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Form 990



Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

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

OMB No 1545-0047

2013

Open to Public Inspection

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

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization

Covenant Health

Doing Business As

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

1420 Centerpoint Blvd Bldg C

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

Knoxville, TN 379321960

F Name and address of principal officer

Anthony L Spezia

100 Ft Sanders W Blvd

Knoxville, TN 37922

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.covenanthealth.com

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation

1996

M State of legal domicile

TN

Part I Summary																											
Activities & Governance	<div><div>1</div><div>Briefly describe the organization's mission or most significant activities</div><div>Covenant Health is the parent organization in a community-owned health care system in East Tenn</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>																										
Revenue	<table><tr><td>3</td><td>Number of voting members of the governing body (Part VI, line 1a)</td><td>21</td></tr><tr><td>4</td><td>Number of independent voting members of the governing body (Part VI, line 1b)</td><td>17</td></tr><tr><td>5</td><td>Total number of individuals employed in calendar year 2013 (Part V, line 2a)</td><td>1,065</td></tr><tr><td>6</td><td>Total number of volunteers (estimate if necessary)</td><td>739</td></tr><tr><td>7a</td><td>Total unrelated business revenue from Part VIII, column (C), line 12</td><td>965,723</td></tr><tr><td>7b</td><td>Net unrelated business taxable income from Form 990-T, line 34</td><td>133,646</td></tr></table>	3	Number of voting members of the governing body (Part VI, line 1a)	21	4	Number of independent voting members of the governing body (Part VI, line 1b)	17	5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	1,065	6	Total number of volunteers (estimate if necessary)	739	7a	Total unrelated business revenue from Part VIII, column (C), line 12	965,723	7b	Net unrelated business taxable income from Form 990-T, line 34	133,646								
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Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

Signature of officer

2014-11-07

Date

JOHN T GEPPi EVP/CFO

Type or print name and title

Paid Preparer Use Only

Prnt/Type preparer's name

Self-prepared

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name

Firm's EIN

Firm's address

Phone no

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

Covenant Health operates exclusively as a supporting organization within the meaning of Internal Revenue Code section 509(a)(3) Its mission, which is shared by its member hospitals and other organizations (see Schedule A), is to serve the community by improving the quality of life through better health, regardless of a patient's ability to pay

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 \$ 31,098,655 including grants of \$) (Revenue \$ 31,098,655)

Information Technology See Schedule O for additional details Information Technology Expenses - \$31,098,655, Revenue - \$31,098,655 The Information Technology (IT) division of Covenant Health provides all computing equipment and information management related services to Covenant Health facilities Information management systems and related application support (install, upgrade, help desk) services are available on a 24/7 basis spanning healthcare functions across core patient-care clinical systems, physician, nursing, and associated ancillary systems (lab, radiology, pharmacy, therapy), as well as supporting business functions encompassing patient accounting, materials management, finance, and human resources IT also manages a centralized data center (and a backup disaster recovery data center) where the hardware equipment is housed to deliver the computing resources for all clinical/business functions on a 24/7 schedule Additionally, IT is responsible for management of all PC workstations (desktop, laptop, mobile cart), all client to server internal and external network connectivity, as well as telephone services and telephone equipment (PBX, handsets, cell phones, pagers) across the company It also facilitates project management activities related to meeting regulatory and quality reporting requirements Key statistics for the year include *Payroll checks/deposits - 300,873 *Pharmacy medication mgmt system - 2,234,359 orders *Total spam messages blocked - 20,730,195 *Network virus attempts blocked - 180,839,730 *PCs supported - 8,717 *Overall telephone usage - 32,902,666 calls *Pathway scheduling application - 699,965 appointments *Accounts payable checks - 103,121

4b

(Code) (Expenses \$ 11,140,658 including grants of \$) (Revenue \$ 11,140,658)

Business Office See Schedule O for additional details Business Office Expenses - \$11,140,658, Revenue - \$11,140,658 Knoxville Business Office Services is the CBO (Centralized Business Office) for Covenant Health providing accounts receivable management for Fort Sanders Regional Medical Center, Parkwest Medical Center, Fort Loudoun Medical Center, LeConte Medical Center, Methodist Medical Center, Morristown-Hamblen Hospital Association and Roane Medical Center These services include, but are not limited to, customer service, payment collection, financial posting, refund processing, and insurance billing and follow-up During 2013, CBO submitted over 1,014,000 insurance claims totaling in excess of \$3,442,000,000 Bad debt expense for 2013 was approximately 3.35% of gross revenue with bad debt recoveries/collections in excess of \$11,100,000 The CBO handled over 132,000 incoming phone calls, following-up on over 515,000 open accounts and processed over 3.4 million financial transactions

4c

(Code) (Expenses \$ 6,245,522 including grants of \$) (Revenue \$ 6,245,522)

Human Resources See Schedule O for additional details Human Resources Expenses - \$6,245,522, Revenue - \$6,245,522 The Corporate Human Resources division provides high quality centralized services to all Covenant Health entities in sourcing and staffing (employment), standardized benefit design and administration, exempt and non-exempt salary system design and delivery, human resources information system administration, employee relations and retention, clinical and non-clinical skill development, leadership and management development, cultural change, and leadership succession and continuity Additionally, Human Resources is responsible for system-wide programs, policies and procedures, regulatory and legal compliance affecting all areas of Human Resources Administration, and contemporary, cost-effective systems and processes to meet organizational strategies, goals and tactics Through Human Resources, staffing (employment) services assisted in hiring/transferring 1,753 employees during 2013 All new hires participated in various classroom orientation programs and on-line onboarding processes at the start of employment Employment Services receives, on average, 12,000-13,000 applications per year Covenant Health also has its own internal "staffing agency", Covenant Staffing Services (CSS), which employs over 50 RNs who help to cover open staffing needs throughout the system CSS staffed over 6,890 open shifts during 2013 Through the Learning and Leadership Development (LLD) division, Human Resources provided over 314,785 training hours including both e-learning and classroom-based courses LLD also manages a framework of over 50 identified leadership competencies LLD offers more than 100 clinical nursing courses from both in-house and vendor sourcing It also manages a host of clinical training opportunities including everything from CPR to Advanced Neurological and Neonatal Intensive Care courses

(Code) (Expenses \$ 44,563,897 including grants of \$ 1,337,966) (Revenue \$ 67,946,978)

In addition to the services previously mentioned, support provided by Covenant Health to its member facilities takes on many other forms, some examples of which are * Executive leadership, strategic planning, and other planning both at the System and organizational level, * Financial, management and advisory services, * Third party reporting, * Integrity compliance program, * Real estate management, * Risk management, * Internal audit, * Asset and liability related treasury management functions, * Procurement, * Clinical quality improvement, * Marketing, * Health Information Management, * Centralized management of plant engineering and construction team, and * External reporting Other services and activities conducted by Covenant Health directly benefit patients and members of the communities served by the Supported Organizations Some services are aimed at improving the operational efficiency of and the quality of care provided by the Supported Organizations, such as the production of sterile packs Covenant Health Sterile Solutions produces surgical sterile packs for distribution to Covenant Health's Supported Organizations The use of custom built Sterile Packs helps reduce surgical pack supply costs, reduce inventory levels, and minimize waste in keeping with the organization's green initiatives Along with those achievements, sterile packs also help reduce setup time, leaving more time for treating patients, and with fewer items to open, reducing the risk of contamination Most Health Information Management support functions have been centralized within Covenant Health including coding, linking of patient visit information to help with continuity of care, release of information, chart analysis, and optical scanning of documents The department provides essential services related to improving the quality of patient records and verification of information to support accurate billing Another service that Covenant Health has centralized is Medical Transcription Medical Transcription is an allied health profession, whose purpose is to convert voice-recorded reports, as dictated by physicians or other healthcare professionals, into text format Other programs have community benefit as their main goal One example is Covenant Health Senior Services, which assists older adults who are 50 or older in their efforts to lead healthier, more independent lives

4d

Other program services (Describe in Schedule O)



















(Expenses \$ 44,563,897 including grants of \$ 1,337,966) (Revenue \$ 67,946,978)

4e

Total program service expenses

93,048,732

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4 Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III 	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	No
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d 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	No
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		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		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	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	Yes	
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

☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	365
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	1,065
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		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O		
b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	Yes

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input checked="" 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 ▶Nancy Beck 1420 Centerpoint Blvd Bldg C Knoxville, TN 379321960 (865) 374-6864

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

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

• List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

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

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

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

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

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

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

[illegible]

Part VII

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	6,138,401	0	509,426

2 Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization. 47

		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
Morrison Mgmt Specialists Inc PO Box 102289 Atlanta GA 303682289	Cafeteria Management	19,099,899
Relay Health 5995 Windward Parkway Alpharetta GA 30005	Software Maintenance	9,066,485
Southeastern Emergency Physicians Inc PO Box 634850 Cincinnati OH 452634850	Hospitalist/ICU Physician Services	4,391,285
Executive Health Resources 15 Campus Blvd Suite 200 Newton Square PA 19073	Review Services	2,840,065
Summit HCTT Inc 7681 32rd Street Boulder CO 80302	Consulting	2,747,956

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 ▶66

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	236,192			
	e	Government grants (contributions) 1e				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f				
	g	Noncash contributions included in lines 1a-1f \$ 76,193				
	h	Total. Add lines 1a-1f	236,192			
Program Service Revenue	2a	Management Fees	79,903,414	79,903,414		
	b	Transcription Services	6,206,172	5,492,043	714,129	
	c	Telephone Services	4,721,792	4,660,312	61,480	
	d	Health Information Admin	641,892	641,892		
	e	Community Outreach	182,832	182,832		
	f	All other program service revenue	67,492		67,492	
	g	Total. Add lines 2a-2f	91,723,594			
		Business Code				
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	24,840,109	24,840,109		
	4	Income from investment of tax-exempt bond proceeds	615,701	615,701		
	5	Royalties				
	6a	Gross rents				
	b	Less rental expenses				
	c	Rental income or (loss)				
	d	Net rental income or (loss)	219,256		121,622	97,634
	7a	Gross amount from sales of assets other than inventory				
	b	Less cost or other basis and sales expenses				
	c	Gain or (loss)				
	d	Net gain or (loss)	1,338,389			1,338,389
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18				
	b	Less direct expenses				
	c	Net income or (loss) from fundraising events				
	9a	Gross income from gaming activities See Part IV, line 19				
	b	Less direct expenses				
	c	Net income or (loss) from gaming activities				
	10a	Gross sales of inventory, less returns and allowances				
	b	Less cost of goods sold				
	c	Net income or (loss) from sales of inventory	65,450	65,450		
		Miscellaneous Revenue				
	11a	Info Technology Services	1,000		1,000	
	b					
	c					
	d	All other revenue	10,191	10,191		
	e	Total. Add lines 11a-11d	11,191			
	12	Total revenue. See Instructions	119,049,882	116,411,944	965,723	1,436,023

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.	1,261,409	1,261,409		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	76,557	76,557		
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.	4,620,273	3,891,389	728,884	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
7	Other salaries and wages.	43,880,850	37,308,284	6,572,566	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	2,945,875	2,507,234	438,641	
9	Other employee benefits.	6,086,515	5,173,424	913,091	
10	Payroll taxes.	3,407,416	2,900,052	507,364	
11	Fees for services (non-employees):				
a	Management.				
b	Legal.	1,709,127	800,696	908,431	
c	Accounting.	238,945		238,945	
d	Lobbying.				
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.	22,045	22,045		
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	2,798,453	2,581,745	216,708	
12	Advertising and promotion.	1,001,009	997,563	3,446	
13	Office expenses.	6,056,809	5,995,178	61,631	
14	Information technology.	12,070,654	12,070,654		
15	Royalties.				
16	Occupancy.	1,353,839	1,287,865	65,974	
17	Travel.	309,491	298,131	11,360	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	671,400	321,614	349,786	
20	Interest.	11,619,260	11,619,260		
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	2,089,253	1,569,883	519,370	
23	Insurance.	637,262	338,878	298,384	
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	Subscriptions.	1,390,945	1,141,929	249,016	
b	Dues and Licenses.	732,086	679,996	52,090	
c	Meals and Entertainment.	75,867	53,193	22,674	
d	Unrelated Business Inco.	24,000		24,000	
e	All other expenses.	460,031	151,753	308,278	
25	Total functional expenses. Add lines 1 through 24e.	105,539,371	93,048,732	12,490,639	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		1,700	1	2,400
	2	Savings and temporary cash investments		27,363,582	2	50,504,054
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net			4	
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L.			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L.			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		548,178	8	397,797
	9	Prepaid expenses and deferred charges		7,341,137	9	6,253,153
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.	10a	58,895,893		
	b	Less: accumulated depreciation	10b	20,549,188	10c	38,346,705
	11	Investments—publicly traded securities		858,118,766	11	982,637,633
	12	Investments—other securities. See Part IV, line 11.		16,214,264	12	6,479,879
	13	Investments—program-related. See Part IV, line 11.			13	
	14	Intangible assets			14	
	15	Other assets. See Part IV, line 11.		107,545,155	15	67,303,051
	16	Total assets. Add lines 1 through 15 (must equal line 34).		1,117,847,303	16	1,151,924,672
Liabilities	17	Accounts payable and accrued expenses		41,977,092	17	40,698,471
	18	Grants payable			18	
	19	Deferred revenue		46,058,912	19	29,995,695
	20	Tax-exempt bond liabilities		686,157,441	20	685,429,892
	21	Escrow or custodial account liability. Complete Part IV of Schedule D.			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L.			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D.		27,021,754	25	27,439,176
	26	Total liabilities. Add lines 17 through 25.		801,215,199	26	783,563,234
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		316,632,104	27	368,361,438
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		316,632,104	33	368,361,438
	34	Total liabilities and net assets/fund balances		1,117,847,303	34	1,151,924,672

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	119,049,882
2	Total expenses (must equal Part IX, column (A), line 25)	2	105,539,371
3	Revenue less expenses Subtract line 2 from line 1	3	13,510,511
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	316,632,104
5	Net unrealized gains (losses) on investments	5	41,296,276
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	-3,077,453
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	368,361,438

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: 62-1646734
Name: Covenant Health

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Anthony L Spezia President & CEO	50 00 0 00	X		X				1,543,512	0	228,486
Gerald Boyd Director	1 00 0 00	X						1,445	0	0
Dr Richard Brnner Director	1 00 0 00	X						1,576	0	0
Dr Mitchell Dickson Director	1 00 0 00	X						1,873	0	0
Pamela P Fansler Director	1 00 0 00	X						0	0	0
James Fitzsimmons Director	1 00 0 00	X						1,461	0	0
Kimberly Greene Director	1 00 0 00	X						0	0	0
Wayne Heatherly Director	1 00 0 00	X						1,661	0	0
Jim Johnson Jr Director	1 00 0 00	X						1,465	0	0
Karla Lane Director	1 00 0 00	X						0	0	0
Eddie Mannis Director	1 00 0 00	X						0	0	0
Larry Mauldin Chairman	1 00 0 00	X						1,542	0	0
Dr Joseph Metcalf Director	3 00 0 00	X						26,641	0	0
George Miller Director	1 00 0 00	X						1,434	0	0
Alvin Nance Director	1 00 0 00	X						1,464	0	0
Linda Ogle Director	1 00 0 00	X						0	0	0
Mitchell Steenrod Director	1 00 0 00	X						1,311	0	0
Carl Storms Director	1 00 0 00	X						1,453	0	0
Joseph E Sutter Director	1 00 0 00	X						1,761	0	0
Richard Swanson Director	1 00 0 00	X						0	0	0
Joe Ben Turner Director	1 00 0 00	X						1,636	0	0
David C Verble Director	1 00 0 00	X						1,362	0	0
John T Geppi EVP/CFO	50 00 0 00			X				710,276	0	25,177
James D Vandersteeg EVP-Hospital Operations	50 00 0 00				X			766,187	0	32,065
Lawrence C Kleinman EVP-Human Resources	50 00 0 00				X			439,932	0	18,471

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
William M Ward	50 00				X			340,782	0	31,817
SVP-Chief Information Officer	0 00				X					
Mark W Browne	50 00				X			320,827	0	19,565
SVP-Chief Medical Officer	0 00				X					
Janice McKinley	50 00				X			282,303	0	16,788
SVP-Quality, Safety, & Nursing	0 00				X					
Michael R Belbeck Jr	1 00					X		395,794	0	32,339
President/CAO - Methodist	50 00					X				
Larry R Lassiter	1 00					X		385,969	0	31,105
President/CAO - Parkwest Med Ctr	50 00					X				
Keith N Altshuler	1 00					X		339,726	0	31,897
President/CAO - Fort Sanders Reg	50 00					X				
Gordon E Lintz	1 00					X		308,176	0	17,692
President/CAO - Morristown	50 00					X				
Ellen F Wilhoit	1 00					X		256,832	0	24,024
President/CAO - LeConte	50 00					X				

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 Covenant Health	Employer identification number 62-1646734
---------------------------------------------	----------------------------------------------

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	<input type="checkbox"/>	A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).																					
2	<input type="checkbox"/>	A school described in section 170(b)(1)(A)(ii). (Attach Schedule E)																					
3	<input type="checkbox"/>	A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).																					
4	<input type="checkbox"/>	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	<input type="checkbox"/>	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	<input type="checkbox"/>	A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).																					
7	<input type="checkbox"/>	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	<input type="checkbox"/>	A community trust described in section 170(b)(1)(A)(vi) (Complete Part II)																					
9	<input type="checkbox"/>	An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2). (Complete Part III)																					
10	<input type="checkbox"/>	An organization organized and operated exclusively to test for public safety See section 509(a)(4).																					
11	<input checked="" type="checkbox"/>	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 <table><tr><td>a</td><td><input type="checkbox"/></td><td>Type I</td><td>b</td><td><input checked="" type="checkbox"/></td><td>Type II</td><td>c</td><td><input type="checkbox"/></td><td>Type III - Functionally integrated</td><td>d</td><td><input type="checkbox"/></td><td>Type III - Non-functionally integrated</td></tr></table>	a	<input type="checkbox"/>	Type I	b	<input checked="" type="checkbox"/>	Type II	c	<input type="checkbox"/>	Type III - Functionally integrated	d	<input type="checkbox"/>	Type III - Non-functionally integrated									
a	<input type="checkbox"/>	Type I	b	<input checked="" type="checkbox"/>	Type II	c	<input type="checkbox"/>	Type III - Functionally integrated	d	<input type="checkbox"/>	Type III - Non-functionally integrated												
e	<input checked="" type="checkbox"/>	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 <input type="checkbox"/>																					
g		Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons? <table><tr><td>(i)</td><td>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?</td><td>Yes</td><td>No</td></tr><tr><td>(ii)</td><td>A family member of a person described in (i) above?</td><td>11g(ii)</td><td>No</td></tr><tr><td>(iii)</td><td>A 35% controlled entity of a person described in (i) or (ii) above?</td><td>11g(iii)</td><td>No</td></tr></table>										(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?	Yes	No	(ii)	A family member of a person described in (i) above?	11g(ii)	No	(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	No
(i)	A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	Yes	No																				
(ii)	A family member of a person described in (i) above?	11g(ii)	No																				
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	No																				
h		Provide the following information about the supported organization(s)																					

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
See Additional Data Table									
Total									0

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
Part I, Line 11(h)(iv)	Covenant Health is operated or controlled in connection with all of the listed supported organizations, and its articles of organization require that it be operated to support or benefit these organizations. These organizations are referred to in the articles by group and are not named individually. All of the above described organizations are governed by a board of directors with 100% overlap of board membership. Part I, Line 11(h)(vii). Covenant Health operates to serve the interests of its member hospitals and the other non-profit health organizations named in Schedule A, Part I (the "Supported Organizations"). The organization's activities have been discussed in detail on Schedule O in response to Form 990, Part III, Lines 4a thru 4d. Covenant Health may also pay expenses on behalf of, provide operating cash to, or make a grant to one of its Supported Organizations. See Schedule R, Part V for information about transfers to controlled organizations.

Additional Data

Software ID:
Software Version:
EIN: 62-1646734
Name: Covenant Health

Form 990, Sch A, Part I, Line 11h - Provide the following information about the supported organization(s).

(i) Name of Supported Organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section)	(iv) Is the organization in (i) listed in your governing document?		(v) Did you notify the organization in (i) of your support?		(vi) Is the organization in (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
(A) Fort Loudoun Medical Ctr	621373691	3		No	Yes		Yes		0
(A) Fort Sanders Pernatal Ctr	043760551	3		No	Yes		Yes		0
(B) Fort Sanders Regional Med Ctr	620528340	3		No	Yes		Yes		0
(C) LeConte Medical Ctr	621114867	3		No	Yes		Yes		0
(D) Methodist Medical Ctr	620636239	3		No	Yes		Yes		0
(E) Parkwest Medical Ctr	581897274	3		No	Yes		Yes		0
(F) Roane County Medical Ctr	680673354	3		No	Yes		Yes		0
(G) Thompson Cancer Survival Ctr	621250943	3		No	Yes		Yes		0
(H) Covenant Homecare	621623114	9		No	Yes		Yes		0
(I) Thompson Oncology Group	621619239	3		No	Yes		Yes		0
(J) Morristown- Hamblen Healthcare System	620545814	3		No	Yes		Yes		0

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 Covenant Health	Employer identification number 62-1646734
---------------------------------------------	--------------------------------------------------

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?	Yes		
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		10
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		9,554
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		77,290
j	Total. Add lines 1c through 1i.			86,854
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	Covenant Health indirectly conducts lobbying activities through various membership organizations. A portion of membership dues paid is included in the amount on Line 1i.

[illegible]

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization Covenant Health	Employer identification number 62-1646734
---------------------------------------------	----------------------------------------------

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

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

1

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

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

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

☐ Preservation of open space

2

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

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

3

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

4

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

5

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

☐ Yes ☐ No

6

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

7

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

8

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

☐ Yes ☐ No

9

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

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

1a

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

b

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

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

▶ \$ _____

(ii) Assets included in Form 990, Part X

▶ \$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b

Assets included in Form 990, Part X

▶ \$ _____

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

Cat No 52283D

Schedule D (Form 990) 2013

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

- 3

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

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other
- 4

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

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

☐ Yes

☐ No

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

- 1a

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

☐ Yes

☐ No
- b

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

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance
- | | |
|----|--------|
| | Amount |
| 1c | |
| 1d | |
| 1e | |
| 1f | |
- 2a

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

☐ Yes

☐ No
- b

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

☐

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

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

- 2

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

Board designated or quasi-endowment
- b

Permanent endowment
- c

Temporarily restricted endowment

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

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

3a(i)

Yes

No

(ii) related organizations

3a(ii)

b

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

3b
- 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 | | 9,403,288 | | 9,403,288 |
| b Buildings | | 19,854,235 | 3,329,235 | 16,525,000 |
| c Leasehold improvements | | 1,254,127 | 1,087,401 | 166,726 |
| d Equipment | | 20,185,185 | 16,132,552 | 4,052,633 |
| e Other | | 8,199,058 | | 8,199,058 |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) | | | | 38,346,705 |
- Schedule D (Form 990) 2013

Part XI

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

1	Total revenue, gains, and other support per audited financial statements		1	
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 X, Line 2	Note B to the consolidated audited financial statements of Covenant Health reads in part "Income Taxes. Covenant and certain of its subsidiaries or controlled entities are exempt from income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes on qualifying activities has been made for these entities in the accompanying consolidated financial statements. However, certain entities and operations are subject to income taxes which are accounted for in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, Income Taxes (See Note G)." Note G reads in part "Covenant had no unrecognized tax benefits at December 31, 2013 and 2012. As such, no interest or penalties were recognized in the Consolidated Statements of Operations related to unrecognized tax benefits. At December 31, 2013, tax returns for 2010 through 2013 are subject to examination by the Internal Revenue Service. Covenant has no uncertain tax positions that would require financial statement recognition or disclosure under generally accepted accounting principles at December 31, 2013 or 2012."

[illegible]

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
Covenant Health

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
62-1646734

Part I General Information on Grants and Assistance

1

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

☒ Yes ☐ No

2

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

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
See Additional Data Table							

2

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

29

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) Scholarships to employees of related facilities	27	76,557			

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	Eligibility and selection criteria for charitable contributions from Covenant Health are determined by a review of a written proposal or similar documentation submitted by the requesting organization. Intended use of funds must be stated or evident in the proposal/documentation. Recipient organizations generally verify use of funds in one or more of the following ways: event publicity, follow-up reports or newsletters, sponsor recognition at a program or event, itemized receipts, year-end summaries.

Additional Data

Software ID:
Software Version:
EIN: 62-1646734
Name: Covenant Health

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
American Cancer Society 871 Weisgarber Road Knoxville, TN 37909	13-1788491	501(c)(3)	5,800				Support for 2013 Hope Gala

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 4708 Papermill Road Knoxville, TN 37909	13-5613797	501(c)(3)	20,000				Sponsorship of 2013 Heart Gala

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
Boys & Girls Club of the TN Valley 220 Carrick Street Ste 318 Knoxville, TN 37921	62-0475743	501(c)(3)	10,969				Drug screenings

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
Cancer Support Community Inc 2230 Sutherland Avenue Knoxville, TN 37919	58-1846210	501(c)(3)	15,000				General 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
Catholic Charities of East TN Inc 3009 Lake Brook Blvd Knoxville, TN 37909	62-1377551	501(c)(3)	18,000				Support for programs to provide social services to those in need

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
Dogwood Arts Festival Inc 602 S Gay Street Knoxville, TN 37902	62-6074113	501(c)(3)	35,000				Support for the fitness activities of the Dogwood Arts Festival

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
Dollywood Foundation 2700 Dollywood Parks Blvd Pigeon Forge, TN 378634102	62-1348105	501(c)(3)	10,000				General support for the free book distribution program - Imagination Library

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
East TN Children's Hospital PO Box 15016 Knoxville, TN 37901	62-6002604	501(c)(3)	7,100				Support of 2013 Center Stage Event and Peyton Manning Golf Classic

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
East TN Tech Access Center Inc 4918 N Broadway Knoxville, TN 37918	58-1830378	501(c)(3)	8,000				Support programs to assist individuals with disabilities with access to assistive technology

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
Emory Valley Center 715 Emory Valley Road Oak Ridge, TN 37830	62-0762198	501(c)(3)	12,500				Support for programs serving children and adults with disabilities

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
Fort Sanders Foundation 280 Ft Sanders West Blvd Ste 202 Knoxville, TN 37922	62-1748601	501(c)(3)	10,000				Fundraisers benefiting Patricia Neal Rehab Center, Peninsula, and the Hope Center

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
Great Smoky Mtn Council Boy Scouts of America PO Box 51885 Knoxville, TN 37950	62-0476811	501(c)(3)	15,000				Support for 2013 Friends of Scouting Campaign

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
Honor Air Knoxville 7536 Taggart Lane Knoxville, TN 37938	26-2825063	501(c)(3)	20,000				Support for flights for veterans to visit Washington, D C war memorials

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
Morristown Hamblen Hospital Foundation PO Box 1178 Morristown, TN 37816	62-1697090	501(c)(3)	6,200				General support fundraising

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
Innovation Valley Inc 17 Market Square Ste 201 Knoxville, TN 37902	26-2087582	501(c)(3)	60,000				Support for regional economic development

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Juvenile Diabetes Research Foundation 26 Broadway 15th Floor New York, NY 10004	23-1907729	501(c)(3)	15,000				General 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
Knoxville Community Development Corp 901 N Broadway Knoxville, TN 379213550	62-6001582	501(c)(3)	62,500				Support for case management services for at risk residents

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
Knoxville Medical Missions Foundation 1932 Historic Ferry Way Knoxville, TN 37922	30-0197352	501(c)(3)	10,000				General 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
Knoxville News Sentinel Charities Inc 2332 News Sentinel Drive Knoxville, TN 37921	51-0141541	501(c)(3)	25,000				General support fundraiser - Knoxville Sentinel Open Tournament

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
Knoxville Symphony Orchestra 100 S Gay St Ste 302 Knoxville, TN 37901	62-6008097	501(c)(3)	13,600				General 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
Knoxville Track Club PO Box 32035 Knoxville, TN 37930	62-0731345	501(c)(3)	50,000				General support Covenant Health Marathon

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
Komen Knoxville Race for Cure 9724 Kingston Pike Ste 705 Knoxville, TN 37922	75-1835298	501(c)(3)	12,000				Race sponsor for organization supporting breast cancer research and awareness

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
Robert F Thomas Foundation PO Box 4395 Sevierville, TN 37864	58-1537582	501(c)(3)	7,000				Fundraisers to benefit LeConte Medical Center

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
Sacred Heart Church 711 South Northshore Drive Knoxville, TN 37919	62-0572260	501(c)(3)	10,000				Support for Haiti medical outreach, general 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
W C Two 2351 Dandridge Avenue Knoxville, TN 37915	62-1845117	501(c)(3)	10,000				General 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
Variety Children's Charity of East TN 7132 Regal Lane Knoxville, TN 37918	33-1025696	501(c)(3)	20,000				Support of programs for special needs children

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
Thompson Cancer Survival Center Foundation 1915 White Avenue Knoxville, TN 37916	58-2130450	501(c)(3)	12,000				2013 Buddy's Race for the Cure

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
United Way of Greater Knoxville 1301 Hannah Ave Knoxville, TN 37921	62-0475748	501(c)(3)	105,500				Support of the Interfaith Health Clinic, general 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
The Great Schools Partnership 912 S Gay Street L210 Knoxville, TN 37902	76-6206166	501(c)(3)	600,000				Support for programs to improve the quality of education in Knox County Schools

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
Covenant Health

Employer identification number
62-1646734

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

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
Part I, Line 1a	Tax gross-up payments and reimbursement of fees for personal services for legal and financial planning are provided to certain executives and managers. These are treated as taxable compensation to the recipients. Officers and Board members attending official Board retreats are offered a discretionary spending allowance that may be used for incidental spending and/or companion travel. The allowance is treated as taxable compensation to the recipient. In addition, Board members receive tax indemnification payments related to reportable compensation from the spending allowances, which are also treated as taxable compensation.
Part I, Line 4b	Anthony L. Spezia was a participant in two nonqualified deferred compensation plans, which will be referred to as Plan A and Plan B. In 2011, Mr. Spezia vested in Plan A, and the accumulated balance as of August 1, 2011, was included in his 2011 taxable income. An Amendment to Plan A was adopted effective August 1, 2011, which terminated further accruals (contributions) to the plan. However, the Amendment does allow the accrual of interest on undistributed amounts which will be subject to risk of forfeiture until such time as indicated in the Amendment. Interest earned by Plan A in 2013 amounted to \$77,542 and is not required to be reported in Part II, as Mr. Spezia is not substantially vested in earnings accumulated after July 31, 2011. Plan B was established in 2011. Employer contributions to Plan B during 2013 totaled \$204,000, which is reported in Column C of Schedule J, Part II. Interest earned by Plan B during 2013 of \$30,427 is not required to be reported in compensation in Part II, as Mr. Spezia is not substantially vested in Plan B.

Additional Data

Software ID:
Software Version:
EIN: 62-1646734
Name: Covenant Health

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Anthony L Spezia President & CEO	(i) (ii)	955,101 0	443,088 0	145,323 0	214,000 0	14,486 0	1,771,998 0	0 0
John T Geppi EVP/CFO	(i) (ii)	448,213 0	184,500 0	77,563 0	10,000 0	15,177 0	735,453 0	0 0
James D Vandersteeg EVP-Hospital Operations	(i) (ii)	495,721 0	205,000 0	65,466 0	10,000 0	22,065 0	798,252 0	0 0
Lawrence C Kleinman EVP-Human Resources	(i) (ii)	299,168 0	88,200 0	52,564 0	10,000 0	8,471 0	458,403 0	0 0
William M Ward SVP- Chief Information Officer	(i) (ii)	239,865 0	57,634 0	43,283 0	10,000 0	21,817 0	372,599 0	0 0
Mark W Browne SVP- Chief Medical Officer	(i) (ii)	316,317 0	0 0	4,510 0	0 0	19,565 0	340,392 0	0 0
Janice McKinley SVP- Quality, Safety, & Nursing	(i) (ii)	196,777 0	57,616 0	27,910 0	10,000 0	6,788 0	299,091 0	0 0
Michael R Belbeck Jr President/CAO - Methodist	(i) (ii)	288,042 0	82,986 0	24,766 0	10,000 0	22,339 0	428,133 0	0 0
Larry R Lassiter President/CAO - Parkwest Med Ctr	(i) (ii)	293,378 0	47,080 0	45,511 0	10,000 0	21,105 0	417,074 0	0 0
Keith N Altshuler President/CAO - Fort Sanders Reg	(i) (ii)	255,884 0	40,948 0	42,894 0	10,000 0	21,897 0	371,623 0	0 0
Gordon E Lintz President/CAO - Morristown	(i) (ii)	207,264 0	55,999 0	44,913 0	10,000 0	7,692 0	325,868 0	0 0
Ellen F Wilhoit President/CAO - LeConte	(i) (ii)	171,785 0	47,834 0	37,213 0	9,671 0	14,353 0	280,856 0	0 0

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Covenant Health

Employer identification number
62-1646734

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	Health Educ & Housing Facil Brd of Knox Co	62-1220275	499523UUO	12-20-2006	46,245,448	See Part VI		X		X		X
B	Health Educ & Housing Facil Brd of Knox Co	62-1220275	499523VR6	03-24-2011	103,700,000	See Part VI		X		X		X
C	Health Educ & Housing Facil Brd of Knox Co	62-1220275	noneavail	09-15-2011	135,500,000	See Part VI		X		X		X
D	Health Educ & Housing Facil Brd of Knox Co	62-1220275	noneavail	09-15-2011	125,000,000	See Part VI		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	122,000,000		122,000,000		35,500,000			
2	Amount of bonds legally defeased	23,755,001							
3	Total proceeds of issue	46,245,448		103,700,000		135,500,000		125,000,000	
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	506,941							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	21,983,506				90,471,604			
11	Other spent proceeds								
12	Other unspent proceeds	9,528,396				9,528,396			
13	Year of substantial completion	2010		2006		2013		2010	
14	Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No	Yes	No	Yes	No
			X	X		X		X	
15	Were the bonds issued as part of an advance refunding issue?	X			X		X		X
16	Has the final allocation of proceeds been made?	X		X			X	X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III

Private Business Use

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

Part III

Private Business Use (Continued)

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

Part IV

Arbitrage

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

Part IV Arbitrage (Continued)

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

Part V Procedures To Undertake Corrective Action

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

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

Return Reference	Explanation
Schedule K, Part I, Column F	As there are five bond issues to be presented on Schedule K, there is an additonal Schedule K included Bond Issues - description of purpose Bond Issue A, date of issue 12/20/2006 - These capital appreciation bonds were initially related to a larger bond issue, subsequently refinanced as noted below, the majority of which were used to build a replacement hospital and cancer treatment center in Sevier County and to make numerous renovations and improvements at all the member hospitals A portion of the capital appreciation bonds were used for the refunding of bonds issued December 12, 2002 Bond Issue B, date of issue 3/24/2011 - These bonds were issued for the partial refunding of bonds issued December 12, 2002 Bond Issue C, date of issue 9/15/2011 - \$35,500,000 relates to the conversion of a portion of the bonds issued December 20, 2006 All other proceeds were designated to build a replacement hospital in Roane County and for various facility and equipment improvements and additions at other facilities Bond Issue D, date of issue 9/15/2011 - These bonds relate to the conversion of a portion of bonds issued December 20, 2006 Schedule K - Second Form Bond Issue A, date of issue 12/13/2012 - These bonds were issued to refund capital appreciation bonds and capital interest bonds issued December 12, 2002

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Covenant Health

Employer identification number
62-1646734

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 Health Educ & Housing Facil Brd of Knox Co	62-1220275	499527BM0	12-13-2012	161,291,013	See Part VI		X		X		X

Part II

Proceeds

					A	B	C	D
1	Amount of bonds retired							
2	Amount of bonds legally defeased				159,999,519			
3	Total proceeds of issue				161,291,013			
4	Gross proceeds in reserve funds							
5	Capitalized interest from proceeds							
6	Proceeds in refunding escrows							
7	Issuance costs from proceeds				1,291,494			
8	Credit enhancement from proceeds							
9	Working capital expenditures from proceeds							
10	Capital expenditures from proceeds							
11	Other spent proceeds							
12	Other unspent proceeds							
13	Year of substantial completion				2006			
					Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?				X			
15	Were the bonds issued as part of an advance refunding issue?					X		
16	Has the final allocation of proceeds been made?				X			
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?				X			

Part III

Private Business Use

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

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?								
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?								
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6	Total of lines 4 and 5								
7	Does the bond issue meet the private security or payment test?								
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?								
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?								

Part IV

Arbitrage

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

Part IV

Arbitrage (Continued)

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

Part V

Procedures To Undertake Corrective Action

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

Part VI

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

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

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
Covenant Health

Employer identification number
62-1646734

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) First Tennessee Bank	Independent contractor	169,600	Investment management		No

Part V Supplemental Information

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

Return Reference	Explanation
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SCHEDULE 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
Covenant Health

Employer identification number
62-1646734

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	X	61	23,580	Retail value,expert
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods	X		26,193	Various
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	X	6	8,330	Comparables
19 Food inventory	X	6	2,005	Retail value
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► (Gift cards/ce)	X	52	16,135	Retail or face value
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 III

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
------------------	-------------

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

Covenant Health

Employer identification number

62-1646734

Return Reference	Explanation	
	Form 990, Part III, Line 1	<p>REPORT TO THE COMMUNITY Covenant Health was formed in 1996 with the mission to serve its communities by improving the quality of life through better health. The health system is nationally recognized as a top performer in many areas: patient care, quality performance, cost, integration, information technology, finances, ethics and innovation. Amid a challenging healthcare environment, Covenant Health has committed to these imperatives:</p> <ul style="list-style-type: none">* Serving the communities as a not-for-profit health system* Leading in quality and service* Outstanding governance and leadership* An engaged work force with the right skill sets* Being the practice environment of choice for physicians* Reinvesting in the communities, providing programs, services, technologies and facilities that improve local healthcare services and patient care. <p>Covenant Health has invested well over a billion dollars in its communities since 2000 - a commitment no other healthcare organization has approached. It has opened new hospitals, expanded services, and brought cutting-edge medical technology to the region.</p> <ul style="list-style-type: none">* Meeting the challenges of the healthcare environment through effective strategic planning and wise use of resources* Providing excellent care to every patient, every time. <p>Covenant Health's Board of Directors and its administration are challenged by a complex and changing healthcare environment. These challenges require strong collaboration and a common vision among all of Covenant Health's constituents: employees, physicians, board members, patients and the communities served by Covenant Health. Providing quality care and an excellent patient experience remain high priorities for the board, especially in a new era of reimbursement based on outcomes and patient satisfaction. Because of the focused commitment of Covenant's administration and caregivers, the health system performs well in these areas. Covenant Health is committed to maintaining its not-for-profit status while providing needed services to the communities. Despite the increasing shift of responsibilities for charity care to the hospitals, Covenant Health remains strong in delivering care that improves the quality of life at the lowest possible cost. It works closely with physicians to develop strategies for service lines and health system operations and has the financial strength to weather impending storms while investing in new technologies, people, and other opportunities as they arise. In the face of today's challenges, Covenant Health has a firm foundation on which to stand, balancing lessons learned with strengths gained from a disciplined execution of thoughtful strategies. The board has a clear vision of the importance of fulfilling the mission and is prepared to address challenges with determination, commitment, knowledge and community focus.</p> <p>Covenant Health Member Organizations</p> <p>Covenant Health Board members and administrative leaders serve their communities through strategic planning and successful operation of these member organizations:</p> <p>Hospitals and Other Healthcare Providers</p> <p>Claiborne Medical Center (joined the system April 1, 2014)</p> <p>Cumberland Medical Center (joined the system February 1, 2014)</p> <p>Covenant Homecare and Hospice</p> <p>Fort Loudoun Medical Center (Fort Loudoun)</p> <p>Fort Sanders Perinatal Center (Perinatal Center)</p> <p>Fort Sanders Regional Medical Center (Fort Sanders Regional)</p> <p>LeConte Medical Center (LeConte)</p> <p>Methodist Medical Center (Methodist)</p> <p>Morristown-Hamblen Healthcare System (Morristown-Hamblen)</p> <p>Parkwest Medical Center (Parkwest)</p> <p>Peninsula Hospital, a Division of Parkwest Medical Center (Peninsula)</p> <p>Roane County Medical Center (Roane)</p> <p>Thompson Cancer Survival Center</p> <p>Thompson Oncology Group</p> <p>Knoxville Heart Group Outpatient and Specialty Care Departments and Joint Ventures</p> <p>Hospital-based Therapy Centers</p> <p>Fort Sanders West Diagnostic Center</p> <p>Fort Sanders West Outpatient Surgery Center</p> <p>Morristown Regional Diagnostic Center</p> <p>Patricia Neal Rehabilitation Center</p> <p>Peninsula Outpatient Centers</p> <p>Thompson Cancer Survival Center</p> <p>hospital-based Infusion Centers</p> <p>Fort Sanders Sevier Nursing Home</p> <p>Foundations</p> <p>Fort Sanders Foundation</p> <p>Methodist Medical Center Foundation</p> <p>Morristown-Hamblen Hospital Foundation</p> <p>Thompson Cancer Survival Center Foundation</p> <p>Other Programs and Services</p> <p>Fortress Corporation</p> <p>Covenant Medical Management, Inc.</p> <p>Covenant Health is also a partner in joint ventures with physicians that provide surgical and other services.</p> <p>Recognized Excellence in Caring for Our Communities</p> <p>Covenant Health delivers quality care, with services designed to meet the specific needs of people in the communities it serves. Nine acute care hospitals located in Knoxville and surrounding areas comprise the foundation of the health system. The hospitals offer comprehensive care, including emergency care, specialty services, and a full range of diagnostics and treatment provided by board-certified medical staffs. Three Covenant Health hospitals - Fort Sanders Regional, Methodist, and</p>

Return Reference	Explanation	
	Form 990, Part III, Line 1	d Parkw est Medical Centers - were named among the top 10 hosptals in Tennessee in 2013 by U S New s and World Report, recognizing excellence in both overall and specialty care Co venant Health hospitals also have been recognized for clinical accomplishments by VHA, Inc , a cooperative of non-profit healthcare organizations

Return Reference	Explanation	
Form 990, Part III, Line 1		<p>At the Forefront of Local Behavioral Health Care and Community Collaboration Following the closure of Lakeshore Mental Health Institute in 2012, patient volumes at Peninsula, a division of Parkwest Medical Center ("Peninsula") increased significantly. Efforts are made to keep patients in the community in order to provide a better continuum of care. While mental health resources are available in other Tennessee locations, outside transfers make a seamless transition and follow-up care more difficult. Therefore the staff at Peninsula continue to work on internal process improvements to be able to care for more patients. Outpatient treatment follows a 'best practice' model of care whereby new patients get immediate appointments with a nurse, therapist, physician or nurse practitioner. If a patient misses an appointment, it is rescheduled for the same day or the next. Patients have a better chance for success in treatment when there is no lag time. As a result of this approach, outpatient "no show" rates have decreased and outpatient satisfaction rates are in the 90th percentile. Other best practices include involving families or patient support systems in treatment plans and using a computerized call-back scheduling system so that phone calls are returned promptly. Peninsula staff members take a yearly refresher in Therapeutic Crisis Intervention to help behavioral staff recognize and verbally de-escalate situations that could otherwise turn into a crisis. Peninsula also works with police officers to help them recognize symptoms of mental illness among those they encounter as part of their work. Police officers may encounter someone with mental illness as often as once every shift. Peninsula also collaborates with other area mental health organizations and primary care physicians to enhance care and resources for behavioral health patients. The goal is to help people get the mental health services they need, rather than winding up in the Emergency Department, on the streets or in prison. The state of Tennessee provided funds for medications for indigent patients, transportation assistance and other outpatient programs. United Way provided a grant to assist patients transitioning to independent living. In addition to the 155-bed inpatient psychiatric hospital in Blount County, Peninsula also has outpatient facilities in Knox, Blount, Loudon, and Sevier counties. The provision of care may include hospitalization, therapy sessions, visits with psychiatrists, medication management, intensive outpatient programs and support groups.</p> <p>Covenant Health Hospitals Help Families Welcome New Babies More than 6,500 babies were born in a Covenant Health hospital in 2013. The health system offers a variety of birthing options and hospital amenities to help parents and families welcome their new borns. Families come in all shapes and sizes and so do expectations and beliefs about childbirth. Some mothers prefer minimum intervention. Others are comforted that pain relief is available during labor and delivery. Some mothers decide on an obstetrician before planning for their babies. Others choose the hospital first and then choose a qualified physician who delivers at that hospital. Covenant Health hospitals work to provide excellent care and comfort while accommodating patients' preferences for room-in or nursery care after delivery. Maternity suites at Covenant hospitals are spacious, beautifully decorated and designed to maximize comfort and provide immediate access to technology. Room options include private suites equipped with bassinets for rooming in and sleeper furniture for a family member. Some hospitals also have post-partum rooms available. Depending on the hospital, patients may have access to whirlpool tubs or entertainment units. All maternity units are secured with monitored entries and exits. Additional security devices and procedures are in place to monitor babies' safety. Covenant Hospitals Recognized for Reducing Early Elective Deliveries In addition to overall excellence in maternity and newborn care, five Covenant Health hospitals that offer obstetrics services have been recognized by the Tennessee Hospital Association (THA) for reducing the number of babies born electively between 37 and 39 weeks gestation. Fort Sanders Regional, Parkwest, LeConte, Methodist and Morristown-Hamblen medical centers each received recognition from the THA's Tennessee Center for Patient Safety for reducing elective early deliveries, thereby increasing babies' chances for better lifelong health. All five hospitals met the goal of decreasing early elective deliveries to five percent or less, and maintained the goal level for a minimum of six consecutive months. In 2011, about 12 percent of the hospitals' deliveries that occurred prior to 39 weeks gestation were considered elective. By 2014 the number had dropped to less than one percent. The Covenant hospitals are part of a statewide Healthy Tennessee Babies Are Worth the Wait initiative.</p>

Return Reference	Explanation	
	Form 990, Part III, Line 1	<p>iative launched less than two years ago to increase awareness of the benefits of full-term delivery. Among other initiatives such as patient and staff education programs, Covenant Health obstetrics departments adopted a strict policy that prohibits early elective deliveries before 39 weeks unless there is a clear medical risk to the mother or the baby. The two-week wait dramatically increases the chances for good physical and developmental health for babies. Babies born too early are at risk for respiratory distress, jaundice, hypoglycemia and other conditions or complications that require more medical care and put them at greater risk for death before their first birthdays. Waiting until 39 weeks allows for better growth and development of vital organs such as the brain, lungs and liver. Waiting is also better for the health and safety of the mother. Covenant Health is proud to lead this effort to decrease the number of infants delivered electively before 39 weeks. Two additional weeks may not seem like much time, but for an infant, it can mean the difference between complications leading to lifelong health issues and a healthy and robust start.</p> <p>Specialized Services for High-Risk Deliveries Specialized services are available in cases of a high-risk pregnancy. When a risk factor, either with the mother or unborn child, threatens a positive outcome it's important to know resources are available to discuss options and answer questions for concerned parents. Covenant Health hospitals plan and prepare for the unexpected with nurses trained in critical newborn care, access to neonatal intensive care services, and perinatologists at the Perinatal Center. At the Perinatal Center, perinatologists work with women of all reproductive ages and backgrounds to help them deliver a healthy baby - or babies. The referring physician, nurses, ultrasonographers, genetic counselors and support staff work together to help mothers during a difficult time and to deliver a healthy baby. Covenant Health has a comprehensive list of more than 50 physicians credentialed to provide care during pregnancy and while in the hospital. In addition, childbirth education classes are available to help parents prepare for their new arrival.</p> <p>Covenant Health Hospitals are Stroke Ready For a patient having a stroke, the care received immediately after it happens is critical. The hospitals of Covenant Health have been deemed "Stroke Ready" by the Healthcare Facilities Accreditation Program. This means Covenant hospitals are qualified to give patients the best initial care at the onset of a stroke. The hospitals of Covenant Health are working together to provide state-of-the-art emergency treatment and the most advanced stroke care in the region. The risk factors for stroke - high blood pressure, smoking, sedentary lifestyle and a Southern diet of deep-fried food - are high in this region. In 2013, Fort Sanders Regional's Comprehensive Stroke Center treated an average of 35-40 strokes per month. Stroke damage is often permanent and speed is vitally important to improving a patient's success at rehabilitation. A decade ago there were no local physicians that could perform procedures inside the arteries of the brain. Today, patients have access to highly qualified doctors and staff, and faster and more specialized procedures and care that significantly increase their chances of recovery. Recognized by The Joint Commission and the American Heart Association/American Stroke Association for its ability to care for stroke patients, Fort Sanders Regional is a referral center for complex stroke cases. In addition to the comprehensive Stroke Center, for patients recovering from the effects of a stroke, the nationally renowned Patricia Neal Rehabilitation Center offers a full spectrum of rehabilitation services.</p>

Return Reference	Explanation	
	Form 990, Part III, Line 1	<p>Excellence in Orthopedic Care The hospitals of Covenant Health offer comprehensive orthopedic care, including joint replacement surgery and follow-up rehabilitation services. Specialized Joint Replacement Centers are located at Parkwest, Methodist, Fort Sanders Regional and Morristown-Hamblen medical centers. The Joint Centers have teams of experienced orthopedic surgeons, nurses, clinicians and therapists who work together to provide care for hip or knee replacement patients. When patients schedule joint replacement surgery they receive personalized care and a team approach that focuses on creating positive outcomes from the surgery. Covenant Joint Center patients are prepared beforehand, guided through the process step by step, and given extraordinary care afterwards. The first step is an educational program, with an optional tour. Therapy following the surgery helps patients concentrate on developing strength in their new joints and regaining mobility. The Covenant Joint Centers' unique approach emphasizes patient education, family involvement and group support during rehabilitation. The expert team approach combined with a unique healing environment puts patients on the road to recovery faster and with fewer complications.</p> <p>Performing as Promised in Local Communities As a not-for-profit organization governed by a voluntary Board of Directors, Covenant Health reinvests excess revenues after expenses in improving patient care. Since 2000 Covenant Health has invested over \$1 billion in facilities, technologies, programs and services. No other health system in East Tennessee in this decade has approached Covenant Health's investment in clinical and medical information technology, and new, renovated and expanded hospitals and services. Despite a challenging economic environment, Covenant Health's financial strength allows it to continue pursuing a strategy of excellence and a commitment to state-of-the-art facilities, medical technology and medical information systems.</p> <p>Achieving Quality Partnerships with Physicians Covenant Health collaborates with physicians to accomplish its mission of improving the quality of life through better health. Physicians partner with the health system in many ways including employment, as members of hospital medical staffs and Covenant's board of directors, in committee leadership roles, through joint ventures and in the development of service line strategies. Covenant Medical Group, Inc. (CMG) is the new name for the health system's employed physician practices. Formerly Covenant Medical Management, CMG has grown substantially over the past several years and has more than 140 physicians in more than 70 practice locations. CMG includes both primary care and specialty physicians, with significant growth among specialty physicians. Physicians often struggle with the complexity of running a medical practice in the current healthcare environment. A physician with a solo practice may struggle economically to make that practice work. Many physicians consider employment by hospitals and health systems as an effective way to continue providing medical care in their communities. Physicians who become part of CMG do so for more than just the economic aspect of practicing medicine, and often seek employment of Covenant Health for broader reasons. Physicians who become employed by Covenant Health often decide to do so based on confidence in the health system's leadership team, because of Covenant's strategic direction and performance, and because of the quality of care delivered. Other attributes that influence the decision include the health system's local governance and strong market position and relationships. Covenant Health builds and maintains partnerships with physicians through joint ventures such as surgery centers and the development of service line strategies that focus on improving quality and cost of patient care. Nearly 1500 physicians are affiliated with Covenant Health hospitals and member organizations as active or consulting members of the health system's medical staffs. Overall, Covenant Health's desire for alignment with both employed and non-employed physicians is driven by the need to fully evolve as a healthcare system in today's environment. The health system's goal is to work side by side with physicians to provide a seamless continuum of care and excellent outcomes for patients.</p> <p>Connecting to Meet the Need through Philanthropy Covenant Health's Office of Philanthropy coordinates the philanthropic contributions of individuals and businesses throughout East Tennessee and beyond in support of health care in our region. Fund raising efforts are led by volunteer boards and staff at four foundations: Fort Sanders Foundation (serving the needs of Fort Sanders Regional, Fort Loudoun, Parkwest, Roane, Peninsula, and the Patricia Neal Rehabilitation Center), Methodist Medical Center Foundation, Morristown-Hamblen Hospital Foundation, and Thompson Cancer Survival Center Found</p>

Return Reference	Explanation	
	Form 990, Part III, Line 1	<p>ation The Dr Robert F Thomas Foundation is independent from Covenant Health but partner s with LeConte to serve the needs of that hospital During the past year the foundations o f Covenant Health received contributions of approximately \$3 million from generous individ uals and businesses These donors are partnering with Covenant Health to meet the challeng es of providing the best health care possible for the communities served Funds are used t o provide new equipment and facilities at the hospitals, as well as for staff training, pa storal care and patient care programs Covenant Health strives to go beyond excellent care and to find ways of improving health on all levels - physical, mental and spiritual Past oral care is a critical part of healing body, mind and spirit for many of the patients and their families No patient is ever billed for the support and counseling offered by the h ospital chaplains In the health care environment, chaplains and volunteer spiritual couns elors are seen as partners in the healing process, and their services are underw ritten by many generous donors Each year, the Fort Sanders Regional and Parkwest pastoral care depa rtments host the Gammon-Heatherly Lecture Series which provides continuing education to ar ea ministers and other caregivers The annual event is provided through charitable gifts The series aims to be thought-provoking and insightful and provides a good netw orking oppo rtunity with clergy and laypersons from the community In May 2013 a new Serenity Garden w as dedicated at Roane County Medical Center The garden offers a quiet spot for reflection and respite just outside the hospital's front entrance It features specially engraved st one pavers recognizing generous community organizations, churches and individuals who supp orted the campaign for the new hospital and pastoral care services for patients and fami lies Together with many generous members of our community, the Foundations of Covenant Heal th are meeting important physical and spiritual needs on the path to improved health for a ll Leadership Academy Welcomes Second Group of Participants for "Up Close" Healthcare Exp erience While the Office of Philanthropy staff coordinates community events and fund raise rs, local community leadership and involvement is critical to fund raising success To exp and the number of informed volunteer leaders in the community, the Office of Philanthropy launched a new program, Covenant Answers A Healthcare Leadership Academy Inaugural Acade my participants included representatives from the boards of Covenant Health, and Fort Sand ers and Thompson Cancer Survival Center Foundations Future Leadership Academy classes wil l include business and community representatives from throughout Covenant's service area During a five-month period class members attend half-day sessions at five different Covenan t hospitals Classes include behind-the-scenes tours and hands-on access to the latest te chnologies and treatments Participants have opportunities to discuss the challenges of th e current healthcare environment with leading Covenant physicians and clinicians, and spea k firsthand with patients whose recovery hinges on the excellent care provided at one of t he Covenant hospitals The first group of participants were given the chance to try their hands at using adaptive rehab equipment and maneuvering a surgical robot</p>

Return Reference	Explanation												
Form 990, Part III, Line 1	<p>Reaching Beyond Hospital Walls In addition to taking care of the patients and families who receive direct services, Covenant Health is committed to making a positive impact in the health of the surrounding community. In all the communities Covenant Health serves, local initiatives and partnerships create opportunities to interact with people of all ages and encourage healthier lifestyles. * In April 2013 approximately 7,000 people participated in the 9th anniversary of the Covenant Health Knoxville Marathon, which attracted local runners and hand cyclists, as well as competitors from throughout the U.S. and other countries. * The Covenant Health Biggest Winner Weight Loss Challenge continued as a friendly competition that encourages East Tennesseans to get off the couch and get moving for a fit and healthy lifestyle. Team members train together for five months, with the goal of crossing the finish line in Covenant Health Knoxville Marathon events. Participants challenge other East Tennesseans to start a health journey that will change their lives for the better. * Some of the funds raised through the Covenant Health Knoxville Marathon were contributed to The Patricia Neal Rehabilitation Center's Innovative Recreation Cooperative, a collaboration of groups and individuals who help disabled persons enjoy leisure and recreation activities such as water skiing and cycling. * The Covenant Kids Run attracted over 1,000 children who participated in a "marathon" of activities over a period of several weeks, culminating in a run to Neyland Stadium on the day before the Covenant Health Knoxville Marathon. * Covenant HomeCare Hospice helps children grieving the loss of a loved one through Katerpillar Kids Camp, offered with the support of Variety-The Children's Charity. The camp is staffed by health system volunteers and helps children in grades 1-12 express their feelings in a supportive environment. Each year participating children make quilt squares, which are later used to create quilts representing each camp session. In 2013, several quilts were selected for display at the Oak Ridge Children's Museum. * Covenant Health hospitals are partnering with local organizations to perform assessments of health status and to identify the primary health issues affecting our region. Once assessments are complete, the hospitals will be developing local programs and communicating availability of existing services to help address some of these health issues.</p> <p>Community Benefit Report One of the most tangible expressions of the charitable purpose of Covenant Health is providing care to people in need. As a not-for-profit system, Covenant Health provides medically necessary services to people with limited resources. Covenant Health actively participates in the state's TennCare program, and collaborates with other area providers to identify and support efforts to make community healthcare resources available for those in need.</p> <table><tr><td>Summary of System Community Benefit Totals for Uncompensated Care 2013</td><td>Charity Care</td><td>\$48.5 million</td><td>TennCare*</td><td>\$40.5 million</td><td>Medicare*</td></tr><tr><td></td><td>\$71.1 million</td><td>Total Uncompensated Care</td><td>\$160.1 million</td><td>Each hospital in the Covenant Health system</td><td></td></tr></table> <p>reports its specific Uncompensated Care on its Form 990. *Care which costs more to provide than reimbursements from state and national programs cover. Covenant Health provides community benefit that far exceeds the value of its tax-exempt status.</p> <p>2013 Summary of Additional Community Benefit Health Professions Education Continuing education, preparation of future healthcare professionals \$1,558,904 Subsidized Health Services Clinical services provided to meet community needs despite financial loss \$18,815,965 Donations, Medical Missions and Community Building Funds and in-kind services donated to the community, including funds to support charitable endeavors and address challenges such as poverty and homelessness, as well as mission trips to areas outside the U.S. \$3,438,855 Total Contributions \$183,913,724</p>	Summary of System Community Benefit Totals for Uncompensated Care 2013	Charity Care	\$48.5 million	TennCare*	\$40.5 million	Medicare*		\$71.1 million	Total Uncompensated Care	\$160.1 million	Each hospital in the Covenant Health system	
Summary of System Community Benefit Totals for Uncompensated Care 2013	Charity Care	\$48.5 million	TennCare*	\$40.5 million	Medicare*								
	\$71.1 million	Total Uncompensated Care	\$160.1 million	Each hospital in the Covenant Health system									

Return Reference	Explanation
Form 990, Part VI, Section B, line 11	<p>Part VI, Section B, Line 11 Covenant Health is a large integrated health system which files twelve Forms 990 Annually, at the September Finance Committee meeting, one of the twelve 990s is selected (a different entity each year) for distribution to each member of the Committee Management then reviews in detail each of the Form 990 schedules and describes variances between entities, if any The remaining eleven Forms are made available for review by any committee member The same presentation is made to the Covenant Health Board of Directors at the October meeting All twelve Forms 990 are then made available to all Board members for their review throughout the month of October</p>

Return Reference	Explanation
Form 990, Part VI, Section B, line 12c	<p>Board members, officers and employees are required to adhere to rules and policies regarding conflicts of interest. Covenant Health distributes a Board-approved Code of Conduct to all employees. The Code covers among other subjects, conflicts of interest. Additionally, managers are required to complete and sign an annual management certification that addresses conflicts of interest. Board members' conflicts of interests are dealt with in the corporate bylaws, and Board members are required to complete and sign a conflict of interest questionnaire on an annual basis. The Integrity Compliance Office maintains records that contain conflict of interest information obtained from Board members, officers and employees. These records are available to be queried prior to engaging in business transactions. The Integrity Compliance Officer initially reviews all conflict of interest data. Based on this information, the officer determines what conflicts of interest exist at that point in time. Between times when surveys are collected Board members are expected to disclose any new conflicts that have arisen that affect pending Board decisions. As well, managers and other employees are expected to report conflicts to the Integrity Compliance Officer as they arise. Depending on the nature of the conflict and the circumstances surrounding the conflict and transaction, the Integrity Compliance Officer, Senior Leadership, or the Board of Directors may review the conflict of interest. Where appropriate these bodies may also consult legal counsel. Restrictions imposed on persons with a conflict of interest are determined on a case by case basis. For Covenant Health employees, the Integrity Compliance Officer in conjunction with Executive Leadership determines how to appropriately handle the conflict. In any conflict involving a Board member, such member is expected to excuse himself or herself from voting on matters that give rise to the conflict.</p>

Return Reference	Explanation	
	Form 990, Part VI, Section B, line 15	<p>Form 990, Part VI, Section B, Line 15a Annual compensation for Covenant Health's President and Chief Executive Officer ("CEO"), Anthony L. Spezia, is determined by the Compensation Committee of the Covenant Health Board of Directors, ("the Committee") which is composed of independent members of the board and chaired by the chairman of the board. The Committee is guided in its decision-making process by an independent, nationally recognized executive compensation consultant experienced in advising nonprofit hospital boards (the "Consultant") whose services include (1) providing pay comparisons with market comparables, (2) recommending salary ranges and annual base salary adjustments, (3) designing incentive compensation and deferred compensation components of the CEO's total compensation package, (4) reviewing benefits and perquisites, and (5) certifying as to the reasonableness of total annual compensation. The Consultant analyzes and makes recommendations with respect to the CEO's total compensation package through analysis of CEO compensation data for comparable nonprofit health systems in the United States. The systems selected for comparison are similar to Covenant Health in revenue, total assets, number of hospitals, full-time employees and services provided. Covenant Health's current compensation methodology includes setting base salary around the 75th percentile based on the CEO's experience and market conditions. In addition, annual incentive compensation may be awarded upon achievement of goals established by the Committee at the beginning of each fiscal year which reflect quality of care, patient safety and service excellence in addition to financial performance and other measures. Annual incentive opportunity ranges from 35-50% of base salary depending upon the CEO's performance. As a part of its CEO performance evaluation process, the Committee asks each member of the board of directors to submit a written evaluation of the CEO's performance using an evaluation form prepared by an independent audit firm. This information is collected, collated, and reported to the Committee by the audit firm; results are "blinded" so that individual board members are not identified. The blinded results are shared with the CEO as part of the evaluation process. Any increase in base salary, award of annual incentive, or changes in overall compensation methodology are made by the Committee after discussion with and advice of the Consultant and conditioned upon the Consultant's determination that such decisions result in total annual compensation that is reasonable and within a fair market value range. Once the annual performance evaluation is completed, the chairman and at least one other member of the Committee meet with the CEO and share the Committee and board's evaluation of his prior year's performance, communicate his performance goals for the upcoming year, and inform him of the Committee's actions with respect to any annual incentive award for the prior year and any base salary adjustment for the upcoming year.</p> <p>Form 990, Part VI, Section B, Line 15b Base salaries and annual bonus opportunities for Key Executives (*1) are set by the Covenant Health Chief Executive Officer (CEO) or Executive Vice President-Human Resources, subject to approval of the Compensation Committee of the Covenant Health Board of Directors ("the Committee"), after review by and discussion with the executive compensation consultant ("the Consultant") to ensure that total compensation for each executive is reasonable and within a fair market value range. Salary ranges for each executive position are based upon the recommendations of the Consultant made after comparison with similar jobs in similar size health systems across the nation. Bonuses are recommended by the CEO and approved by the Committee conditioned upon receipt of a written opinion from the Consultant that total compensation for each Key Executive is reasonable and consistent with fair market value. Base salaries are initially targeted at midpoint and vary according to the individual's experience, market conditions and competition. Annual bonuses are designed to award 0 - 45% for the Executive Vice Presidents (EVP), and 0 - 35% for the Senior Vice Presidents (SVP) and Chief Administrative Officers (CAO) of base salary based upon system performance and accomplishment of certain targets established by the CEO (*1).</p> <p>KEY EXECUTIVES</p> <p>Covenant Health employees: John T. Geppi, EVP-Chief Financial Officer; James D. Vandersteeg, EVP-Hospital Operations; Lawrence C. Kleinman, EVP-Human Resources; William M. Ward, SVP-Chief Information Officer; Mark W. Browne, SVP-Chief Medical Officer; Janice McKinley, SVP-Quality, Safety & Nursing Operations. Related organization employees compensated by Covenant Health: Keith Altshuler, President & CAO of Fort Sanders Regional Medical Center; Michael R. Belbeck, Jr., President & CAO of Methodist Medical Center; Larry R. Lassiter, President & CAO of Parkway.</p>

Return Reference	Explanation	
	Form 990, Part VI, Section B, line 15	est Medical Center Gordon Lintz, President & CAO of Morristoryn-Hamblen Healthcare System E llen Wilhoit, President & CAO of LeConte Medical Center

Return Reference	Explanation
Form 990, Part VI, Section C, line 19	Per its tax exempt bond provisions, Covenant Health is required to file quarterly and annual consolidated and obligated group financial statements and other documentation with various bond insurers and other agencies, including the Electronic Municipal Market Access (EMMA) service of the Municipal Securities Rulemaking Board (MSRB) Any member of such a repository has access to these financial statements

Return Reference	Explanation
Form 990, Part VI, Section A, Line 9	Contact Addresses for Highest Compensated Employees Covenant Health compensates the Presidents and CAOs of its member hospitals in its role as a supporting organization Their contact addresses are provided below Michael R Belbeck, Jr Methodist Medical Center 990 Oak Ridge Turnpike Oak Ridge, TN 37830 Larry R Lassiter Parkwest Medical Center 9352 Park West Boulevard Knoxville, TN 37923 Keith Altshuler Fort Sanders Regional Medical Center & Fort Sanders Perinatal Center 1901 Clinch Avenue Knoxville, TN 37916 Gordon Lintz Morristow n-Hamblen Healthcare System 908 West Fourth North Morristow n, TN 37814 Ellen Wilhoit 2110 Hornbuckle Lane Sevierville, TN 37876 All other persons listed in Part VII, Section A may be contacted at the organization's address

Return Reference	Explanation
Form 990, Part XI, line 9	Book/Tax Diff in Income(Loss) from Partnerships/Trusts -2,310,555 Return of capital from subsidiaries 83,995,294 Capital contributed to subsidiaries -85,262,300 Change in 457(b) unrealized gain/loss 500,108

Return Reference	Explanation
Form 990, Part XII, Line 2c	The Finance Committee of the Board of Directors assumes responsibility for oversight of the audit of the consolidated financial statements and selection of an independent accountant

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
Covenant Health

Employer identification number
62-1646734

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
See Additional Data Table							

Part III

Identification of Related Organizations Taxable as a Partnership

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) Endoscopy Center of Oak Ridge LLC 988 Oak Ridge Turnpike Ste 200 Oak Ridge, TN 37830 62-1667358	Outpatient medical facility	TN	N/A									
(2) Fort Sanders West OP Surgery Ctr LLC 210 Fort Sanders West Blvd Ste 200 Knoxville, TN 37922 62-1366907	Outpatient surgery center	TN	N/A									
(3) Fort Sanders West Associates 280 Fort Sanders West Blvd Ste 214 Knoxville, TN 37922 62-1384171	Building ownership	TN	N/A									
(4) Assoc of the Meridian Health Outpatient Surgery Ctr LLC 908 W 4th North St Morristown, TN 37814 86-1167487	Outpatient surgery center	TN	N/A									
(5) KOSC Properties LLC 256 Fort Sanders West Blvd Ste 200 Knoxville, TN 37922 26-2444076	Building ownership	TN	N/A									
(6) Knoxville Orthopaedic Surgery Center LLC 256 Fort Sanders West Blvd Ste 200 Knoxville, TN 37922 26-2437385	Orthodopaedic surgery	TN	N/A									

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) Fortress Corporation 280 Ft Sanders West Blvd Suite 214 Knoxville, TN 37922 62-1308885	Management company	TN	Covenant Health	C	-10,605,867	81,348,568	100 000 %	Yes	
(2) Covenant Medical Group Inc 1400 Centerpoint Blvd Bldg A Ste 10 Knoxville, TN 37932 62-1282917	Physician practice management	TN	N/A	C				Yes	
(3) Knoxville Heart Group 1819 Clinch Avenue Suite 108 Knoxville, TN 37916 27-1528941	Cardiology medical practice	TN	N/A	C				Yes	
(4) East TN Cardiovascular Surgery Group Inc 9125 Cross Park Drive Ste 200 Knoxville, TN 37923 62-1018541	Cardiovascular surgical practice	TN	N/A	C				Yes	

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 Yes

1b Yes

1c Yes

1d Yes

1e

1f Yes

1g

1h

1i

1j Yes

1k Yes

1l Yes

1m Yes

1n Yes

1o Yes

1p Yes

1q Yes

1r Yes

1s Yes

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

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

Schedule R (Form 990) 2013

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

[illegible]

Part VII

Supplemental Information

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

Return Reference	Explanation
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Additional Data

Software ID:

Software Version:

EIN: 62-1646734

Name: Covenant Health

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity?	
						Yes	No
(1) Fort Sanders Regional Medical Center 1901 W Clinch Avenue Knoxville, TN 37916 62-0528340	Acute care hospital	TN	501(c)(3)	Line 3	Covenant Health	Yes	
(1) Parkwest Medical Center 9352 Park West Boulevard Knoxville, TN 37923 58-1897274	Acute care hospital & behavioral health services	TN	501(c)(3)	Line 3	Covenant Health	Yes	
(2) Methodist Medical Center 990 Oak Ridge Turnpike Oak Ridge, TN 37830 62-0636239	Acute care hospital	TN	501(c)(3)	Line 3	Covenant Health	Yes	
(3) LeConte Medical Center 742 Middle Creek Road Sevierville, TN 37862 62-1114867	Acute care hospital	TN	501(c)(3)	Line 3	Covenant Health	Yes	
(4) Roane County Medical Center dba Roane Medical Center 8045 Roane Medical Center Dr Harriman, TN 37748 68-0673354	Acute care hospital	TN	501(c)(3)	Line 3	Covenant Health	Yes	
(5) Fort Loudoun Medical Center 550 Fort Loudoun Medical Ctr Dr Lenoir City, TN 37772 62-1373691	Acute care hospital	TN	501(c)(3)	Line 3	Covenant Health	Yes	
(6) Thompson Cancer Survival Center 1915 White Avenue Knoxville, TN 37916 62-1250943	Cancer treatment facility	TN	501(c)(3)	Line 3	Covenant Health	Yes	
(7) Thompson Oncology Group 1915 White Avenue Knoxville, TN 37916 62-1619239	Oncology services	TN	501(c)(3)	Line 3	Thompson Cancer Survival Center	Yes	
(8) Fort Sanders Foundation 280 Fort Sanders West Blvd Ste 202 Knoxville, TN 37922 62-1748601	Fundraising and patient outreach	TN	501(c)(3)	Line 11b, II	Covenant Health	Yes	
(9) Covenant Homecare 3001 Lake Brook Blvd Ste 101 Knoxville, TN 37909 62-1623114	Home health services	TN	501(c)(3)	Line 9	Covenant Health	Yes	
(10) Fort Sanders Perinatal Center 501 19th St Ste 304 Knoxville, TN 37916 04-3760551	High risk obstetrical services	TN	501(c)(3)	Line 3	Fort Sanders Regional Medical Center	Yes	
(11) Morristown-Hamblen Hospital Assoc dba M-H Healthcare System 908 W 4th North St Morristown, TN 37814 62-0545814	Acute care hospital	TN	501(c)(3)	Line 3	Covenant Health	Yes	
(12) Thompson Cancer Survival Center Foundation 1915 White Avenue Knoxville, TN 37916 58-2130450	Fundraising and patient outreach	TN	501(c)(3)	Line 11b, II	Covenant Health	Yes	

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
Fort Sanders Regional Medical Center	A	2,484,031	Cost
Fort Sanders Regional Medical Center	G	1,053,248	FMV
Fort Sanders Regional Medical Center	L	21,762,446	FMV
Fort Sanders Regional Medical Center	O	557,275	FMV
Fort Sanders Regional Medical Center	P	3,003,278	Cost
Fort Sanders Regional Medical Center	Q	45,179,982	Cost
Fort Sanders Regional Medical Center	S	3,246,445	Cash
Parkwest Medical Center	A	21,918,676	Cost
Parkwest Medical Center	G	1,524,953	FMV
Parkwest Medical Center	L	22,379,005	FMV
Parkwest Medical Center	O	691,843	FMV
Parkwest Medical Center	P	2,878,653	Cost
Parkwest Medical Center	Q	128,687,867	Cost
Parkwest Medical Center	R	7,186,065	Cash
Parkwest Medical Center	S	6,985,352	Cash
Methodist Medical Center	G	84,638,254	FMV
Methodist Medical Center	L	13,355,572	FMV
Methodist Medical Center	O	489,155	FMV
Methodist Medical Center	P	846,231	Cost
Methodist Medical Center	Q	66,077,576	Cost
Methodist Medical Center	S	71,570,871	Cash
Morristown-Hamblen Hospital Association	L	7,452,903	FMV
Morristown-Hamblen Hospital Association	O	311,269	FMV
Morristown-Hamblen Hospital Association	P	1,784,818	Cost
Morristown-Hamblen Hospital Association	Q	44,819,497	Cost

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
Morristown-Hamblen Hospital Association	S	54,824,978	Cash
LeConte Medical Center	A	1,118,049	Cost
LeConte Medical Center	G	228,242	FMV
LeConte Medical Center	L	5,412,589	FMV
LeConte Medical Center	O	260,323	FMV
LeConte Medical Center	P	1,553,523	Cost
LeConte Medical Center	Q	33,744,136	Cost
LeConte Medical Center	S	41,466,182	Cash
Roane County Medical Center	L	2,163,387	FMV
Roane County Medical Center	O	474,219	FMV
Roane County Medical Center	P	1,120,611	Cost
Roane County Medical Center	Q	77,777,301	Cost
Roane County Medical Center	R	1,634,900	Cash
Roane County Medical Center	S	10,718,454	Cash
Fort Loudoun Medical Center	A	213,569	Cost
Fort Loudoun Medical Center	G	77,221	FMV
Fort Loudoun Medical Center	L	2,949,597	FMV
Fort Loudoun Medical Center	O	202,135	FMV
Fort Loudoun Medical Center	P	793,212	Cost
Fort Loudoun Medical Center	Q	12,933,592	Cost
Fort Loudoun Medical Center	S	16,066,000	Cash
Thompson Cancer Survival Center	L	1,883,310	FMV
Thompson Cancer Survival Center	O	155,846	FMV
Thompson Cancer Survival Center	Q	5,606,619	Cost
Thompson Cancer Survival Center	S	12,912,274	Cash

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
Thompson Oncology Group	L	484,686	FMV
Thompson Oncology Group	O	24,521	FMV
Thompson Oncology Group	Q	10,210,759	Cost
Thompson Oncology Group	R	259,602	Cash
Thompson Oncology Group	S	2,055,602	Cash
Covenant Homecare	A	73,826	Cost
Covenant Homecare	L	1,121,291	FMV
Covenant Homecare	Q	10,748,959	Cost
Covenant Homecare	S	11,488,072	Cash
Fort Sanders Perinatal Center	Q	6,917,158	Cost
Fort Sanders Perinatal Center	S	7,490,742	Cash
Knoxville Heart Group	L	212,514	FMV
Knoxville Heart Group	P	2,433,578	Cost
Knoxville Heart Group	Q	4,542,801	Cost
East TN Cardiovascular Surgical Group	Q	1,059,804	Cost
Fortress Corporation	A	385,451	Cost
Fortress Corporation	K	480,547	FMV
Fortress Corporation	L	1,968,710	FMV
Fortress Corporation	O	63,327	FMV
Fortress Corporation	P	955,474	Cost
Fortress Corporation	Q	4,962,161	Cost
Fort Sanders West OP Surgery Center	Q	943,231	Cost
Covenant Medical Group	A	120,134	Cost
Covenant Medical Group	L	4,810,082	FMV
Covenant Medical Group	Q	39,235,704	Cost

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
Fort Sanders Foundation	C	118,747	FMV
Fort Sanders Foundation	O	208,496	FMV