475 0	393,998 0	0 0
James Tierney DO Physician	(i) (ii)	748,550 0	0 0	50 0	10,200 0	3,563 0	762,363 0	0 0
Leon Ronen MD Physician	(i) (ii)	531,668 0	0 0	0 0	11,729 0	27,892 0	571,289 0	0 0
Mark K Stephens MD Physician	(i) (ii)	476,218 0	0 0	0 0	11,103 0	26,603 0	513,924 0	0 0
Daniel L Smith MD Physician	(i) (ii)	474,813 0	0 0	0 0	11,158 0	26,547 0	512,518 0	0 0
Kenneth Wright MD Physician	(i) (ii)	311,904 0	0 0	8,250 0	11,748 0	15,162 0	347,064 0	0 0

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
Charleston Area Medical Center Inc

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
55-0526150

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	West Virginia Hospital Finance Authority	62-1256910	956624AQ3	06-19-2008	127,355,000	See Part VI		X		X		X
B	West Virginia Hospital Finance Authority	62-1256910	956622ZV9	09-10-2009	177,519,271	See Part VI		X		X		X
C	West Virginia Hospital Finance Authority	62-1256910		11-01-2010	8,428,228	Refund prior bonds issued 12/17/85		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	2,815,000		9,535,000		6,496,793			
2	Amount of bonds legally defeased								
3	Total proceeds of issue	130,356,808		178,397,572		8,428,228			
4	Gross proceeds in reserve funds	15,542,749		15,542,749					
5	Capitalized interest from proceeds	842,090		842,090					
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	2,071,347		2,455,533		60,028			
8	Credit enhancement from proceeds	773,024							
9	Working capital expenditures from proceeds	17,301,803		17,301,803					
10	Capital expenditures from proceeds	70,943,349		2,926,790					
11	Other spent proceeds	33,084,021		146,196,700		8,368,200			
12	Other unspent proceeds	23,485,068							
13	Year of substantial completion	2013		2013					
		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				
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X				

Part III

Private Business Use (Continued)

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

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X		X		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	Merrill Lynch Capital							
c	Term of hedge	29 200000000000							
d	Was the hedge superintegrated?		X						
e	Was the hedge terminated?		X						

Part IV Arbitrage (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X	X			X		
b	Name of provider	Wachovia		Wachovia					
c	Term of GIC	23 0000000000000		23 0000000000000					
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X		X					
6	Were any gross proceeds invested beyond an available temporary period?	X		X			X		
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
	X		X		X			
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
Date Rebate Computation Performed	Issuer Name West Virginia Hospital Finance Authority Date the Rebate Computation was Performed 08/27/2013
Schedule K Supplental Information	Part I Line A (F) Description of purpose The proceeds for the 2008A Bonds were used to (i) currently refund the Series 1995A Bonds originally issued on 9/26/95, (ii) pay the costs of certain capital expenditures made, or to be made, by CAMC, refinance a bank loan, and (iii) pay the costs of issuing the Series 2008A Bonds, including certain fees of the bank Part I Line B (F) Description of purpose The proceeds for the 2009A Bonds were used to (i) currently refund the outstanding principal amount of the 2002 Series A and B Bonds originally issued on 9/24/02, (ii) pay a portion of a termination payment as a result of termination of hedge agreement in connection with the 2002 Bonds (an extraordinary working capital expenditure), (iii) fund a debt service reserve fund, and (iv) pay the costs of issuing the 2009 Bonds Part I Line C (F) Description of purpose The proceeds for the 2010A Bonds were used to refund prior bonds issued 12/17/85 Part II Line 3 The total proceeds of issue includes accumulated interest earnings Working capital expenditures reported in Part II, Line 9, column B consist of an extraordinary working capital expenditure consisting of a swap termination payment Part II, line 4, column B The amount shown here consists of \$15,458,673 in a debt service reserve fund, plus \$84,076 of debt service fund deposits Part II, line 11, column B Form 8038 reported that \$148,894,025 of proceeds was to be used to retire the prior debt The actual amount required for that purpose was \$146,196,700 The remainder was deposited to a project fund and spent on capital expenditures eligible for tax-exempt financing Part III has not been completed with respect to column C bonds, since such bonds refunded pre-2003 bond issues Part III has been completed for the column B bonds only with respect to the new money portion of the issue, as the refunding portion refunded pre-2003 debt Part IV, Line 6, columns A and B - Such amounts were appropriately yield restricted

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
Charleston Area Medical Center Inc

Employer identification number
55-0526150

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	Yes	No
Total ▶ \$												

Part III Grants or Assistance Benefitting Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

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

Part IV Business Transactions Involving Interested Persons.

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

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

Part V Supplemental Information

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

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

Additional Data

Software ID:
Software Version:
EIN: 55-0526150
Name: Charleston Area Medical Center Inc

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Rick Crotty	Family member of Glenn Crotty, Officer	58,078	employed by organization		No
(2) Barbara Covelli	Family member of Glenn Crotty, Officer	77,321	employed by organization		No
(3) Donna Bell	Family member of Steve Bell, Officer	158,203	employed by organization		No
(4) Glenda Bryant	Family member of Ronald Moore, Officer	25,605	employed by organization		No
(5) Gloria Jean Morgan	Family member of Kristi Snyder, Officer	83,683	employed by organization		No
(6) John Snyder	Family member of Kristi Snyder, Officer	82,613	employed by organization		No
(7) Christine Oskin	Family member of Jeff Oskin, Officer	106,777	employed by organization		No
(8) BBT	Relationship with Edwin H Welch, PhD, CAMC Trustee	868,446	Purchased Services		No
(9) Kay Casto Cheney PLLC	Partnership more than 5% owned by John R Hoblitzell, Trustee	150,073	Purchased Services		No
(10) Associated Radiologists Inc	Entity Board Member, John A Willis, MD, Trustee	633,796	Purchased services		No

SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

►Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
► Attach to Form 990.

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Charleston Area Medical Center Inc

Employer identification number
55-0526150

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies	X	1	120,000	Cost or selling price
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► (Other)		0	0	
26 Other ► ()				
27 Other ► ()				
28 Other ► ()				

29

Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement

30a

During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?

30a

Yes

No

b

If "Yes," describe the arrangement in Part II

31

Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

31

Yes

No

32a

Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?

32a

Yes

No

b

If "Yes," describe in Part II

33

If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II

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

Cat No 51227J

Schedule M (Form 990) (2013)

Part II

Supplemental Information.

Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Return Reference	Explanation
Part I, Column (b)	This is the number of contributors

2013

Open to Public Inspection

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.

Name of the organization Charleston Area Medical Center Inc	Employer identification number 55-0526150
--	--

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section A, line 6	CAMC Health System, Inc ("CAMCHSI") is CAMC's sole voting member
Form 990, Part VI, Section A, line 7a	CAMC Health System, Inc ("CAMCHSI") is CAMC's sole voting member and has authority to elect all voting trustees of CAMC other than ex-officio trustees named in CAMC's governing documents The sole voting member has the sole authority to amend CAMC's governing documents
Form 990, Part VI, Section A, line 7b	CAMCHSI is CAMC's sole voting member and has reserved powers under CAMC's governing documents, which provide that decisions of CAMC's governing body such as election of officers, a approval of annual budgets and borrowings are subject to approval by the sole voting member The sole voting member also has all approval powers provided to members of West Virginia nonprofit corporations under state law
Form 990, Part VI, Section B, line 11	CAMC compiles necessary information for Form 990 through the efforts of various officers and trustees of the organization The return is then prepared and reviewed by an external consultant firm This firm then reviews the completed Form 990 with the CAMC Board of Trustees and its Audit Committee
Form 990, Part VI, Section B, line 12c	Corporate officers including the President and Secretary develop the agendas for board meetings and identify potential conflict of interest issues relative to action items and assist the board chairs with resolutions of same Annual disclosure procedures are implemented and the board chair and Nominating Committee periodically review conflict situations As per the conflict of interest policy, all disclosed conflicts shall be reported by the Corporate Compliance Officer to the Management Committee, which will approve or disapprove the possible conflicting activity at their next scheduled meeting The Compliance Officer will inform the Board of Trustees Audit Committee at their next scheduled meeting of all such activities approved by the Management Compliance Committee The Manager (the direct supervisor of a company representative) may concur with the Compliance Officer's decision or may ask that the Management Compliance Committee review the Conflict of Interest Form in question The Management Compliance Committee will then review the conflict of interest in questions at the next meeting and their decision is final
Form 990, Part VI, Section B, line 15	The CAMCHSI Board of Directors Compensation Committee selects and supervises an independent consultant who advises the Committee on compensation arrangements and transactions between CAMC Health System, Inc subsidiaries (including CAMC) and executives (including CAMC's CEO) The Committee uses the data to determine the total compensation of CAMC's CEO and other executive officers This data is reviewed every two years or when a new person comes into a executive role
Form 990, Part VI, Section C, line 19	CAMC is part of a consolidated financial audit for CAMC Health System, Inc and Subsidiaries Consolidated audited financial statements are available on-line at CAMC.org They are also filed with the WV Health Care Authority where they are available on-line and in person There is no formal method of making the Bylaws and Conflict of Interest Policy publicly available, but they are available upon request The Articles of Incorporation are publicly available at the WV Secretary of State's Office
Form 990, Part XI, line 9	Change in Affiliate Receivable Balance 732,016 Increase/Decrease in beneficial interest in CAMC Foundation 5,302,912 Affiliate Transfers CAMC Health System, Inc and Subsidiaries -6,184,338 Changes in non-controlling interest 64,892 Change in retirement obligation 951,020

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
Charleston Area Medical Center Inc

Employer identification number
55-0526150

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) CAMC Foundation Inc PO BOX 1547 Charleston, WV 253261547 31-0887133	Foundation	WV	501(c)(3)	Line 11, Type II 50	CAMC Health SystemInc	Yes	
(2) CAMC Health System Inc PO BOX 1547 Charleston, WV 253261547 55-0664138	Parent Company	WV	501(c)(3)	Line 11, Type III-FI	N/A		No
(3) CAMC Health Education and Research Institute Inc PO BOX 1547 Charleston, WV 253261547 55-0753754	Medical Research	WV	501(c)(3)	Line 11, Type II 50	CAMC Health SystemInc	Yes	
(4) CAMC Teays Valley Hospital Inc PO BOX 1547 Charleston, WV 253261547 55-0752636	Hospital	WV	501(c)(3)	Line 3 170(b)(1)(a)	CAMC Health SystemInc	Yes	

Part III

Identification of Related Organizations Taxable as a Partnership

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) Women & Children's Medical Office Building Partnership PO Box 1547 Charleston, WV 253261547 55-0669065	Medical office Building	WV	CAMC	Related				No		Yes		90 100 %
(2) General Division Medical Office Building Partnership PO Box 1547 Charleston, WV 253261547 55-0623949	Medical office Building	WV	CAMC	Related				No		Yes		79 300 %

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) Integrated Health Care Providers Inc PO Box 1547 Charleston, WV 253261547 55-0751010	Specialty Physician Practices	WV	N/A	C					No

Part V

Transactions With Related Organizations

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

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

1

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

a

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

b

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

c

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

d

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

e

Loans or loan guarantees by related organization(s)

f

Dividends from related organization(s)

g

Sale of assets to related organization(s)

h

Purchase of assets from related organization(s)

i

Exchange of assets with related organization(s)

j

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

k

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

l

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

m

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

n

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

o

Sharing of paid employees with related organization(s)

p

Reimbursement paid to related organization(s) for expenses

q

Reimbursement paid by related organization(s) for expenses

r

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

s

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

Yes

No

1a

No

1b

Yes

1c

Yes

1d

No

1e

Yes

1f

No

1g

No

1h

No

1i

No

1j

Yes

1k

Yes

1l

Yes

1m

Yes

1n

No

1o

No

1p

Yes

1q

Yes

1r

Yes

1s

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
See Additional Data Table			

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

[illegible]

Part VII **Supplemental Information**

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

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

Additional Data

Software ID:

Software Version:

EIN: 55-0526150

Name: Charleston Area Medical Center Inc

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
CAMC Health Education and Research Institute Inc	R	2,913,947	Contract
Integrated Health Care Providers Inc	B	34,175,379	Contract
CAMC Foundation Inc	C	2,157,995	Contract
General Division Medical Office Building Partnership	E	364,969	Contract
CAMC Health Education and Research Institute Inc	J	256,008	Contract
Integrated Health Care Providers Inc	J	1,438,001	Contract
CAMC Foundation Inc	K	353,700	Contract
Women and Children's Medical Office Building Partnership	K	936,913	Contract
General Division Medical Office Building Partnership	K	789,611	Contract
Integrated Health Care Providers Inc	K	87,606	Contract
CAMC Health System Inc	L	66,569	Contract
CAMC Teays Valley Hospital Inc	L	1,986,060	Contract
CAMC Foundation Inc	L	239,744	Contract
CAMC Health Education and Research Institute Inc	L	396,748	Contract
Women and Children's Medical Office Building Partnership	L	248,608	Contract
General Division Medical Office Building Partnership	L	187,213	Contract
Integrated Health Care Providers Inc	L	4,405,077	Contract
CAMC Health Education and Research Institute Inc	M	14,731,566	Fair Market Value
CAMC Teays Valley Hospital Inc	P	4,377,080	Fair Market Value
CAMC Health Education and Research Institute Inc	P	522,804	Fair Market Value
Integrated Health Care Providers Inc	P	1,550,812	Fair Market Value
CAMC Teays Valley Hospital Inc	Q	24,553,415	Fair Market Value
CAMC Foundation Inc	Q	263,159	Fair Market Value
CAMC Health Education and Research Institute Inc	Q	2,363,127	Fair Market Value
Women and Children's Medical Office Building Partnership	Q	92,813	Fair Market Value

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
Integrated Health Care Providers Inc	Q	54,177,083	Fair Market Value
CAMC Health System Inc	R	548,899	Fair Market Value
CAMC Health Education and Research Institute Inc	R	1,732,138	Fair Market Value
Integrated Health Care Providers Inc	R	3,903,301	Fair Market Value

CAMC Health System, Inc. and Subsidiaries

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

CAMC HEALTH SYSTEM, INC. AND SUBSIDIARIES

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
CAMC Health System, Inc .

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Report on Other Additional Financial Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The other additional financial information listed in the table of contents on pages 42–47 are presented for the purpose of additional analysis and are not a required part of the consolidated financial statements. This other additional financial information is the responsibility of the System's management and was derived from and relate directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in our audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Deloitte & Touche LLP

April 29, 2014

CAMC HEALTH SYSTEM, INC. AND SUBSIDIARIES

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

	2013	2012
ASSETS		
CURRENT ASSETS.		
Cash and cash equivalents	\$ 28,831	\$ 14,445
Short-term investments	205,578	147,057
Current portion of assets limited as to use	5,900	5,000
Patient receivables — net of allowances for uncollectible accounts of \$19,982 in 2013 and \$22,093 in 2012	106,601	118,887
Other receivables	10,138	13,084
Estimated amounts due from third-party payors	7,751	11,096
Inventories	17,555	18,730
Prepaid expenses and other	8,644	7,069
Total current assets	390,998	335,368
ASSETS LIMITED AS TO USE	361,461	282,403
OTHER INVESTMENTS	20,742	20,669
PROPERTY, EQUIPMENT AND INFORMATION SYSTEMS		
Land	42,797	41,869
Buildings and improvements	371,111	351,433
Equipment and software costs	477,497	510,151
Construction in progress	40,723	20,401
Total property, equipment and information systems	932,128	923,854
Less accumulated depreciation and amortization	(616,601)	(627,393)
Property, equipment and information systems — net	315,527	296,461
OTHER ASSETS	16,950	19,088
TOTAL	\$ 1,105,678	\$ 953,989

(Continued)

CAMC HEALTH SYSTEM, INC. AND SUBSIDIARIES

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

	2013	2012
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 55,295	\$ 51,198
Self-insurance reserves	5,900	5,000
Derivative obligation	14,170	25,296
Accrued payroll and payroll-related expenses	41,638	41,319
Estimated amounts due to third-party payors	16,990	19,030
Current maturities of long-term debt and capital lease obligations	12,667	8,143
Total current liabilities	146,660	149,986
LONG-TERM LIABILITIES:		
Long-term debt and capital lease obligations — less current maturities	404,235	333,130
Retirement obligations	13,845	13,531
Self-insurance reserves	13,378	15,426
Other	10,610	10,485
Total long-term liabilities	442,068	372,572
Total liabilities	588,728	522,558
NET ASSETS		
Unrestricted	447,356	370,938
Noncontrolling interest in joint ventures	358	317
Unrestricted — total	447,714	371,255
Temporarily restricted	47,776	38,946
Permanently restricted	21,460	21,230
Total net assets	516,950	431,431
TOTAL	\$ 1,105,678	\$ 953,989

See notes to consolidated financial statements.

(Concluded)

CAMC HEALTH SYSTEM, INC. AND SUBSIDIARIES

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

	2013	2012
UNRESTRICTED REVENUE AND OTHER SUPPORT		
Patient service revenue (net of contractual allowances and discounts)	\$ 961,721	\$ 938,315
Provision for bad debts	<u>(85,515)</u>	<u>(78,774)</u>
Net patient service revenues less provision for bad debts	876,206	859,541
Other revenue	40,996	41,045
Investment income — net	49,822	33,376
Net assets released from restrictions	<u>1,845</u>	<u>1,701</u>
Total unrestricted revenue and other support	<u>968,869</u>	<u>935,663</u>
EXPENSES		
Salaries and wages	346,445	331,286
Employee benefits	104,261	95,343
Professional compensation and fees	19,614	19,689
Supplies and other	362,729	332,127
Depreciation and amortization	36,107	37,544
Medicaid provider tax	22,503	20,292
Interest and debt expense	16,312	15,158
Change in fair value of derivatives	<u>(14,083)</u>	<u>(2,710)</u>
Total expenses	<u>893,888</u>	<u>848,729</u>
EXCESS OF REVENUES OVER EXPENSES — Controlling and noncontrolling interest	74,981	86,934
LESS EXCESS OF REVENUES OVER EXPENSES — Noncontrolling interest	<u>(97)</u>	<u>(101)</u>
EXCESS OF REVENUES OVER EXPENSES — Net of noncontrolling interest	74,884	86,833
OTHER CHANGES IN UNRESTRICTED NET ASSETS		
Net assets released from restrictions for capital expenditures	242	249
Change in retirement obligations actuarial loss and prior service cost	951	(1,071)
Distributions to noncontrolling interest	65	(190)
Contributions for capital expenditures	<u>220</u>	<u>314</u>
INCREASE IN UNRESTRICTED NET ASSETS	<u>\$ 76,459</u>	<u>\$ 86,236</u>

See notes to consolidated financial statements

CAMC HEALTH SYSTEM, INC. AND SUBSIDIARIES

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

	2013	2012
UNRESTRICTED NET ASSETS		
Excess of revenue over expenses — Controlling and noncontrolling interest	\$ 74,981	\$ 86,934
Change in retirement obligations actuarial loss and prior service cost	951	(1,071)
Net Assets released from restrictions for capital expenditures	242	249
Distribution to noncontrolling interest	65	(190)
Contributions for capital expenditures	<u>220</u>	<u>314</u>
Increase in unrestricted net assets	<u>76,459</u>	<u>86,236</u>
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	3,002	3,188
Investment income — net	7,814	4,848
Net assets released from restrictions for:		
Programs	(1,773)	(1,701)
Capital expenditures	<u>(213)</u>	<u>(249)</u>
Increase in temporarily restricted net assets	<u>8,830</u>	<u>6,086</u>
PERMANENTLY RESTRICTED NET ASSETS — Contributions	<u>230</u>	<u>238</u>
INCREASE IN NET ASSETS	85,519	92,560
NET ASSETS — Beginning of year	<u>431,431</u>	<u>338,871</u>
NET ASSETS — End of year	<u>\$ 516,950</u>	<u>\$ 431,431</u>

See notes to consolidated financial statements

CAMC HEALTH SYSTEM, INC. AND SUBSIDIARIES

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

	2013	2012
OPERATING ACTIVITIES		
Increase in net assets	\$ 85,519	\$ 92,560
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Change in fair value of derivatives	(14,083)	(2,710)
(Gain) Loss on disposal of fixed assets	(491)	24
Change in retirement obligations actuarial loss and prior service cost	(951)	1,071
Depreciation and amortization	36,107	37,544
Provision for bad debts	85,515	78,774
Unrealized gains on alternative investments	-	(1,272)
Realized gains on alternative securities	(496)	(1,450)
Realized and unrealized gain on limited as to use trading investments	(26,300)	(13,697)
Net restricted contributions and investment income	(11,046)	(8,274)
Distributions to noncontrolling interest	(65)	190
Changes in assets and liabilities		
Patient receivables	(73,229)	(81,990)
Other receivables	2,946	6,406
Short term trading investments	(58,521)	(44,827)
Inventories, prepaid expenses, and other	4,696	(506)
Estimated amounts due from to third-party payors	1,305	9,278
Accounts payable and accrued expenses	2,551	(5,896)
Accrued payroll and payroll-related expenses	319	(392)
Other liabilities	(279)	(385)
Net cash provided by operating activities	<u>33,497</u>	<u>64,448</u>
INVESTING ACTIVITIES		
Capital expenditures	(38,332)	(37,199)
Capital expenditures — Cancer Center	(10,589)	-
Purchases of alternative investments	(5,909)	(297)
Limited as to use trading investments	(67,491)	(36,060)
Proceeds from the sale of alternative investments	4,845	6,762
Restricted cash as collateral	(7,500)	(14,250)
Restricted cash from collateral	<u>22,820</u>	<u>12,360</u>
Net cash used in investing activities	<u>(102,156)</u>	<u>(68,684)</u>
FINANCING ACTIVITIES		
Principal payments on debt obligations and capital lease obligations	(8,066)	(8,915)
Borrowings of debt obligations	80,000	-
Borrowings under lines of credit	1,096	1,033
Repayment under lines of credit	(1,096)	(1,033)
Distributions to noncontrolling interest	65	(190)
Net restricted contributions and investment income	<u>11,046</u>	<u>8,274</u>
Net cash provided by (used in) financing activities	<u>83,045</u>	<u>(831)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>14,386</u>	<u>(5,067)</u>
CASH AND CASH EQUIVALENTS — Beginning of year	<u>14,445</u>	<u>19,512</u>
CASH AND CASH EQUIVALENTS — End of year	<u>\$ 28,831</u>	<u>\$ 14,445</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ 11,918</u>	<u>\$ 10,879</u>
Capital assets acquired under capital lease obligations	<u>\$ 3,695</u>	<u>\$ -</u>
Capital expenditures remaining in accounts payable at year-end	<u>\$ 3,218</u>	<u>\$ 1,151</u>

See notes to consolidated financial statements

CAMC HEALTH SYSTEM, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012 (In thousands)

1. ORGANIZATION

CAMC Health System, Inc. (the "Parent"), is a West Virginia nonprofit corporation that the Internal Revenue Service (IRS) has determined is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code"). As the parent holding company, the Parent provides general guidance and strategic direction and is the sole corporate member for the following subsidiaries (collectively, the "System")

Charleston Area Medical Center, Inc. ("CAMC") — a West Virginia nonprofit corporation that owns and operates the General, Memorial, and Women and Children's Hospitals, all in Kanawha County, West Virginia. CAMC is a general partner in two medical office building partnerships, each organized as general partnerships. CAMC owns an 79.3% interest in the General division medical office building partnership and an 90.1% interest in the Women and Children's medical office building partnership.

Charleston Area Medical Center Foundation, Inc. (the "Foundation") — a West Virginia nonprofit corporation established for the purpose of raising funds for CAMC.

CAMC Health Education and Research Institute, Inc. (the "Institute") — a West Virginia nonprofit corporation established for the purpose of managing, promoting, and conducting medical education and research programs.

Integrated Health Care Providers, Inc. ("Integrated") — a West Virginia nonprofit taxable corporation established for the purpose of providing physician services.

CAMC Teays Valley Hospital, Inc. ("CAMC Teays") — Formerly, Heritage Health Systems, Inc., a West Virginia nonprofit corporation that owns and operates an urban community hospital in Putnam County, West Virginia. Effective March 1, 2014, CAMC Teays was merged with and into CAMC. The merger has no effect on the consolidated financial statements as CAMC Teays was a consolidated entity for all years presented.

2. SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation — The accompanying consolidated financial statements include the accounts of the Parent and the aforementioned subsidiaries. All significant intercompany transactions and balances have been eliminated.

Investments in companies in which the System owns 20% to 50% of the voting stock and has the ability to exercise significant influence over operating and financial policies of the investee are accounted for using the equity method of accounting. As a result, the System's share of the earnings or losses of such equity affiliates is included in the accompanying consolidated statements of operations and the System's share of these companies' shareholders' equity is included in investments in the accompanying consolidated balance sheets. The investment balances and equity earnings were not material in 2013 or 2012.

Cash and Cash Equivalents and Short-Term Investments — Cash and cash equivalents represent cash and temporary investments with original maturities of three months or less. Cash and cash equivalents exclude cash maintained in board-designated, restricted, self-insurance, and trustee-held funds. Short-term investments represent investments that management has identified as available to meet current operating needs. Short-term investments are stated at fair value.

The Parent and its subsidiaries maintain certain cash balances with banks that exceed the amounts insured by the Federal Deposit Insurance Corporation.

Net Patient Service Revenues and Patient Accounts Receivable — Net patient service revenues and patient receivables are derived primarily from patients who reside in West Virginia and surrounding states.

Gross patient service revenue is recognized based on the System's standard billing rates. Gross patient service billings is reduced to "patient service revenue (net of contractual allowances and discounts)" through a provision for contractual allowances for patients who have third-party coverage with contracted rates for the services rendered, including federal and state indemnity and managed care programs and commercial insurance. Such contracted rates are typically less than standard billed charges. Patient service revenue (net of contractual allowances and discounts) for the years ended December 31, 2013 and 2012, by major payor sources, is as follows:

	Patient Service Revenue (Net of Contractual Allowances and Discounts)	
	2013	2012
Medicare	\$ 359,260	\$ 322,382
Medicaid	93,879	112,605
Other Government third-party payors	35,132	38,748
Other third-party payors	388,638	396,933
Self-pay	<u>84,812</u>	<u>67,647</u>
Total	<u>\$ 961,721</u>	<u>\$ 938,315</u>

Patient receivables are reduced to their estimated net realizable value through an allowance for uncollectible accounts and contractual adjustments.

Allowance for Uncollectible Accounts — The System recognizes a significant amount of patient service revenue at the time the services are rendered even though the System does not assess the patient's ability to pay at that time. As a result, the provision for bad debts is presented as a deduction from patient services revenue (net of contractual allowances and discounts). The System does not require collateral or other security on its patient receivables. Self-pay accounts for patients with no insurance and patient deductibles and co-payments on third-party accounts are reduced by an allowance for doubtful accounts to reduce the carrying value of such receivables to their estimated net realizable value. This allowance is established based on the length of time the account has been past due and historical experience.

The System considers the patient portion of accounts receivable for write-off beginning 90 days after billing. Certain patient accounts are excluded from write-off consideration when the following conditions exist: the patient account has a credit balance, the charge has been voided, hold on the account, unapplied credits that exist on the patient account, or a payment was made on the patient account in the last 45 days. Excluded accounts are reviewed weekly to assess collectability.

Allowance for Contractual Adjustments — As gross patient service billings are recognized and recorded as accounts receivable, the third-party portion of patient receivables is reduced by an allowance for contractual adjustments to the estimated contracted rate. The System analyzes its past history of collectability and adjusts for certain events or trends as necessary for each of its major payor sources to estimate the allowance for contractual adjustments.

Net patient service revenues less provision for bad debts from the Medicare and Medicaid programs account for approximately 41% and 11%, respectively, of the System's net patient service revenue for the year ended December 31, 2013, and 38% and 13%, respectively, of the System's net patient service revenue for the year ended December 31, 2012. Payments received under the reimbursement arrangements with Medicare and Medicaid are subject to retroactive audit and adjustment. Estimated settlements are accrued in the period the related services are rendered and adjusted in future periods as final settlements are determined. Settlement of prior-year cost reports and revisions to other prior-year settlement estimates had the effect of increasing net patient service revenue by \$3,793 and \$4,278 in 2013 and 2012, respectively. Laws and regulations governing these programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimated settlements will change by a material amount in the near term. Management believes that adequate provisions have been made for reasonable adjustments that may result from such final settlements. Management believes it is in substantial compliance with all applicable laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs.

The approximate percentage of patient receivables by type of payor as of December 31, 2013 and 2012, is as follows:

	2013	2012
Medicare	30 %	33 %
Commercial Insurance and other third-party payment programs	51	48
Medicaid	13	12
Self-pay	1	1
PEIA	<u>5</u>	<u>6</u>
	<u>100 %</u>	<u>100 %</u>

Charity Care — The System provides care to patients who meet certain criteria under its charity care policies without charge or at amounts less than established rates. Because the System does not pursue collection of amounts determined to qualify as charity care, such amounts are not reported as net revenue (see Notes 3 and 4). The System maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services furnished under the System's charity care policies.

Pledges Receivable — The Foundation has \$3.830 and \$4.173 recorded as pledges receivable as of December 31, 2013 and 2012, respectively. The amount to be received in one year is included in other receivables and the amount to be received in one to five years is included in other assets.

	2013	2012
Unconditional promises to give consist of		
Amounts expected to be collected in		
Less than one year	\$ 2.167	\$ 1.930
One to five years	<u>1.906</u>	<u>2.605</u>
	4.073	4.535
Discount to present value of future cash flows	243	362
Allowance for uncollectible accounts	<u>-</u>	<u>-</u>
Total unconditional promises to give — net	<u>\$ 3.830</u>	<u>\$ 4.173</u>

Inventories — Inventories represent supplies that are valued at the average-cost method.

Assets Limited as to Use and Investments — Assets limited as to use primarily include assets held by trustees under indenture and other agreements, designated assets set aside by the board of trustees, self-insurance funds, and donor-restricted assets. Other investments are alternative investments that are not limited as to use.

Investment Risks — Investment securities are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in values in the near term could materially affect the amounts reported in the accompanying consolidated financial statements.

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value and are classified as trading securities. Investment income or loss (including realized gains and losses, interest, dividends, changes in equity or impairments of limited partnerships, and unrealized gains and losses) is included in unrestricted investment income or loss, unless the income or loss is restricted by donor or law.

The System invests in alternative investments that primarily represent ownership in limited partnerships that invest in hedge funds, real asset funds, and private equity/venture capital funds. In order to liquidate such investments, management is required to provide notice ranging from 45 to 90 days to withdraw from the partnerships and in certain cases may only withdraw from the partnership quarterly or annually. There are no unfunded commitments. Substantially all of the System's alternative investments are redeemable at net asset value per ownership unit or its equivalent. Fair value for alternative investments is based on the net asset value per ownership unit, as published and determined by the fund manager at least quarterly using the estimated fair value of the underlying investments.

Investments in alternative investments are accounted for utilizing the lower of cost or market method when the System's actual or effective ownership percentage is less than 5%, as the System has virtually no influence over the partnership's operating and financial policies. As of December 31, 2013 and 2012, alternative investments recorded at cost aggregate to \$36.803 and \$31.693, respectively. The estimated fair value of these investments as of December 31, 2013 and 2012, was \$54.239 and \$42.778.

respectively. Alternative investments in which the System's ownership percentage exceeds 20% are recorded at fair market value. As of December 31, 2013 the System did not have any such alternative investments. As of December 31, 2012, the total carrying values of such investments was \$5,837. Alternative investments of \$16,061 and \$16,861 are included in assets limited as to use while \$20,742 and \$20,669 are included in other investments as of December 31, 2013 and 2012, respectively.

The Foundation investment policy, which mirrors the Systems policy, establishes reasonable expectations, objectives, and guidelines, sets forth an investment structure detailing permitted asset classes and expected allocation among asset classes, encourages effective communication, and creates a framework for a well-diversified asset mix, which can be expected to generate acceptable long-term returns at a level of risk suitable to the investment committee. The Foundation's investments are pooled to obtain maximum use of funds and higher interest rates. Investment income from this pool is allocated to unrestricted and temporarily restricted net assets based on the percentage of total investments.

Derivatives — CAMC has entered into floating-to-fixed and floating-to-floating interest rate swap agreements, and an interest rate cap agreement in connection with its debt management program. CAMC records its derivative instruments as either assets or liabilities in the accompanying consolidated balance sheets at fair value using the applicable accounting guidance for derivative instruments. None of CAMC's current derivatives are designated as an accounting hedge and the asset or liability is presented as current as CAMC has the right to settle the agreements prior to expiration and periodically evaluates the interest rate environment to determine if the agreements are consistent with its debt management program. The derivative gain or loss related to the change in fair value is included in the excess of revenues over expenses. The interest rate cap agreement expired in September 2012.

Property, Equipment and Information Systems — Amounts capitalized as part of property, equipment and information systems, including additions and improvements to existing facilities, are recorded at acquisition cost. During 2013 and 2012, approximately \$1,974 and \$1,232, respectively, of internal labor costs were capitalized related to construction projects and \$1,088 and \$0, respectively, of interest was capitalized. Capital lease assets included in equipment in the accompanying consolidated balance sheets are \$10,145, net of \$3,144 accumulated amortization, as of December 31, 2013, and \$6,450, net of \$2,636 accumulated amortization, as of December 31, 2012. Capitalized software costs are \$40,225, net of \$36,587 accumulated amortization as of December 31, 2013 and \$39,085, net of \$32,478 accumulated amortization as of December 31, 2012. Total related amortization expense was \$4,109 and \$4,795 for the years ended December 31, 2013 and 2012, respectively.

Depreciation, including amortization of assets recorded under capital leases and capitalized software, is recorded on the straight-line method over the estimated useful lives of the aggregate building components and improvements (generally 10 to 45 years) and equipment and software (generally three to 20 years). Upon retirement or disposal, the asset and accumulated depreciation accounts are adjusted, and any gain or loss is recorded in the consolidated statements of operations. Maintenance costs and repairs are expensed as incurred.

Management reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Any write-downs due to impairment are charged to operations at the time impairment is identified. Management determined that no impairment write-downs were necessary in 2013 and 2012.

Management engaged a third party to perform a fixed asset inventory to validate certain fixed asset records during 2013. As a result, the System recorded disposals of \$44,437 related to certain fixed assets which had a recorded value, net of accumulated depreciation, of \$31.

Goodwill and Intangible Assets — Goodwill represents the future economic benefit arising from assets acquired in a business combination that are not individual and separately recognized. The System tests goodwill annually for impairment. The System has the option to qualitatively assess goodwill for impairment before completing a quantitative assessment. Under the qualitative approach, if, after assessing the totality of events or circumstances, including both macroeconomic, industry and market factors, and entity-specific factors, the System determines it is likely (more likely than not) that the fair value is greater than its carrying amount, then the quantitative impairment analysis is not required. No impairment was recorded for the years ended December 31, 2013 or 2012.

Intangible assets, other than goodwill, are reviewed for impairment if events or changes in circumstances indicate that the asset might be impaired. The impairment test consists of comparison of the undiscounted cash flows of the intangible asset with its carrying amount. If such undiscounted cash flows are less than the carrying amount, the fair value of the intangible asset is determined and the carrying value is adjusted through an impairment charge to such fair value.

Deferred Financing Costs — Costs related to long-term financing, included in other assets, are being amortized over the life of the bonds. The carrying value of deferred financing costs was \$4,159 and \$3,897 as of December 31, 2013 and 2012.

Contributions — Contributions are recognized at fair value in the period cash or an unconditional promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor-restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of operations.

Donor-restricted contributions whose restrictions are met within the same year as received are reported as net assets released from restrictions in the accompanying consolidated financial statements.

Temporarily and Permanently Restricted Net Assets — Temporarily restricted net assets are those whose use by the System has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the System in perpetuity.

Temporary restricted net assets as of December 31 are restricted to

	2013	2012
Patient Related Projects	\$ 34,901	\$ 28,063
Scholarships and Education	5,046	3,721
Various other Healthcare Related Activities	<u>7,829</u>	<u>7,162</u>
	<u>\$ 47,776</u>	<u>\$ 38,946</u>

Permanently restricted net assets as of December 31 are restricted to

	2013	2012
Patient Related Projects	\$ 9,588	\$ 9,376
Scholarships and Education	7,847	7,836
Various other Healthcare related activities	<u>4,025</u>	<u>4,018</u>
	<u>\$ 21,460</u>	<u>\$ 21,230</u>

Self-Insurance Programs — The System has self-insurance programs for professional malpractice, general liability, unemployment compensation, disability, and employee health insurance. The estimated self-insurance obligations include a provision for incurred but not reported claims. Workers Compensation ceased being self-insured on January 1, 2012.

Noncontrolling Interest — CAMC is a general partner in two medical office building partnerships, each organized as general partnerships. CAMC owns an 79.3% interest in the General division medical office building partnership and an 90.1% interest in the Women and Children's medical office building partnership, which are consolidated by the System. The residual interest is reflected as noncontrolling interest in the consolidated financial statements.

Excess of Revenues over Expenses — The consolidated statements of operations include excess of revenues over expenses. Changes in unrestricted net assets, which are excluded from excess of revenues over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purposes of acquiring such assets) and the change in retirement obligations actuarial loss and prior service cost.

Income Taxes — The IRS has determined that CAMC, the Foundation, the Institute, and CAMC Teays are exempt from income taxes under Section 501(c)(3) of the Code and applicable state statutes, but are subject to unrelated business income tax. A provision of \$373 and \$297 has been made in the accompanying consolidated statements of operations for the years ended December 31, 2013 and 2012, respectively, for estimated unrelated business income tax. The IRS has audited CAMC's unrelated business income tax liability through December 31, 2010. The System was not audited nor was CAMC as a whole.

Integrated, a taxable nonprofit corporation, recognizes income taxes for the amount of taxes payable for the current year and for the impact of deferred tax liabilities and assets. For the years ended December 31, 2013 and 2012, Integrated had cumulative net operating losses (NOLs). The deferred tax assets related to these and prior-year NOLs have been fully reserved by a valuation allowance due to the uncertainty of Integrated's ability to generate future taxable income. The System does not have any material uncertain tax positions as of December 31, 2013 and 2012.

Other Revenue — Other revenue is derived from ancillary services, which are an integral part of the operations of the System other than providing health care services to patients. Such revenue is recognized when the related service is performed, drugs are dispensed, or in the case of grant revenue, when the System incurs the cost related to the grant's purpose.

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the System to make assumptions, estimates and judgments that affect the amounts reported in the consolidated financial statements, including the notes thereto, and related disclosures of commitments and contingencies, if

any. The more significant judgments and estimates including the following: recognition of net patient service revenue, which includes contractual allowances, provisions for bad debts and charity care, recorded values of investments, and reserves for losses and expenses related to health care professional and general liability. Management relies on historical experience and other assumptions believed to be reasonable in making its judgments and estimates. Actual results could differ materially from those estimates and are recorded in the period in which they are determined.

New Accounting Pronouncements — In December 2011, the FASB issued ASU 2011-11, *Disclosures About Offsetting Assets and Liabilities*. This guidance contains new disclosure requirements regarding the nature of an entity's rights of setoff and related arrangements associated with its financial instruments and derivative instruments. This guidance was effective for the System beginning on January 1, 2013, and retrospective application was required. This adoption of ASU 2011-11 did not have a material impact on the System's consolidated financial statements.

In January 2013, the FASB issued ASU 2013-01, *Clarifying the Scope of Disclosures About Offsetting Assets and Liabilities*. This guidance provides clarification on the scope of the offsetting disclosure requirements in ASU 2011-11. This guidance was effective for the System beginning on January 1, 2013, and retrospective application was required. This adoption of ASU 2013-01 did not have a material impact on the System's consolidated financial statements.

In April 2013, the FASB issued ASU 2013-06, *Services Received from Personnel of an Affiliate*. The guidance requires a recipient not-for-profit entity to recognize all services received from personnel of an affiliate that directly benefit the recipient not-for-profit entity. Those services should be measured at the cost recognized by the affiliate for the personnel providing those services. However, if measuring a service received from personnel of an affiliate at cost will significantly overstate or understate the value of the service received, the recipient not-for-profit entity may elect to recognize that service received at either (1) the cost recognized by the affiliate for the personnel providing that service or (2) the fair value of that service. This guidance is effective for the System beginning January 1, 2015. The System has not yet evaluated the impact this guidance may have on its consolidated financial statements.

3. NET PATIENT SERVICE REVENUE

Net patient service revenue for the years ended December 31, 2013 and 2012, consists of the following:

	2013					2012
	CAMC	CAMC Teays	Integrated	Elimination	Total	
Gross patient service billings	\$ 2,099,508	\$153,129	\$ 78,318	\$13	\$ 2,330,968	\$ 2,218,922
Charity care allowances	(65,161)	(6,689)	(1,563)	-	(73,413)	(73,795)
Contractual allowances	(1,200,387)	(87,676)	(37,187)	-	(1,325,250)	(1,247,683)
Medicaid upper payment limit program	14,784	1,325	-	-	16,109	26,559
Medicaid-enhanced payment program revenue	12,908	115	-	-	13,023	13,376
Medicaid disproportionate share hospital payment program revenue	317	(33)	-	-	284	936
Patient service revenue	861,969	60,171	39,568	13	961,721	938,315
Provision for bad debts	(71,098)	(9,993)	(4,424)	-	(85,515)	(78,774)
Net patient service revenue	<u>\$ 790,871</u>	<u>\$ 50,178</u>	<u>\$ 35,144</u>	<u>\$13</u>	<u>\$ 876,206</u>	<u>\$ 859,541</u>

The System has agreements with third-party payors that provide for payments at amounts that differ from its established rates. A summary of the payment arrangements with major third-party payors is as follows:

Medicare — Payment for inpatient acute care services rendered to Medicare program beneficiaries and associated medical education, disproportionate share (DSH), and capital cost reimbursement, and capital costs 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. Outpatient services are reimbursed at prospectively determined rates per visit based primarily on an ambulatory payment classification. Some inpatient nonacute services, certain outpatient services, and a percentage of bad debt costs related to Medicare beneficiaries are substantially paid based on a cost-reimbursement methodology. Other amounts related to interns and residents and DSH are paid based on formulas as defined in the Medicare regulations. The System is paid for cost reimbursable items, interns, and residents and DSH at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. Classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the Medicare program.

The Medicare cost reports for CAMC have been audited by the Medicare fiscal intermediary through December 31, 2009, and for CAMC Teays through September 30, 2008.

Medicaid — Payments for inpatient services rendered to Medicaid program beneficiaries are primarily reimbursed on a prospective payment system per discharge. Outpatient services rendered to Medicaid program beneficiaries are reimbursed primarily at prospectively determined rates per visit based on an ambulatory classification.

Public Employees' Insurance Agency (PEIA) — Inpatient services rendered to PEIA subscribers are reimbursed on a prospective payment system. Outpatient services rendered to PEIA subscribers are reimbursed based on a fee schedule with no retroactive adjustment.

Other — The System has also entered into payment agreements with certain commercial insurance carriers, preferred provider organizations (PPO), and health maintenance organizations (HMO). Payment under the commercial, HMO, and PPO arrangements are primarily based on a percentage of charges.

Rate Regulation — The Health Care Authority (HCA) is empowered, by provisions of the West Virginia Code, to regulate CAMC and CAMC Teays' gross patient revenues from nongovernment payors and to evaluate health care entity financial performance. This is accomplished by issuing rate orders, based on facility operating budgets and rate schedules, and through evaluating performance and compliance reports submitted by CAMC and CAMC Teays on a periodic basis.

The System's allowance for doubtful accounts for self-pay patients and patient responsibility decreased to 80% of self-pay and patient responsibility accounts receivable as of December 31, 2013, from 88% of self-pay and patient responsibility accounts receivable as of December 31, 2012 due to improvement in the aging of the self-pay and patient responsibility accounts receivable which decreased the amount of accounts reserved at 100%. The System's allowance for uncollectible accounts decreased by \$2,111 to \$19,982 as of December 31, 2013, from \$22,093 as of December 31, 2012. The decrease relates to the decrease in gross accounts receivable to \$258,153 as of December 31, 2013, from \$275,875 as of December 31, 2012, including a decrease in self-pay gross accounts receivable to \$25,006 as of December 31, 2013, from \$25,150 as of December 31, 2012. The System does not maintain a material allowance for uncollectible accounts from third-party payors, nor does it have a history of significant write-offs from third-party payors.

The System did not change its charity care or uninsured discount policies during fiscal year 2012. The System increased the uninsured discount to 50% in 2013 and the charity care policy did not change in 2013. The uninsured discount is provided pursuant to the System's established charity care policy and recorded in charity care allowances.

Medicaid-Upper Payment Limit Program — On May 23, 2012, the West Virginia Medicaid Program received federal CMS approval to implement the Upper Payment Limit (UPL) program proposed by the West Virginia Hospital Association. The UPL program was initially limited to the state fiscal years 2012 and 2013, unless extended. The UPL program is currently extended for state fiscal year ending June 30, 2014. The payment is computed primarily on the following factors: hospital allowable total cost to charge ratio and what Medicaid paid for the fee for service segment of Medicaid. These computations were market based adjusted to fiscal year 2013. The West Virginia Department of Tax and Revenue has also implemented a tax on licensed general acute care hospitals as an expansion of the existing health care provider tax. The revenues produced from this tax will be used as the State contribution toward drawing down additional federal matching dollars for Medicaid to enhance current hospital payment rates under the UPL program. During the years ended December 31, 2013 and 2012, the System recorded \$16,109 and \$26,559, respectively, in reimbursement from the UPL program. The 2012 reimbursement was retroactive to July 2011, and included six quarters of reimbursement. This reimbursement has been included in net patient service revenue in the accompanying consolidated statements of operations.

During the years ended December 31, 2013 and 2012, the System recorded \$5,573 and \$10,720, respectively, in taxes related to the UPL program, which has been included in Medicaid Provider Tax in the accompanying consolidated statements of operations. The 2012 tax was also retroactive to July 2011, and included six quarters of tax. Additionally, the tax rate decreased in 2013 to 45% of net patient service revenue from 88% in 2012 of net patient service revenue.

Medicaid-Enhanced Payment Programs — Under the West Virginia Medicaid Enhanced Payment Programs, the methodology utilized in determining payments is based on the West Virginia State Plans approved on May 15, 2006. The methodology utilizes the following four payment groups: urban, rural, tertiary safety net, and rural safety net, and the amounts currently assigned and approved by the Centers for Medicare and Medicaid. During 2013 and 2012, the System recorded \$13,023 and \$13,426, respectively, in reimbursement from the enhanced payment program. This reimbursement has been included in net patient service revenue in the accompanying consolidated statements of operations.

Broad-Based Health Care-Related Tax (Medicaid Provider Tax) — The West Virginia Broad-Based Health Care-Related Tax of 1993 assesses a tax on net patient service revenue at rates varying from 0.35% to 5%, depending on the type of services provided. During 2013 and 2012, the System recorded \$22,503 and \$20,292, respectively, related to the Broad Based Health Care-Related Tax which is included in Medicaid Provider Tax in the accompanying consolidated statements of operations. The 2012 recorded balance was reduced by a \$7,520 credit related to the filing of 2007 to 2010 amended returns.

4. CHARITY CARE AND COMMUNITY SERVICE BENEFIT

The System provides care to patients who meet certain criteria under the approved charity care policy without charge or at amounts less than the established rates. Because the System does not pursue collection of amounts that are determined to qualify as charity care, they are not reported as net patient service revenue. The System maintains records to identify and monitor the level of charity care it provides. These records include the amount of gross charges forgone for direct patient care, which were \$73,413 and \$73,795 for the years ended December 31, 2013 and 2012, respectively. The costs

associated with the charity care services provided are estimated by applying a cost-to-charge ratio to the amount of gross uncompensated charges for the patients receiving charity care and amounted to \$24,960 and \$25,090 for the years ended December 31, 2013 and 2012, respectively.

In addition to the charity care provided for direct patient care, the System provides free and below-cost service and programs for the community. The costs of these services and programs are included in compensation and employee benefits and various other expense line items of the System's consolidated statements of operations.

5. ASSETS LIMITED AS TO USE AND INVESTMENTS

Investments and assets limited as to use as of December 31, 2013 and 2012, consist of the following

	2013	2012
Short term investments		
Cash and cash equivalents	\$ 57,620	\$ 22,346
Corporate stocks and equity mutual funds	74,888	111,932
Fixed income securities and mutual funds	73,070	12,779
Total short term investments	<u>\$ 205,578</u>	<u>\$ 147,057</u>
Assets Limited as to Use		
Self-insurance.		
Cash and cash equivalents	2,000	1,874
U S treasury and U S government agency obligations	2,046	3,536
Corporate stocks	14,176	10,137
Alternative investments	2,748	2,748
Equity mutual funds	12,847	9,650
Fixed income securities and mutual funds	5,910	4,697
Total self-insurance	<u>39,727</u>	<u>32,642</u>
Board-designated and restricted funds		
Cash and cash equivalents	20,247	403
Corporate stocks and equity mutual funds	150,738	121,296
Corporate bonds and fixed income mutual funds	91,278	43,405
Alternative investments	13,313	14,113
Total board-designated and restricted funds	<u>275,576</u>	<u>179,217</u>
Trustee-held funds.		
Debt service reserve fund — cash equivalents and U S government agency obligations	15,543	15,439
Acquisition fund — cash equivalents	23,485	33,891
Collateral on derivatives — cash equivalents	3,860	19,180
Other assets		
Cash equivalents	601	400
Other fixed income	8,569	6,634
Total trustee-held funds	<u>52,058</u>	<u>75,544</u>
Total assets limited as to use and investments	367,361	287,403
Less current portion	<u>(5,900)</u>	<u>(5,000)</u>
Assets limited as to use and investments — net of current portion	<u>\$ 361,461</u>	<u>\$ 282,403</u>
Other Investments		
Alternative investments	<u>\$ 20,742</u>	<u>\$ 20,669</u>

Board-designated and trustee-held funds consist of the Foundation's and CAMC's investments set aside for capital, debt, and other similar expenditures. Self-insurance assets relate primarily to the malpractice and general liability self-insurance and workers' compensation programs. The trustee-held acquisition project fund was set aside from the proceeds of the 2008 Series A bonds and 2009 Series A bonds for future capital improvements. As of December 31, 2013, the 2009 Series A bond fund was zero. Trustee-held investments also include funds set aside for certain obligated group debt service requirements (see

Note 7) The Board has also designated the majority of proceeds received in 2013 from two taxable notes for use toward future capital projects

6. INVESTMENT INCOME

Investment income and unrealized and realized gains and losses on investments for the years ended December 31, 2013 and 2012, are composed of the following

	2013	2012
Unrestricted		
Interest and dividends	\$ 13,708	\$ 11,701
Realized gain on investments — net	20,031	3,310
Unrealized gain on alternative investments	-	1,272
Net unrealized gain	<u>16,083</u>	<u>17,093</u>
Total unrestricted investment income — net	<u>49,822</u>	<u>33,376</u>
Temporarily restricted.		
Interest and dividends	1,025	1,485
Realized gain on investments — net	2,270	2,164
Net unrealized gains	<u>4,519</u>	<u>1,199</u>
Total temporarily restricted investment income — net	<u>7,814</u>	<u>4,848</u>
Net investment income and realized and unrealized gains	<u>\$ 57,636</u>	<u>\$ 38,224</u>

7. LONG-TERM DEBT, LEASE OBLIGATIONS, AND DERIVATIVES

Obligations under long-term debt and capital lease obligations as of December 31, 2013 and 2012, consist of the following

	2013	2012
2010 Bank Loan	\$ 7,135	\$ 7,729
2013 Taxable Notes	80,000	-
2009 Series A Bonds	170,390	172,990
2008 Series A Bonds	124,540	125,500
2008 CAMC Teays Bonds	22,124	23,243
2010 VHA Loan Refinancing	1,931	4,039
2006 Promissory note	5,525	5,805
Capital lease obligations	<u>7,209</u>	<u>4,025</u>
Total	418,854	343,331
Less unamortized discount	<u>(1,952)</u>	<u>(2,058)</u>
Total — net of unamortized discount	416,902	341,273
Less current maturities	<u>(12,667)</u>	<u>(8,143)</u>
Total long-term debt and lease obligations	<u>\$ 404,235</u>	<u>\$ 333,130</u>

The fair value of the System's debt obligations was \$363,440 and \$324,160 as of December 31, 2013 and 2012, respectively. In determining the fair value of debt, the System considers its credit standing and does not take into account the credit standing of the financial institution that participated in the issuance of the debt instruments. Additional considerations for valuing the debt include the maturity date and the coupon and yield of the debt instrument.

Obligated Group — The CAMC and the Foundation are members of the obligated group in accordance with the provisions of the 1993 restated master trust indenture and are jointly and severally liable for the performance of all covenants and obligations contained in the 1993 restated master trust indenture and in the related notes and guarantees. The 2013 Taxable notes, 2008 Series A bonds, 2008 CAMC Teays bonds, 2009 Series A bonds, and various notes, lines and letters of credit are obligations under the 1993 restated master trust indenture. The Foundation's restricted net assets are not available to satisfy obligations of the obligated group. The obligations of the Obligated Group are evidenced and secured by a promissory notes issued pursuant to a 1993 restated master trust indenture dated January 1, 1993, as supplemented from time to time. All notes issued under the 1993 restated master trust indenture are secured primarily by a security interest in revenue and a deed of trust on the primary hospital facilities.

The obligated group is subject to certain restrictive covenants that require, among other items, the obligated group to maintain certain financial ratios as defined in the debt agreements and to make certain informational filings with its creditors. Effective March 1, 2014, CAMC Teays was merged with and into CAMC and the combined entity is part of the obligated group due to CAMC's membership.

2013 Taxable Debt Notes — On March 22, 2013, CAMC issued and sold \$60,000 4.5% taxable Master Note 2013-1 with final maturity on March 14, 2043, utilizing level debt amortization over 30 years. On May 21, 2013, CAMC issued and sold \$20,000 4.02% taxable Master Note 2013-2 with final maturity

on March 15, 2038, utilizing level debt amortization over 25 years. These notes are issued and secured under the 1993 restated master trust indenture and secured primarily by a security interest in revenue and a deed of trust on the primary hospital facilities. The proceeds from the sale of these notes have been deposited in "Assets Limited as to Use" in the accompanying consolidated balance sheets and will be used to fund certain planned capital expenditures.

2010 Bank Loan — In December 2010, CAMC entered into a bank loan agreement for \$9,000. Principal and interest are payable in equal monthly installments sufficient to fully amortize the debt in 15 years with the outstanding balance of the note being due and payable in full on December 10, 2015. Interest accrues at a variable rate equal to 30-day London InterBank Offered Rate (LIBOR), plus 1.75%. The rate aggregated to 2.125% as of December 31, 2013.

2009 Series A Bonds — In September 2009, CAMC entered into a loan agreement with the West Virginia Hospital Finance Authority (the "Authority") pursuant to which CAMC borrowed the proceeds of the Authority's \$179,925 fixed-rate hospital revenue refunding and improvement bonds 2009 Series A. The coupon rates of the bonds range from 3% to 5.62% depending on maturity. In aggregate, the bonds sold at a net discount of \$2,406, which is being amortized to interest and debt expense over the 23-year life of the issue. Interest on the bonds is payable semiannually and principal is payable annually. Under the terms of the loan agreement, CAMC makes monthly loan repayments sufficient in time and amount to enable the Authority to pay the principal of, and the interest on, the Series 2009 bonds. Approximately \$48,000 of these Bonds are currently callable at 100% par.

2008 Series A Bonds — In June 2008, CAMC entered into a loan agreement with the Authority pursuant to which CAMC borrowed the proceeds of the Authority's \$127,355 variable-rate revenue bonds 2008 Series A. The bonds require the payment of principal and interest through September 1, 2037. The bonds are multimodal variable-rate demand obligations supported by credit enhancement and a liquidity facility.

The timely payment of principal and interest on the 2008 Series A bonds and the purchase price of tendered bonds are secured by an irrevocable, transferable direct pay letter of credit issued by a bank. The letter of credit will expire on June 19, 2015, unless renewed, and may be replaced by a substitute letter of credit. Should any portion of the bonds not remarket, the holders of said bonds may tender them to the bank holding the direct pay letter of credit. Draws on the letter of credit, which cannot be remarketed after 90 days will begin repayment over 10 years with a balloon payment at the end of five years. There were no draws on the letter of credit in 2013. Interest on the 2008 bonds is variable and can bear interest at a daily rate or a weekly rate as determined by a remarketing agent. Interest accrues at the stated interest rate, which, in the judgment of the remarketing agent under then-existing market conditions, would result in the sale of the 2008 bonds on such rate determination date at a price equal to the principal amount thereof, plus interest accrued through the rate period. As of December 31, 2013, the interest rate was 0.04%.

2008 CAMC Teays Bonds — On September 30, 2008, CAMC Teays entered into a loan agreement with the Authority pursuant to which CAMC Teays borrowed the proceeds of the Authority's \$26,000 variable-rate revenue bonds. CAMC is a guarantor of this debt. The bonds require the payment of principal and interest through October 31, 2018. Principal is amortizing as if the debt is repaying over 21 years in equal monthly installments. On October 31, 2018, a balloon payment is due for the remaining principal and accrued interest. Interest is accrued on a monthly basis. The associated note carries a variable monthly interest rate equal to 78% of LIBOR, plus 80-basis points (0.80%). New terms were executed effective December 13, 2012, calling for a variable monthly interest equal to 78% of LIBOR, plus 85-basis points (0.85%). As of December 31, 2013, the interest rate was 0.98%.

2010 VHA Loan Refinancing — In November 2010, CAMC refinanced a 2004 VHA Central Atlantic, Inc. (VHA), loan when it entered into a loan agreement with the Authority, pursuant to which CAMC borrowed the proceeds of the Authority's \$8.400 tax-exempt Hospital Revenue Bond, 2010 Series A. Principal and interest are payable in consecutive monthly installments and continuing in equal monthly payments sufficient to fully amortize the debt in four years. Interest accrues at a variable rate equal to 78% of 30-day LIBOR, which is adjusted monthly, plus 0.98 % and aggregated 1.11% as of December 31, 2013.

2006 Promissory Note — Taxable note for CAMC Teays with a financial institution guaranteed by CAMC. The 2006 Promissory Note carries a variable monthly interest rate equal to the LIBOR, plus 100-basis points (1.00%), which aggregated 1.17% as of December 31, 2013. Interest on the note is paid monthly in arrears on the first business day of each month through an amended maturity date of January 1, 2020.

Other — CAMC maintains a working capital line of credit with a local bank. The borrowing availability under the line is \$10,000 as of December 31, 2013. The working capital line of credit expires on December 31, 2014. As of December 31, 2013 and 2012, there was no outstanding balance. A note securing the line of credit has been issued under the 1993 restated master trust indenture.

As of December 31, 2013 and 2012, there was \$3,497 and \$4,709, respectively, committed to two undrawn reoccurring letters of credit related to workers' compensation. These letters of credit are renewed annually and currently expire on August 20, 2014.

CAMC is one of three charter members of HealthNet, Inc. (HNET), a West Virginia nonprofit corporation that provides air medical transportation service to the patient population. HNET is not a consolidated entity within the Parent. In 2009, CAMC issued a guarantee in the aggregate amount of \$5,213 to support the acquisition, renovation, and replacement of a medical helicopter. In September 2013, CAMC issued a second guarantee in the aggregate amount of \$3,695 to support the acquisition, renovation, and replacement of a second medical helicopter. As of December 31, 2013, CAMC had not been called upon to make payments under the guarantee agreement.

CAMC has recorded \$7,209 and \$4,025 as of December 31, 2013 and 2012, respectively, as a capital lease obligation for these helicopters as a result of the lease guarantees and the helicopters being primarily used by CAMC. The related asset is included in property, equipment and information systems in the accompanying consolidated balance sheets.

Debt Service Requirements — The System is required to make principal payments under long-term debt and capital lease obligations. The required principal payments are as follows.

	2013 Taxable Note	2010 Mountaineer Imaging	2010 VHA	2009A	2008A	2008A CAMC Teays	2006 Promissory Teays Note	Other — Including Capital Leases	Total
2014	\$ 1,360	\$ 595	\$1,931	\$ 5,445	\$ 1,045	\$ 1,118	\$ 280	\$ 893	\$ 12,667
2015	1,530	6,540	-	5,935	1,455	1,118	280	909	17,767
2016	1,595	-	-	6,150	1,600	1,118	280	927	11,670
2017	1,665	-	-	6,425	1,650	1,118	280	945	12,083
2018	1,740	-	-	6,735	1,725	17,652	280	964	29,096
Thereafter	72,110	-	-	139,700	117,065	-	4,125	2,571	335,571
Total	<u>\$80,000</u>	<u>\$7,135</u>	<u>\$1,931</u>	<u>\$170,390</u>	<u>\$124,540</u>	<u>\$22,124</u>	<u>\$5,525</u>	<u>\$7,209</u>	<u>\$418,854</u>

Advanced Refundings — The outstanding balance of advanced refunded bonds excluded from the consolidated balance sheets was \$16,000 as of December 31, 2013 and 2012. The System advanced refunded the bonds by depositing funds in trustee-held escrow accounts exclusively for the payment of principal and interest. The trustee is solely responsible for the subsequent extinguishment of the bonds. The trustee-held escrow accounts are invested in U.S. government securities.

Derivatives — The System has entered into floating-to-fixed and floating-to-floating interest rate swap agreements, and an interest rate cap agreement in connection with its debt management program. The objective is to reduce the amount of interest related to outstanding debt obligations. Such instruments are not designated as hedging instruments. Net interest paid or received under the swap agreements is included in the consolidated statements of operations as a component of interest and debt expense while the change in the fair value of the derivative is reported separately in the consolidated statements of operations. The interest rate cap agreement expired September 2012.

The System's interest rate swap agreements as of December 31, 2013 and 2012, are as follows.

Swap Type	Expiration Date	System Pays	Notional Amount	
			2013	2012
Floating	September 1, 2032	BMA municipal Bond index rate	\$ 145,775	\$ 148,175
Floating	September 4, 2027	USD-securities industry and financial markets Association Municipal Bond Index	50,000	50,000
Fixed	September 1, 2037	4.19 %	102,570	103,530
Fixed	October 1, 2013	3.35 %	-	23,302
			<u>\$ 298,345</u>	<u>\$ 325,007</u>

Net interest paid and received on the System's interest rate swap transactions was an expense of \$4,797 and \$2,841 for the years ended December 31, 2013 and 2012, respectively. This is included in interest and debt expense in the accompanying consolidated statements of operations.

Under the terms of certain of the derivative contracts, the System is required to maintain collateral posted with the counterparty to secure a portion of the estimated value of the derivative instruments when said instruments are valued in favor of the counterparty, as periodically determined by the counterparty. Collateral must be posted when the applicable aggregate derivative values exceed \$10,000 in favor of the counterparty. As of December 31, 2013 and 2012, \$3,860 and \$19,180, respectively, of collateral had been posted. The System's accounting policy is not to offset collateral amounts against fair value amounts recognized for derivative instrument obligations. Accordingly, the posted collateral is included in assets limited as to use in the accompanying consolidated balance sheets.

Generally, the counterparties to the transactions could force an early termination if the obligated group's underlying credit rating declines from A3 to Baa2 or below as determined by Moody's Investors Service, if the obligated group fails to post collateral or if the obligated group fails to make swap payments. Aggregate termination payments would approximate the fair market value of the outstanding instruments as reported above. CAMC's bonds issued through the West Virginia Hospital Finance Authority carry a current credit rating as of December 31, 2013, of A3.

To evidence its obligations under the derivatives, promissory notes were negotiated by CAMC and the swap counterparty to give the swap counterparty security for CAMC's obligations under the derivative agreements. The actual obligation of CAMC on these notes may vary significantly from the nominal amounts of each note. No amounts are outstanding under these notes.

The following table summarizes the estimated fair value of the Corporation's derivative financial instruments at June 30

Derivatives not Designated as Hedging Instruments	Consolidated Balance Sheet Location	2013	2012
		(In thousands)	
Asset derivatives — Interest rate swaps	Prepaid expenses and other	<u>\$ 2,958</u>	<u>\$ -</u>
Liability derivatives — Interest rate swaps	Derivative obligation	<u>\$ 14,170</u>	<u>\$ 25,296</u>

Operating Lease Agreements — The System leases various land, computer, office, and movable equipment under noncancelable operating lease agreements expiring at various dates through 2020. Payments required under the noncancelable operating lease agreements as of December 31, 2013, are as follows

Years Ending December 31	
2014	\$ 4,220
2015	2,679
2016	2,132
2017	1,731
2018	463
Thereafter	<u>2,166</u>
	<u>\$ 13,391</u>

Total expense for operating leases, which is included in supplies and other in the accompanying consolidated statements of operations, was \$5,799 and \$6,416 for the years ended December 31, 2013 and 2012, respectively.

8. LIABILITIES FOR SELF-INSURANCE RESERVES

Certain of the System's subsidiaries are self-insured for professional malpractice and general liability claims through the CAMC Health System Inc. and Affiliates Malpractice Self-Insurance Trust (the "Trust"). This is a revocable trust. Participating affiliates have proportionate rights to the Trust's account balance held under the custodial management of a bank trust department and can withdraw from the Trust, subject to certain actuarially determined thresholds. The Trust's account is used for payment of any professional malpractice and general liability losses, expenses relating thereto, costs of administering the Trust, and insurance premiums for coverage in excess of the self-insured limits.

Obligations of the trust are determined using statistical analysis by an independent actuarial valuation of occurrence-based risks, which includes consideration of incurred but not reported claims exposure. The System's methodology for estimating this self-insured obligation is a simulation modeling approach.

largely dependent on the System's actual loss history and certain national, regional, and state specific claim statistics. As of December 31, 2013 and 2012, the System has recorded \$18,392 and \$19,696, respectively, as the liability for self-insured asserted and unasserted professional malpractice and general liability claims. The estimated current portion of \$5,900 in 2013 and \$5,000 in 2012 is recorded in current liabilities in the accompanying consolidated balance sheets. The estimated liability for such malpractice and general liability claims has been discounted using a discount rate of 0.75% and 0.5% in 2013 and 2012, respectively. While the ultimate amount of costs incurred under the System's self-insured programs is dependent on future developments, in management's opinion, recorded reserves are adequate to cover the future settlement value of claims. However, it is reasonably possible that recorded reserves may not be adequate to cover the future settlement of claims. Adjustments, if any, to estimates recorded resulting from ultimate claim payments will be reflected in operations in the periods in which such adjustments are known.

The malpractice self-insurance limits are a maximum \$3,000 per occurrence and a maximum annual aggregate limit of \$12,000 for May 1, 2001, through April 30, 2002, \$5,000 per occurrence and a maximum annual aggregate limit of \$20,000 for May 1, 2002, through April 30, 2003, \$7,000 per occurrence and a maximum annual aggregate limit of \$25,000 for May 1, 2003, through April 30, 2004, \$10,000 per occurrence and a maximum annual aggregate limit of \$30,000 for May 1, 2004, through April 30, 2005, \$10,000 per reported claim and a maximum annual aggregate limit of \$30,000 for the six years from May 1, 2005, through April 30, 2011, and \$10,000 per reported claim and a maximum annual aggregate limit of \$25,000 for May 1, 2011, through April 30, 2014.

Prior to 2012, certain members of the System were also self-insured for workers compensation, unemployment compensation, disability, and employee health insurance. The workers' compensation plan's trust fund is under the custodial management of a bank trust department. The workers' compensation long-term portion of the obligation recorded in self-insurance reserves in the accompanying consolidated balance sheets for these programs is \$886 and \$730 as of December 31, 2013 and 2012, respectively. The current portion of the obligation recorded in accrued expenses for workers' compensation was \$368 and \$334 as of December 31, 2013 and 2012, respectively. Beginning January 1, 2012, all system members became insured for workers' compensation. Self-insured workers' compensation obligations are reserved for claims prior to the effective date of January 1, 2012, including incurred but not reported claims. Claims, beginning on January 1, 2012, are administered under a deductible insured program with limits of \$1,000 per occurrence and \$3,000 annual aggregate.

Prior to 2012, the System was subject to risk pools (security and guaranty) for the benefit of self-insured employers in West Virginia. The risk pools were utilized to fund the claims payments of default and bankrupt self-insured employers. The System maintains a required \$3,764 letter of credit in favor of the West Virginia Insurance Commission to secure claims with dates of injury on or prior to June 30, 2004 and a required \$945 letter of credit in favor of an excess/stop-loss insurer. The System and other pool participants are required to pay annual guaranty pool assessments until the guaranty pool contains the sum of \$30,000 or 5% of the estimated total claims liability of all self-insured employers. In the event that actual claim defaults exceed the amounts of defaulted claim reserves, additional amounts may be assessed to the self-insured employers to fund the guaranty pool. The System's contributions to the guaranty pool were \$2 and \$6 for 2013 and 2012, respectively. The amount of the System's liability in respect to potential assessments cannot be estimated. Accordingly, no accrual for such liability has been reflected in the consolidated financial statements.

9. RETIREMENT OBLIGATIONS

Supplemental Executive Retirement Program (SERP) — The System has adopted several SERPs for the benefit of corporate officers. The SERPs, when combined with the retirement savings plan, are

intended to provide corporate officers with a retirement benefit from all System sources (including 50% of social security benefits) ranging from approximately 55% to 60% of the officer's average compensation during his or her final five years of employment with an assumed normal retirement age of 60. Generally, an officer may become fully vested in SERPs' benefits at age 60 with at least 30 years of service. Partial vesting in these benefits begins at age 55 with at least five years of service. Benefit payments under these plans generally do not commence until 24 months after termination of employment. No benefits are payable under the SERPs should the officer, who is otherwise eligible for benefits, enter into competition with the System during the 24 months following termination of employment. The SERPs are nonqualified plans. The plans were amended on January 1, 2008, to comply with Section 409a of the Internal Revenue Code, including the substantial risk of forfeiture requirements.

The table below sets forth the change in the benefit obligation of the SERPs for the years ended December 31, 2013 and 2012, using a December 31 valuation date.

Change in Projected Benefit Obligation	2013	2012
Benefit obligation at beginning of year	\$ 10,709	\$ 9,104
Service cost	534	543
Interest cost	285	285
Actuarial loss	192	1,334
Benefits paid	(1,853)	(1,404)
Plan amendments	-	847
	<u>\$ 9,867</u>	<u>\$ 10,709</u>
Projected benefit obligation (underfunded status) at end of year	<u>\$ 9,867</u>	<u>\$ 10,709</u>

As of December 31, 2013, and 2012, the long-term portion of this obligation is \$9,867 and \$9,348, respectively, and is included in retirement obligations. The current portion of this obligation of \$0 and \$1,361, as of December 31, 2013, and 2012, respectively, is included in accrued payroll and payroll-related expenses in the accompanying consolidated balance sheets. The accumulated benefit obligation for the SERPs was \$8,599 and \$8,983 as of December 31, 2013 and 2012, respectively.

Included in unrestricted net assets as of December 31, 2013 and 2012, are the following amounts that have not yet been recognized in net periodic benefit cost: unrecognized actuarial loss of \$3,429 and \$4,282, respectively, and unrecognized net prior service cost of \$1,062 and \$1,160, respectively.

Certain assets approximating \$2,738 and \$2,189 as of December 31, 2013 and 2012, respectively, are maintained in a separate account to fund benefits under the plans and are recorded in other assets limited as to use in the accompanying consolidated balance sheets. Contributions of \$145 and \$148 were made into this account in 2013 and 2012, respectively. Such assets are subject to general creditors of the System. The System expects to contribute approximately \$143 to these accounts in 2014.

The benefit payments, which reflect expected future service, as appropriate, expected to be paid by the SERP plans during the years ended are as follows.

December 31

2014	\$ -
2015	1,489
2016	1,870
2017	4,446
2018–2022	3,586

The components of net periodic benefit cost for SERP plans for the years ended December 31, 2013 and 2012, are as follows

	2013	2012
Service cost	\$ 534	\$ 543
Interest cost	285	285
Settlement charge	644	561
Actuarial loss	401	433
Amortization of prior service cost	<u>98</u>	<u>143</u>
Net periodic benefit cost	<u>\$ 1,962</u>	<u>\$ 1,965</u>

Actuarial plan assumptions for the years ended December 31, 2013 and 2012, are as follows

	2013	2012
Weighted-average assumptions used to determine net periodic benefit cost for the years ended December 31.		
Discount rate	2.75 %	3.15 %
Expected rate of compensation increase	4.00	4.00
Weighted-average assumptions used to determine benefit obligations as of December 31		
Discount rate	3.50 %	2.75 %
Expected rate of compensation increase	4.00	4.00
Lump-sum interest rate	1.50	1.75

Postretirement Benefits Other than Pensions — The System provides certain other postretirement benefits (OPEBs) to a grandfathered group of participants. Such benefits are primarily related to life insurance, sick day buyout benefits and medical. OPEB benefits for current employees and retirees except for the grandfathered group were ceased in years prior to 2006.

The table below sets forth the change in the benefit obligation of the postretirement benefits for the years ended December 31, 2013 and 2012, using a December 31 valuation date.

Change in Projected Benefit Obligation	2013	2012
Benefit obligation — beginning of year	\$ 3,760	\$ 3,717
Service cost	51	51
Interest cost	106	128
Actuarial loss (gain)	(397)	119
Contributions	15	13
Benefits paid	<u>(221)</u>	<u>(268)</u>
Benefit obligation (underfunded status) — end of year	<u>\$ 3,314</u>	<u>\$ 3,760</u>

The postretirement benefits are unfunded.

A summary of projected benefit payments for the years ending December 31 follows

2015	352
2016	354
2017	357
2018	355
2019–2023	1,342

The postretirement benefit expense for the years ended December 31, 2013 and 2012, was as follows

	2013	2012
Service cost of benefits earned	\$ 51	\$ 51
Interest cost	106	128
Actuarial loss	<u>87</u>	<u>92</u>
Net periodic postretirement expense	<u>\$ 244</u>	<u>\$ 271</u>

The current portion of the obligation is \$352 and \$436 and is included in accrued expenses in the accompanying consolidated balance sheets as of December 31, 2013 and 2012, respectively. The long-term portion is \$2.962 and \$3.343 and is included in retirement obligations in the accompanying consolidated balance sheets as of December 31, 2013 and 2012, respectively. For measurement purposes, an annual rate of increase in the per capita cost of covered health care benefits of 8%, declining to 5%, was assumed for 2015 and thereafter.

Retirement Savings Plan — All employees of participating employers (CAMC, Integrated, the Institute, CAMC Teays, and the Foundation) are eligible to participate in a retirement savings plan. Employees may contribute from 1% to 100% of their salary to the plan, subject to certain limitations, and the employers will match from 1% to 6% of salary based on the employees' years of service. Total employer contributions to the retirement savings plan were \$11,470 and \$10,998 during 2013 and 2012, respectively, which is included in employee benefits in the accompanying consolidated statements of operations.

10. RELATED-PARTY TRANSACTIONS

West Virginia University (WVU) employs physicians who provide medical education and supervision to the resident physicians employed by CAMC. In 2013 and 2012, CAMC provided \$14,732 and \$13,089, respectively, to WVU for the physicians who teach and supervise the resident physicians for call pay, income guarantees, fees for services, and other expenses. The fees paid are included in either professional compensation and fees or supplies and other, depending on the nature of the transaction. CAMC has committed \$16,016 to further support WVU during 2014 for the use of the teaching and supervising physicians.

CAMC, Cabell Huntington Hospital, and West Virginia University Hospital are members of Healthnet, Inc. ("Healthnet"). Each member's legally controlled percentage is 33-1/3%. Healthnet is a West Virginia nonprofit corporation that provides aeromedical transport service, which the IRS has determined is recognized as exempt from federal income tax under Section 501(c)(3) of the Code. Members are required to support Healthnet to the extent that expenses exceed revenues. For the years ended December 31, 2013 and 2012, Healthnet expenses exceeded revenues by \$1,584 and \$1,749, respectively. Prior to 2013, Healthnet had also reimbursed CAMC for operating expenses incurred on its

behalf, as well as for certain financial services. Healthnet began paying operating expenses directly to vendors in 2013. Healthnet reimbursed CAMC \$166 in 2013 and \$4,498 in 2012 for such expenses and services. Amounts due from Healthnet included in other receivables were \$1,571 and \$2,990 as of December 31, 2013 and 2012, respectively.

11. FUNCTIONAL EXPENSES

The functional expenses related to the System's operations as of December 31, 2013 and 2012, are as follows.

	2013	2012
Provision of health care and related services	\$ 675,395	\$ 604,328
General and administrative	232,576	247,111
Change in fair value of derivative	<u>(14,083)</u>	<u>(2,710)</u>
	<u>\$ 893,888</u>	<u>\$ 848,729</u>

12. COMMITMENTS, CONTINGENCIES, AND LITIGATION

Entities of the System are party to a number of lawsuits. It is not possible at the present time to estimate the ultimate legal and financial liability, if any, with respect to certain lawsuits. In the opinion of management, after consultation with counsel, adequate insurance and self-insurance reserves exist in the event of any significant financial exposure. Accordingly, in the opinion of management, resolution of those matters is not expected to have a material adverse effect on the System's consolidated financial position. However, depending on the amount and timing of such resolution, an unfavorable resolution of some or all of these matters could materially affect the future consolidated results of operations or cash flows in a particular period.

Asset Retirement Obligations — Management, based on its consideration of asset retirement activities such as asbestos removal on existing properties, does not believe that remediation of such items will have a material effect on the consolidated financial statements.

Information Technology (IT) Outsourcing — CAMC has an agreement with Siemens Medical Solutions USA, Inc. ("Siemens"), for the license, implementation, and support of the software for its core information services applications which expires on September 30, 2020. CAMC's total commitment related to the amended agreement for the license, implementation, and support is \$14,188.

CAMC also has an IT outsourcing agreement with Siemens executed concurrently with the license, implementation, and support agreement. Under the outsourcing agreement, CAMC outsourced to Siemens services, including maintaining software and hardware and providing information systems and telecommunications services, to CAMC and its affiliates. The outsourcing agreement expires on September 30, 2020 and may be terminated by CAMC with 30-day notice if Siemens fails to meet or exceed service-level standards, as defined in the agreement. Siemens may terminate the agreement under certain defined conditions with notice that varies by condition.

Total fees incurred during the years ended December 31, 2013 and 2012, related to these agreements were \$18,733 and \$17,780, respectively. Of this amount, \$3,342 and \$3,747 was capitalized on December 31, 2013 and 2012, respectively, related to capitalized computer hardware and software costs.

Gain Contingency — CAMC and TVH have total outstanding sales tax refund claims filed with the state of West Virginia (the State) for periods prior to 2012 of \$2,080. Such claims, related to sales tax collected by the System's vendors and remitted to the State, is still under review by the State. Settlement of these claims will be treated as a reduction to expense in the year in which the claim is settled. During the years ended December 31, 2013 and 2012, settled claims with the State of \$651 and \$61, respectively, were received and recorded as reduction to expense. In November 2011, CAMC and CAMC Teays entered into a direct pay agreement with the state to simplify the sales tax payment and reporting procedures. This agreement was effective beginning in January 2012.

On March 10, 2010, the IRS issued IR-2010-25 which committed the IRS to refund Federal Insurance Contributions Act (FICA) tax and pay interest on valid refunds for medical residents FICA taxes for periods ending before April 1, 2005. The System filed a claim for refunds which included \$983 in FICA tax pertaining to medical residents who were paid by the Institute. In 2012, the IRS agreed to recognize the Institute portion of claims and the \$983 was recognized as a gain through operating expense in 2012. In 2013 and 2012, respectively, the IRS paid \$157 and \$3,100 toward the claim settlement (which included certain amounts recognized by CAMC prior to 2012). CAMC has recorded \$90 and \$1,760 during the years ended December 31, 2013 and 2012, respectively, in interest income received. The current receivable outstanding related to FICA claims is \$174 as of December 31, 2013.

Other Commitments — As of December 31, 2013, the System has committed approximately \$195,000 in the aggregate over a five-year period for current and planned projects, including new construction, renovations, and equipping of facilities at its Memorial, General, Women and Children's, and CAMC Teays hospitals, including a new cancer care facility. These commitments will be funded with a combination of cash generated from operating activities, fund raising, and existing debt proceeds approximating \$102,000. Existing debt proceeds originated from 2013, 2008 and 2009 debt transactions for CAMC and a 2008 CAMC Teays transaction, each on deposit with a trustee or in a board designated investment account and included in assets limited as to use.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

The System uses a three-level valuation hierarchy for disclosure of fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 — Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 — Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Corporate bonds are valued using pricing models maximizing the use of observable inputs for similar securities. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments.

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement related to notice requirements in order to withdraw from the investment.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The financial instruments carried at fair value as of December 31, 2013, by caption, in the consolidated statements of financial position by the three-level valuation hierarchy defined above are as follows

	Level 1	Level 2	Level 3	Total
Investments.				
Cash equivalents	\$ 112,904	\$ -	\$ -	\$ 112,904
Equity securities	83,761	-	-	83,761
Equity mutual funds	168,269	-	-	168,269
Debt securities issued by U S Treasury and other U S government corporations and agencies	-	18,459	-	18,459
Debt securities issued by states of the United States and political subdivisions of the states	-	3,870	-	3,870
Corporate debt securities	-	9,056	-	9,056
Fixed income mutual funds	155,690	-	-	155,690
Other	<u>-</u>	<u>674</u>	<u>-</u>	<u>674</u>
Total investments at fair value	<u>\$ 520,624</u>	<u>\$ 32,059</u>	<u>\$ -</u>	<u>\$ 552,683</u>
Assets — derivative asset	<u>\$ -</u>	<u>\$ 2,958</u>	<u>\$ -</u>	<u>\$ 2,958</u>
Liabilities — derivative obligation	<u>\$ -</u>	<u>\$ 14,170</u>	<u>\$ -</u>	<u>\$ 14,170</u>
Total liabilities at fair value	<u>\$ -</u>	<u>\$ 14,170</u>	<u>\$ -</u>	<u>\$ 14,170</u>

The fixed income mutual funds were classified as level 1 during 2013 recognizing their registered open-ended investment company structure

The financial instruments carried at fair value as of December 31, 2012, by caption, in the consolidated statements of financial position by the three-level valuation hierarchy defined above are as follows

	Level 1	Level 2	Level 3	Total
Investments				
Cash equivalents	\$ 93,822	\$ -	\$ -	\$ 93,822
Equity securities	73,726	-	5,963	221,689
Equity mutual funds	144,138	-	-	2,137
Debt securities issued by U S Treasury and other U S government corporations and agencies	-	46,940	-	46,940
Debt securities issued by states of the United States and political subdivisions of the states	-	581	-	581
Corporate debt securities	-	53,650	-	53,650
Other	<u>1,939</u>	<u>-</u>	<u>-</u>	<u>1,939</u>
Total investments at fair value	<u>\$ 313,624</u>	<u>\$ 101,171</u>	<u>\$ 5,963</u>	<u>\$ 420,758</u>
Liabilities — derivative obligation	<u>\$ -</u>	<u>\$ 25,296</u>	<u>\$ -</u>	<u>\$ 25,296</u>
Total liabilities at fair value	<u>\$ -</u>	<u>\$ 25,296</u>	<u>\$ -</u>	<u>\$ 25,296</u>

Effect of Level 3 Inputs on Net Assets	Other Investments	Other Assets Limited as to Use	Total
Beginning balance — December 31, 2011	\$ 5,540	\$ 119	\$ 5,659
Total gain — net (within Investment Income)	<u>297</u>	<u>7</u>	<u>304</u>
Ending balance — December 31, 2012	<u>\$ 5,837</u>	<u>\$ 126</u>	<u>\$ 5,963</u>

Following is a description of the System's valuation methodologies for assets and liabilities measured at fair value

The following methods and assumptions were used by the System in estimating the fair value of its financial instruments

Cash Equivalents — The carrying amounts reported in the accompanying consolidated balance sheets for cash equivalents approximate their fair value

Short-Term Investments and Assets Limited as to Use — The fair value for short term investments and assets limited as to use, except for alternative investments, is based on quoted market prices, if available, or estimated using quoted market prices for similar securities (see Note 5).

Derivatives — The fair value of the derivative obligation is based on observable inputs from market sources that aggregate data based upon market transactions (see Note 7) In determining the fair value of the System's derivative instruments quoted price can be obtained from a number of dealer counterparties and other independent market sources based on observable interest rates and yield curves for the full term of the asset or liability In order to determine the risk of nonperformance for our derivative instruments, the System will determine the credit spread for debt issues by entities with similar credit

characteristics to the System. The fair value of the System's derivatives instruments will adjust based on the nonperformance risk of the System when the derivative instrument is a liability position or by each Counterparty when the derivative instrument is an asset to the System.

The System is required to assess its credit risk versus its counterparties; this assessment resulted in a decrease in the liability of \$697 and \$686, which reduced the System's deficiency of revenues over expenses for the years ended December 31, 2013 and 2012, respectively.

14. ENDOWMENT — RESTRICTED NET ASSETS

The System's endowment is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and consists of approximately 101 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the board of trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of trustees of the System has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the System classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the System considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

- a. The duration and preservation of the fund
- b. The purposes of the System and the donor-restricted endowment fund
- c. General economic conditions
- d. The possible effect of inflation and deflation
- e. The expected total return from income and the appreciation of investments
- f. Other resources of the System
- g. The investment policies of the System

The System has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the System must hold in perpetuity or for a donor-specific period(s) as well as Board-designated funds. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to produce a real return, net of inflation, and investment management costs of at least 5% over the long term. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, the System relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The System targets a diversified asset allocation that places a greater emphasis on equity-based and alternative investments to achieve its long-term objective within prudent risk constraints.

As part of the current spending policy, the System computes a 12-quarter trailing average market value of each portfolio as of the prior June 30 and makes 5% of that amount available for expenditure. The computed value may be adjusted for large contributions, withdrawals, or market value swings as necessary to produce the desired level of cash. With this policy, the annual dollar amount available for spending will be known at the beginning of the year. If necessary, quarterly transfers of approximately 1.25% will be scheduled to be transferred to Foundation's main cash account. The objectives of the portfolio are the enhancement of capital and real purchasing power while limiting exposure to risk of loss. Real purchasing power or real rate of return will be defined as returns in excess of inflation as defined by consumer price index. At a minimum, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the assets while providing the necessary capital to fund the annual spending policy of 5%, plus an additional 1% to cover administrative expenses. Therefore, the desired minimum rate of return is equal to the consumer price index plus 600 basis points (6%) on an annualized basis. In light of the return requirement, the portfolio is constructed using a total approach with significant portion of the funds invested to seek growth of principal over time. The assets are to be invested for the long term and a higher short-term volatility in these assets is to be expected and accepted.

Changes in endowment funds for the year ended December 31, 2013, consisted of the following

	Temporarily Restricted	Permanently Restricted	Total
Net assets — beginning of the year	<u>\$ 25,534</u>	<u>\$ 21,268</u>	<u>\$ 46,802</u>
Investment return			
Investment income	962	-	962
Net appreciation (realized and unrealized)	<u>6,380</u>	<u>-</u>	<u>6,380</u>
Total investment return	<u>7,342</u>	<u>-</u>	<u>7,342</u>
Contributions	1	230	231
Other		(38)	(38)
Appropriation of endowment assets for expenditure	<u>(657)</u>	<u>-</u>	<u>(657)</u>
Net assets — end of year	<u>\$ 32,220</u>	<u>\$ 21,460</u>	<u>\$ 53,680</u>

Changes in endowment funds for the year ended December 31, 2012, consisted of the following

	Temporarily Restricted	Permanently Restricted	Total
Net assets — beginning of the year	<u>\$ 21,628</u>	<u>\$ 21,030</u>	<u>\$ 42,658</u>
Investment return			
Investment income	1,417	-	1,417
Net appreciation (realized and unrealized)	<u>3,138</u>	<u>-</u>	<u>3,138</u>
Total investment return	<u>4,555</u>	<u>-</u>	<u>4,555</u>
Contributions	<u>2</u>	<u>238</u>	<u>240</u>
Appropriation of endowment assets for expenditure	<u>(651)</u>	<u>-</u>	<u>(651)</u>
Net assets — end of year	<u>\$ 25,534</u>	<u>\$ 21,268</u>	<u>\$ 46,802</u>

From time to time, the fair value of assets associated with individual donor-restricted endowments funds may fall below the level that the donor or UPMIFA requires the System to retain as a fund of perpetual duration. These deficiencies result from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the board of trustees. There were no significant deficiencies of this nature that are reported in unrestricted net assets as of December 31, 2013 and 2012.

15. INTANGIBLES

As of December 31, 2013 and 2012, the System has goodwill recorded in the amount of \$697. Intangible assets, other than software which is included in property, equipment and information systems, are other assets.

The System's identifiable intangible assets with finite lives are being amortized over their estimated useful lives and are as follows:

	December 31, 2013			
	Gross Carrying Amount	Accumulated Amortization	Net	Amortization Period
Trade name/trademark	\$ 140	\$ (84)	\$ 56	5 years
Noncompete	1,396	(838)	558	5 years
Noncontract relationships	4,131	(620)	3,511	20 years
Intangibles — software	<u>40,225</u>	<u>(36,587)</u>	<u>3,638</u>	3 years
	<u>\$45,892</u>	<u>\$(38,129)</u>	<u>\$7,763</u>	

	December 31, 2012			
	Gross Carrying Amount	Accumulated Amortization	Net	Amortization Period
Trade name/trademark	\$ 140	\$ (56)	\$ 84	5 years
Noncompete	1,396	(558)	838	5 years
Noncontract relationships	4,131	(412)	3,719	20 years
Intangibles — software	<u>37,982</u>	<u>(31,521)</u>	<u>6,461</u>	3 years
	<u>\$43,649</u>	<u>\$ (32,547)</u>	<u>\$ 11,102</u>	

Amortization expense for finite lived intangible assets was \$4,561 and \$5,079 at December 31, 2013 and 2012, respectively. The following is a schedule of estimated future amortization of finite lived intangible assets as of December 31, 2013.

**Years Ending
December 31**

2014	\$ 3,240
2015	1,236
2016	443
2017	215
2018	207
Thereafter	<u>2,478</u>
	<u>\$ 7,819</u>

16. SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 29, 2014, the date the consolidated financial statements were available to be issued, and no subsequent events require recognition or disclosure except as noted in notes 1 and 7 that effective March 1, 2014 CAMC Teays was merged with and into CAMC.

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OTHER ADDITIONAL FINANCIAL INFORMATION

CAMC HEALTH SYSTEM, INC. AND SUBSIDIARIES

CONSOLIDATING BALANCE SHEET SCHEDULE

AS OF DECEMBER 31, 2013

(In thousands)

	CAMC	Foundation	Reclassifications and Eliminations	Combined Obligated Group	CAMC Health System	Institute	Integrated	Teays	Reclassifications and Eliminations	Total
ASSETS										
CURRENT ASSETS										
Cash and cash equivalents	\$ 28,054	\$ 771	\$ -	\$ 28,825	\$ -	\$ -	\$ 4	\$ 2	\$ -	\$ 28,831
Short-term investments	196,619	8,959	-	205,578	-	-	-	-	-	205,578
Current portion of assets limited as to use	5,900	-	-	5,900	-	-	-	-	-	5,900
Patient receivables — net of allowances for uncollectible accounts of \$19,982	94,799	-	-	94,799	-	-	5,565	6,237	-	106,601
Other receivables	6,294	2,292	(102)	8,484	211	399	192	852	-	10,138
Estimated amounts due from third-party payors	7,454	-	-	7,454	-	-	-	297	-	7,751
Affiliate accounts receivable	9,238	49	(286)	9,001	59	745	3,109	11,332	(24,246)	-
Inventories	16,273	-	-	16,273	-	-	-	1,282	-	17,555
Prepaid expenses and other	8,134	9	-	8,143	18	6	277	200	-	8,644
Total current assets	372,765	12,080	(388)	384,457	288	1,150	9,147	20,202	(24,246)	390,998
ASSETS LIMITED AS TO USE	201,496	196,083	(36,227)	361,352	109	3,764	-	-	(3,764)	361,461
OTHER INVESTMENTS	20,742	-	-	20,742	-	-	-	-	-	20,742
PROPERTY, PLANT, AND EQUIPMENT										
Land	32,664	5,084	-	37,748	-	-	-	5,049	-	42,797
Buildings and improvements	352,298	2,060	-	354,358	-	186	4,275	12,292	-	371,111
Equipment and software costs	450,568	14	-	450,582	-	5,897	6,765	14,253	-	477,497
Construction in progress	37,176	-	-	37,176	-	-	331	3,216	-	40,723
Total property, plant, and equipment	872,706	7,158	-	879,864	-	6,083	11,371	34,810	-	932,128
Less accumulated depreciation and amortization	(589,542)	(285)	-	(589,827)	-	(5,260)	(8,278)	(13,236)	-	(616,601)
Property, plant, and equipment — net	283,164	6,873	-	290,037	-	823	3,093	21,574	-	315,527
OTHER ASSETS										
Other assets	11,587	1,684	(648)	12,623	3,610	-	-	717	-	16,950
Investments in subsidiaries	-	-	-	-	-	-	-	-	-	-
CAMC	-	-	-	-	343,381	-	-	-	(343,381)	-
Foundation	-	-	-	-	176,182	-	-	-	(176,182)	-
Institute	-	-	-	-	4,049	-	-	-	(4,049)	-
Integrated	-	-	-	-	4,081	-	-	-	(4,081)	-
Teays	-	-	-	-	5,812	-	-	-	(5,812)	-
Total other assets	11,587	1,684	(648)	12,623	537,115	-	-	717	(533,505)	16,950
TOTAL	\$889,754	\$216,720	\$(37,263)	\$1,069,211	\$537,512	\$ 5,737	\$12,240	\$42,493	\$(561,515)	\$1,105,678

(Continued)

CAMC HEALTH SYSTEM, INC. AND SUBSIDIARIES

CONSOLIDATING BALANCE SHEET SCHEDULE

AS OF DECEMBER 31, 2013

(In thousands)

	CAMC	Foundation	Reclassifications and Eliminations	Combined Obligated Group	CAMC Health System	Institute	Integrated	Teays	Reclassifications and Eliminations	Total
LIABILITIES AND NET ASSETS										
CURRENT LIABILITIES										
Accounts payable and accrued expenses	\$ 47,883	\$ 216	\$ -	\$ 48,099	\$ -	\$ 649	\$ 2,775	\$ 3,772	\$ -	\$ 55,295
Self-insurance reserves	5,900	-	-	5,900	-	-	-	-	-	5,900
Derivative obligation	14,170	-	-	14,170	-	-	-	-	-	14,170
Accrued payroll and payroll-related expenses	40,850	73	-	40,923	-	715	-	-	-	41,638
Estimated amounts due to third-party payors	15,961	-	-	15,961	-	-	-	1,029	-	16,990
Affiliate payables	15,053	253	(286)	15,020	59	324	5,384	3,459	(24,246)	-
Current maturities of long-term debt and capital lease obligations	11,370	-	(102)	11,268	-	-	-	1,399	-	12,667
Total current liabilities	151,187	542	(388)	151,341	59	1,688	8,159	9,659	(24,246)	146,660
LONG-TERM LIABILITIES										
Long-term debt and lease obligations										
less current maturities	378,633	-	(648)	377,985	-	-	-	26,250	-	404,235
Retirement obligations	13,135	-	-	13,135	-	-	-	710	-	13,845
Self-insurance reserves	13,378	-	-	13,378	-	-	-	-	-	13,378
Affiliate long-term payables	-	-	-	-	20,503	-	-	-	(20,503)	-
Other	10,543	5	-	10,548	-	-	-	62	-	10,610
Total long-term liabilities	415,689	5	(648)	415,046	20,503	-	-	27,022	(20,503)	442,068
Total liabilities	566,876	547	(1,036)	566,387	20,562	1,688	8,159	36,681	(44,749)	588,728
NET ASSETS										
Unrestricted	306,707	143,822	-	450,529	447,387	66	4,081	5,812	(460,519)	447,356
Noncontrolling interest in joint ventures	358	-	-	358	-	-	-	-	-	358
Unrestricted — total	307,065	143,822	-	450,887	447,387	66	4,081	5,812	(460,519)	447,714
Receivable from affiliate	(20,503)	-	-	(20,503)	-	-	-	-	20,503	-
Temporarily restricted	24,753	50,853	(24,664)	50,942	48,103	2,264	-	-	(53,533)	47,776
Permanently restricted	11,563	21,498	(11,563)	21,498	21,460	1,719	-	-	(23,217)	21,460
Total net assets	322,878	216,173	(36,227)	502,824	516,950	4,049	4,081	5,812	(516,766)	516,950
TOTAL	\$889,754	\$216,720	\$(37,263)	\$1,069,211	\$537,512	\$ 5,737	\$12,240	\$42,493	\$(561,515)	\$1,105,678

(Concluded)

CAMC HEALTH SYSTEM, INC. AND SUBSIDIARIES

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

	CAMC	Foundation	Reclassifications and Eliminations	Combined Obligated Group	CAMC Health System	Institute	Integrated	Teays	Reclassifications and Eliminations	Total
ASSETS										
CURRENT ASSETS										
Cash and cash equivalents	\$ 13,190	\$ 1,250	\$ -	\$ 14,440	\$ -	\$ -	\$ 3	\$ 2	\$ -	\$ 14,445
Short-term investments	144,848	2,209	-	147,057	-	-	-	-	-	147,057
Current portion of assets limited as to use	5,000	-	-	5,000	-	-	-	-	-	5,000
Patient receivables — net of allowances for uncollectible accounts of \$22,093	105,637	-	-	105,637	-	-	5,554	7,696	-	118,887
Other receivables	9,384	2,062	(94)	11,352	202	396	238	896	-	13,084
Estimated amounts due from third-party payors	10,674	-	-	10,674	-	-	-	422	-	11,096
Affiliate accounts receivable	8,503	20	(289)	8,234	22	1,055	3,287	8,393	(20,991)	-
Inventories	17,451	-	-	17,451	-	-	-	1,279	-	18,730
Prepaid expenses and other	6,542	38	-	6,580	-	38	277	174	-	7,069
Total current assets	<u>321,229</u>	<u>5,579</u>	<u>(383)</u>	<u>326,425</u>	<u>224</u>	<u>1,489</u>	<u>9,359</u>	<u>18,862</u>	<u>(20,991)</u>	<u>335,368</u>
ASSETS LIMITED AS TO USE	<u>140,398</u>	<u>170,909</u>	<u>(31,025)</u>	<u>280,282</u>	<u>109</u>	<u>3,385</u>	<u>-</u>	<u>2,012</u>	<u>(3,385)</u>	<u>282,403</u>
OTHER INVESTMENTS	<u>20,669</u>	<u>-</u>	<u>-</u>	<u>20,669</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,669</u>
PROPERTY, PLANT, AND EQUIPMENT										
Land	31,736	5,084	-	36,820	-	-	-	5,049	-	41,869
Buildings and improvements	333,029	2,060	-	335,089	-	210	4,209	11,925	-	351,433
Equipment and software costs	483,449	14	-	483,463	-	5,879	6,883	13,926	-	510,151
Construction in progress	20,246	-	-	20,246	-	-	-	155	-	20,401
Total property, plant, and equipment	868,460	7,158	-	875,618	-	6,089	11,092	31,055	-	923,854
Less accumulated depreciation and amortization	<u>(602,083)</u>	<u>(261)</u>	<u>-</u>	<u>(602,344)</u>	<u>-</u>	<u>(4,937)</u>	<u>(7,996)</u>	<u>(12,116)</u>	<u>-</u>	<u>(627,393)</u>
Property, plant, and equipment — net	<u>266,377</u>	<u>6,897</u>	<u>-</u>	<u>273,274</u>	<u>-</u>	<u>1,152</u>	<u>3,096</u>	<u>18,939</u>	<u>-</u>	<u>296,461</u>
OTHER ASSETS										
Other assets	13,127	2,268	(1,000)	14,395	3,820	-	-	873	-	19,088
Investments in subsidiaries	-	-	-	-	-	-	-	-	-	-
CAMC	-	-	-	-	284,181	-	-	-	(284,181)	-
Foundation	-	-	-	-	150,670	-	-	-	(150,670)	-
Institute	-	-	-	-	3,247	-	-	-	(3,247)	-
Integrated	-	-	-	-	5,723	-	-	-	(5,723)	-
Teays	-	-	-	-	4,714	-	-	-	(4,714)	-
Total other assets	<u>13,127</u>	<u>2,268</u>	<u>(1,000)</u>	<u>14,395</u>	<u>452,355</u>	<u>-</u>	<u>-</u>	<u>873</u>	<u>(448,535)</u>	<u>19,088</u>
TOTAL	<u>\$761,800</u>	<u>\$185,653</u>	<u>\$(32,408)</u>	<u>\$915,045</u>	<u>\$452,688</u>	<u>\$6,026</u>	<u>\$12,455</u>	<u>\$40,686</u>	<u>\$(472,911)</u>	<u>\$ 953,989</u>

(Continued)

CAMC HEALTH SYSTEM, INC. AND SUBSIDIARIES

CONSOLIDATING BALANCE SHEET SCHEDULE

AS OF DECEMBER 31, 2012

(In thousands)

	CAMC	Foundation	Reclassifications and Eliminations	Combined Obligated Group	CAMC Health System	Institute	Integrated	Teays	Reclassifications and Eliminations	Total
LIABILITIES AND NET ASSETS										
CURRENT LIABILITIES										
Accounts payable and accrued expenses	\$ 45,005	\$ 207	\$ -	\$ 45,212	\$ -	\$ 1,533	\$ 1,629	\$ 2,824	\$ -	\$ 51,198
Self-insurance reserves	5,000	-	-	5,000	-	-	-	-	-	5,000
Derivative obligation	24,740	-	-	24,740	-	-	-	556	-	25,296
Accrued payroll and payroll-related expenses	40,606	76	-	40,682	-	637	-	-	-	41,319
Estimated amounts due to third-party payors	18,691	-	-	18,691	-	-	-	339	-	19,030
Affiliate payables	12,556	280	(289)	12,547	22	610	5,103	2,709	(20,991)	-
Current maturities of long-term debt and capital lease obligations	6,839	-	(94)	6,745	-	-	-	1,398	-	8,143
Total current liabilities	153,437	563	(383)	153,617	22	2,780	6,732	7,826	(20,991)	149,986
LONG-TERM LIABILITIES										
Long-term debt and lease obligations less current maturities	306,481	-	(1,000)	305,481	-	-	-	27,649	-	333,130
Retirement obligations	13,034	-	-	13,034	-	-	-	497	-	13,531
Self-insurance reserves	15,426	-	-	15,426	-	-	-	-	-	15,426
Affiliate long-term payables	-	-	-	-	21,235	-	-	-	(21,235)	-
Other	10,476	9	-	10,485	-	-	-	-	-	10,485
Total long-term liabilities	345,417	9	(1,000)	344,426	21,235	-	-	28,146	(21,235)	372,572
Total liabilities	498,854	572	(1,383)	498,043	21,257	2,780	6,732	35,972	(42,226)	522,558
NET ASSETS										
Unrestricted	252,749	122,732	-	375,481	370,928	(1,299)	5,723	4,714	(384,609)	370,938
Noncontrolling interest in joint ventures	317	-	-	317	-	-	-	-	-	317
Unrestricted — total	253,066	122,732	-	375,798	370,928	(1,299)	5,723	4,714	(384,609)	371,255
Receivable from affiliate	(21,235)	-	-	(21,235)	-	-	-	-	21,235	-
Temporarily restricted	19,766	41,081	(19,676)	41,171	39,272	2,836	-	-	(44,333)	38,946
Permanently restricted	11,349	21,268	(11,349)	21,268	21,231	1,710	-	-	(22,979)	21,230
Total net assets	262,946	185,081	(31,025)	417,002	431,431	3,247	5,723	4,714	(430,686)	431,431
TOTAL	\$ 761,800	\$ 185,653	\$ (32,408)	\$ 915,045	\$ 452,688	\$ 6,027	\$ 12,455	\$ 40,686	\$ (472,912)	\$ 953,989

(Concluded)

CAMC HEALTH SYSTEM, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF OPERATIONS SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2013 (Dollars in thousands)

	CAMC	Foundation	Reclassifications and Eliminations	Combined Obligated Group	CAMC Health System	Institute	Integrated	Teays	Reclassifications and Eliminations	Total
UNRESTRICTED REVENUE AND OTHER SUPPORT										
Patient service revenue (net of contractual allowance and discounts)	\$861 969	\$ -	\$ -	\$861 969	\$ -	\$ -	\$39 568	\$60 171	\$ 13	\$961 721
Provisions for bad debts	(71 098)	-	-	(71 098)	-	-	(4 424)	(9 993)	-	(85 515)
Net patient service revenues less provision for bad debts	790 871	-	-	790 871	-	-	35 144	50 178	13	876 206
Other revenue	44 609	396	(3 451)	41 554	(41)	9 366	36 664	2 326	(48 873)	40 996
Investment income (loss) — net	25 759	23 859	(30)	49 588	177	-	-	57	-	49 822
Increase in net assets of subsidiaries	-	-	-	-	75 910	-	-	-	(75 910)	-
Net assets released from restrictions	72	1 244	-	1 316	-	529	-	-	-	1 845
Total unrestricted revenue and other support	861 311	25 499	(3 481)	883 329	76 046	9 895	71 808	52 561	(124 770)	968 869
EXPENSES										
Salaries and wages	277 408	407	-	277 815	-	5 397	11 037	17 783	34 413	346 445
Employee benefits	90 692	153	155	91 000	-	1 175	6 506	5 174	406	104 261
Professional compensation and fees	12 230	-	-	12 230	-	212	41 072	777	(34 677)	19 614
Supplies and other	366 086	3 824	(5 006)	364 904	136	3 324	18 184	25 183	(49 002)	362 729
Litigation settlement	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	33 862	25	-	33 887	-	367	554	1 299	-	36 107
Medicaid provider tax	21 573	-	-	21 573	-	-	-	930	-	22 503
Interest and debt expense	15 530	-	(30)	15 500	-	-	-	812	-	16 312
Change in fair value of derivatives	(13 588)	-	-	(13 588)	-	-	-	(495)	-	(14 083)
Loss of bond refunding	-	-	-	-	-	-	-	-	-	-
Total expenses	803 793	4 409	(4 881)	803 321	136	10 475	77 353	51 463	(48 860)	893 888
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	57 518	21 090	1 400	80 008	75 910	(580)	(5 545)	1 098	(75 910)	74 981
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES — Noncontrolling interest	(97)	-	-	(97)	-	-	-	-	-	(97)
TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSE	57 421	21 090	1 400	79 911	75 910	(580)	(5 545)	1 098	(75 910)	74 884
OTHER CHANGES IN UNRESTRICTED NET ASSETS										
Net assets released from restrictions for capital expenditures	29	-	-	29	-	213	-	-	-	242
Change in retirement obligations actuarial loss and prior service cost	951	-	-	951	-	-	-	-	-	951
Changes of noncontrolling interest	65	-	-	65	-	-	-	-	-	65
Contributions for capital expenditures	1 620	-	(1 400)	220	-	-	-	-	-	220
Affiliate transfers	(6 184)	-	-	(6 184)	549	1 732	3 903	-	-	-
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	\$ 53 999	\$21 090	\$ -	\$ 75 089	\$76 459	\$ 1 365	\$ (1 642)	\$ 1 098	\$ (75 910)	\$ 76 459

CAMC HEALTH SYSTEM, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF OPERATIONS SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2012 (Dollars in thousands)

	CAMC	Foundation	Reclassifications and Eliminations	Combined Obligated Group	CAMC Health System	Institute	Integrated	Teays	Reclassifications and Eliminations	Total
UNRESTRICTED REVENUE AND OTHER SUPPORT										
Patient service revenue (net of contractual allowance and discounts)	\$834,357	\$ -	\$ -	\$834,357	\$ -	\$ -	\$36,900	\$67,042	\$ 16	\$938,315
Provisions for bad debts	(65,593)	-	-	(65,593)	-	-	(3,904)	(9,277)	-	(78,774)
Net patient service revenues less provision for bad debts	768,764	-	-	768,764	-	-	32,996	57,765	16	859,541
Other revenue	44,665	224	(1,577)	43,312	(74)	9,369	32,119	558	(44,239)	41,045
Investment income (loss) — net	17,921	15,272	(40)	33,153	172	-	1	50	-	33,376
Increase in net assets of subsidiaries	-	-	-	-	85,899	-	-	-	(85,899)	-
Net assets released from restrictions	107	1,267	-	1,374	-	327	-	-	-	1,701
Total unrestricted revenue and other support	831,457	16,763	(1,617)	846,603	85,997	9,696	65,116	58,373	(130,122)	935,663
EXPENSES										
Salaries and wages	267,053	476	1	267,530	-	5,140	9,916	17,554	31,146	331,286
Employee benefits	82,951	119	157	83,227	-	1,099	5,522	5,180	315	95,343
Professional compensation and fees	11,558	-	-	11,558	-	232	38,270	728	(31,099)	19,689
Supplies and other	332,573	2,818	(1,786)	333,605	98	3,388	15,731	23,878	(44,573)	332,127
Litigation settlement	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	34,825	24	-	34,849	-	416	640	1,639	-	37,544
Medicaid provider tax	18,488	-	-	18,488	-	-	-	1,804	-	20,292
Interest and debt expense	14,084	-	(1)	14,083	-	-	-	1,075	-	15,158
Change in fair value of derivatives	(2,066)	-	-	(2,066)	-	-	-	(644)	-	(2,710)
Total expenses	759,466	3,437	(1,629)	761,274	98	10,275	70,079	51,214	(44,211)	848,729
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	71,991	13,326	12	85,329	85,899	(579)	(4,963)	7,159	(85,911)	86,934
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES — Noncontrolling interest	(101)	-	-	(101)	-	-	-	-	-	(101)
TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSE	71,890	13,326	12	85,228	85,899	(579)	(4,963)	7,159	(85,911)	86,833
OTHER CHANGES IN UNRESTRICTED NET ASSETS										
Net assets released from restrictions for capital expenditures	86	-	(12)	74	-	163	-	-	12	249
Change in retirement obligations actuarial loss and prior service cost	(1,071)	-	-	(1,071)	-	-	-	-	-	(1,071)
Changes of noncontrolling interest	(190)	-	-	(190)	-	-	-	-	-	(190)
Contributions for capital expenditures	314	-	-	314	-	-	-	-	-	314
Affiliate transfers	(6,442)	-	-	(6,442)	337	358	5,747	-	-	-
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	\$ 64,688	\$13,326	\$ -	\$ 78,014	\$86,236	\$ (58)	\$ 784	\$ 7,159	\$ (85,899)	\$ 86,236

CAMC HEALTH SYSTEM, INC. AND SUBSIDIARIES

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

- 1 The other additional financial information is presented for the purpose of additional analysis and is not a required part of the consolidated financial statements. This other additional financial information is the responsibility of the System's management and was derived from and relate directly to the underlying accounting and other records used to prepare the consolidated financial statements. Accounting policies applicable to the consolidated financial statements are consistent with those used to prepare the other additional information.
- 2 CAMC Health System records as an investment in subsidiary its direct share of the net assets of CAMC, Institute, Integrated and Teays. Certain Foundation assets are held by the Foundation on behalf of CAMC and the Institute. CAMC and the Institute record their direct share of such assets as Interest in Foundation's Net Assets in the other additional financial information. CAMC Health System records the remaining Foundation net assets as an investment in subsidiary to reflect its direct share of the residual assets of the Foundation.
- 3 Other revenue, salaries and wages, professional compensation and supplies include transactions between each of the consolidated entities for affiliate services and support provided including administrative and other support. Such amounts are eliminated on consolidation.