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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

We reveal and foster God's healing love by improving the health of the people and communities we serve, especially those who are poor and vulnerable

2

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

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

3

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

If "Yes," describe these changes on Schedule O

4

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

4a

(Code ) (Expenses \$ 343,063,215 including grants of \$ 1,641,196 ) (Revenue \$ 404,232,598 )

All expenses for program services are related to providing patient healthcare and community services

4b

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

4c

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

4d





















Other program services (Describe in Schedule O )

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

4e

Total program service expenses 343,063,215

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

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	21	Yes	
22	Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> . . . . .	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .	24d		
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> 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		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33		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	<b>Section 501(c)(3) organizations.</b> 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? <b>Note.</b> 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.	351	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	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.	2,475	
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> 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? <b>Note.</b> 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 . . . . .	13	
	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 . . . . .	12	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . .	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .	5	No
6	Did the organization have members or stockholders? . . . . .	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? . . . . .	7a	Yes
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . .	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body? . . . . .	8a	Yes
b	Each committee with authority to act on behalf of the governing body? . . . . .	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .	9	No

Section B. Policies

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶Sharon Owens 2480 W 26TH AVENUE SUITE 200-B Denver, CO 80211 (303) 813-5190

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

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

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

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Sister Barbara Aldrich MEMBER	2 0 0 0	X						0	0	0
(2) Jason Barker President/CEO	40 0 10 0	X		X				0	606,536	75,737
(3) Kathy Boelter Chair	2 0 0 0	X						0	0	0
(4) Dane Bradford MEMBER	2 0 0 0	X						0	0	0
(5) Ralph Costanzo MD MEMBER	2 0 0 0	X						0	0	0
(6) David J Dietrich MEMBER	2 0 0 0	X						0	0	0
(7) Danielle Emery MD MEMBER	2 0 0 0	X						0	0	0
(8) Keith Lauver MEMBER	2 0 0 0	X						0	0	0
(9) Dennis Maier MD MEMBER	2 0 0 0	X						0	0	0
(10) Terrill Moore Vice Chair	2 0 0 0	X						0	0	0
(11) Jim Roscoe MEMBER	2 0 0 0	X						0	0	0
(12) Sister Sharon Smith MEMBER	2 0 0 0	X						0	0	0
(13) Mike Zimmerman Secretary/Treasurer	2 0 0 0	X						0	0	0
(14) Ron Oldfield VP & CFO	50 0 0 0			X				0	219,920	39,647
(15) Jill Kennelly VP of planning	2 0 48 0				X			0	635,269	14,725
(16) Mike Bush MD VP & CMO	50 0 0 0				X			0	386,535	75,266
(17) Steve Loveless Executive VP & COO	50 0 0 0				X			0	307,138	66,128



Part VII

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099- MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) John Kinna Executive Director, SV Phys	50 0 0 0				X			236,856	0	33,438
(19) Robert Dowdy VP Business Development	50 0 0 0				X			0	225,271	52,986
(20) Darren Walker VP Human Resources	50 0 0 0				X			0	199,948	41,340
(21) Joan Thullbery CNO (thru 8/17/2013)	50 0 0 0				X			197,410	0	25,863
(22) Michael Copeland MD Physician	50 0 0 0					X		891,022	0	34,566
(23) Richard Teff MD Physician	50 0 0 0					X		843,167	0	31,245
(24) Mark Morasch MD Physician	50 0 0 0					X		799,716	0	43,216
(25) Stuart Goodman MD Physician	50 0 0 0					X		775,535	0	47,494
(26) William Spire MD Physician	50 0 0 0					X		760,766	0	22,249
(27) Dave Iron President/CEO Foundation	0 0 50 0						X	185,520	0	31,021
1b Sub-Total . . . . .							▼			
c Total from continuation sheets to Part VII, Section A . . . . .							▼			
d Total (add lines 1b and 1c) . . . . .							▼	4,689,992	2,580,617	634,921

2

Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization▶194

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

Section B. Independent Contractors

<b>1</b> 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
MED-MAP LLC, PO Box 1295 Billings MT 59101	rental properties	5,314,564
HEMATOLOGY ONCOLOGY CNTRS OF THE RO, 2900 12th Ave North STE 160w Billings MT 59101	Oncology Physisians	4,776,769
FRONTIER ONCOLOGY, 1315 Golden Valley Circle Billings MT 59106	Oncology BLDG/EQUIP	3,893,172
MONTANA FAMILY PRACTICE, 123 S 27th Street Billings MT 591014200	FAM PRAC RESIDENCY	2,012,296
ROCKY MOUNTAIN HEALTH NETWORK, 315 North 25th Street Billings MT 59101	PHYS HOSPITAL ORG	1,981,081
<b>2</b> 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	0			
	d	Related organizations	1d	12,134,046			
	e	Government grants (contributions)	1e	2,585,267			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	0			
	g	Noncash contributions included in lines 1a-1f \$		0			
	h	Total. Add lines 1a-1f		14,719,313			
Program Service Revenue	2a	Patient Service Revenue	Business Code 900099	401,553,938	400,787,207	766,731	0
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		401,553,938			
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		1,862,701		1,862,701
4		Income from investment of tax-exempt bond proceeds		0			
5		Royalties		0			
6a		Gross rents	(i) Real 1,059,120	(ii) Personal			
		b	Less rental expenses	700,649			
		c	Rental income or (loss)	358,471	0		
		d	Net rental income or (loss)		358,471		358,471
7a		Gross amount from sales of assets other than inventory	(i) Securities 4,774,678	(ii) Other 28,163			
		b	Less cost or other basis and sales expenses		0		
		c	Gain or (loss)	4,774,678	28,163		
		d	Net gain or (loss)		4,802,841		4,802,841
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a				
		b	Less direct expenses	b	0		
		c	Net income or (loss) from fundraising events		0		
9a		Gross income from gaming activities See Part IV, line 19	a				
		b	Less direct expenses	b			
		c	Net income or (loss) from gaming activities		0		
10a		Gross sales of inventory, less returns and allowances	a				
		b	Less cost of goods sold	b			
		c	Net income or (loss) from sales of inventory		0		
Miscellaneous Revenue		Business Code					
11a	Dept Other Operating Rev	900099	3,243,324	1,650,162	1,593,162		
b	Food Service Revenue	624210	1,860,480	1,662,838	197,642		
c	PARKING FEES		89,356	89,356			
d	All other revenue		43,035	43,035			
e	Total. Add lines 11a-11d		5,236,195				
12	Total revenue. See Instructions		428,533,459	404,232,598	2,557,535	7,024,013	

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

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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.	1,641,196	1,641,196		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	0	0		
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	0	0		
4	Benefits paid to or for members.	0	0		
5	Compensation of current officers, directors, trustees, and key employees.	3,440,013	3,169,874	270,139	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0	0	0	0
7	Other salaries and wages.	132,360,789	121,857,936	10,502,853	0
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	7,033,121	6,643,064	390,057	0
9	Other employee benefits.	15,320,023	13,826,174	1,493,849	0
10	Payroll taxes.	9,046,661	8,385,784	660,877	0
11	Fees for services (non-employees):				
a	Management.	0	0	0	0
b	Legal.	2,228,087	309	2,227,778	0
c	Accounting.	0	0	0	0
d	Lobbying.	96,050	0	96,050	0
e	Professional fundraising services. See Part IV, line 17.	5,164			5,164
f	Investment management fees.	0	0	0	0
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	36,691,512	27,404,110	9,287,402	0
12	Advertising and promotion.	2,333,896	0	2,333,896	0
13	Office expenses.	7,143,324	6,614,902	528,422	0
14	Information technology.	47,286	23,163	24,123	0
15	Royalties.	0	0	0	0
16	Occupancy.	13,808,560	11,956,136	1,852,424	0
17	Travel.	2,317,785	1,633,396	684,389	0
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.	0	0	0	0
19	Conferences, conventions, and meetings.	0	0	0	0
20	Interest.	0	0	0	0
21	Payments to affiliates.	0	0	0	0
22	Depreciation, depletion, and amortization.	15,237,428	14,475,557	761,871	0
23	Insurance.	4,073,549	1,102,450	2,971,099	0
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.):				
a	MEDICAL SUPPLIES	67,257,222	67,252,178	5,044	0
b	Bad Debt	48,259,481	48,259,481	0	0
c	SYSTEM OFFICE MANAGEMENT FEE	38,687,024	1,945,938	36,741,086	0
d	Medicaid Provider Taxes	2,524,171	2,524,171		0
e	All other expenses	5,191,036	4,347,396	843,640	
25	Total functional expenses. Add lines 1 through 24e.	414,743,378	343,063,215	71,674,999	5,164
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).	0			

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		12,352	1	2,386,170
	2	Savings and temporary cash investments		272,074,239	2	4,983
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		60,720,128	4	62,711,281
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	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		0	6	0
	7	Notes and loans receivable, net		750,798	7	852,844
	8	Inventories for sale or use		7,768,283	8	6,464,315
	9	Prepaid expenses and deferred charges		5,221,268	9	5,400,074
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a365,579,861	111,985,010	10c	119,302,840
	b	Less accumulated depreciation	10b246,277,021			
	11	Investments—publicly traded securities		0	11	0
	12	Investments—other securities See Part IV, line 11		4,339,760	12	6,380,107
	13	Investments—program-related See Part IV, line 11		0	13	263,458
	14	Intangible assets		0	14	183,306
	15	Other assets See Part IV, line 11		2,212,413	15	273,522,198
	16	Total assets. Add lines 1 through 15 (must equal line 34)		465,084,251	16	477,471,576
Liabilities	17	Accounts payable and accrued expenses		28,259,464	17	29,562,849
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	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		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	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		1,624,840	25	-5,783,838
	26	Total liabilities. Add lines 17 through 25		29,884,304	26	23,779,011
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		435,199,947	27	453,692,565
	28	Temporarily restricted net assets		0	28	0
	29	Permanently restricted net assets		0	29	0
	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		435,199,947	33	453,692,565
	34	Total liabilities and net assets/fund balances		465,084,251	34	477,471,576

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	428,533,459
2	Total expenses (must equal Part IX, column (A), line 25)	2	414,743,378
3	Revenue less expenses Subtract line 2 from line 1	3	13,790,081
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	435,199,947
5	Net unrealized gains (losses) on investments	5	3,844,899
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	857,638
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	453,692,565

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?	Yes	
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	Yes	

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](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization ST VINCENT HEALTHCARE	Employer identification number 81-0232124
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Part I

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

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

1	<input type="checkbox"/>	A church, convention of churches, or association of churches described in <b>section 170(b)(1)(A)(i).</b>
2	<input type="checkbox"/>	A school described in <b>section 170(b)(1)(A)(ii).</b> (Attach Schedule E )
3	<input checked="" type="checkbox"/>	A hospital or a cooperative hospital service organization described in <b>section 170(b)(1)(A)(iii).</b>
4	<input type="checkbox"/>	A medical research organization operated in conjunction with a hospital described in <b>section 170(b)(1)(A)(iii).</b> 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 <b>section 170(b)(1)(A)(iv).</b> (Complete Part II )
6	<input type="checkbox"/>	A federal, state, or local government or governmental unit described in <b>section 170(b)(1)(A)(v).</b>
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 <b>section 170(b)(1)(A)(vi).</b> (Complete Part II )
8	<input type="checkbox"/>	A community trust described in <b>section 170(b)(1)(A)(vi)</b> (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 <b>section 509(a)(2).</b> (Complete Part III )
10	<input type="checkbox"/>	An organization organized and operated exclusively to test for public safety See <b>section 509(a)(4).</b>
11	<input 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 <b>section 509(a)(3).</b> Check the box that describes the type of supporting organization and complete lines 11e through 11h <b>a</b> <input type="checkbox"/> Type I <b>b</b> <input type="checkbox"/> Type II <b>c</b> <input type="checkbox"/> Type III - Functionally integrated <b>d</b> <input type="checkbox"/> Type III - Non-functionally integrated
e	<input 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	<input type="checkbox"/>	If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
g	<input type="checkbox"/>	Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons? <b>(i)</b> A person who directly or indirectly controls, either alone or together with persons described in <b>(ii)</b> and <b>(iii)</b> below, the governing body of the supported organization? <b>(ii)</b> A family member of a person described in <b>(i)</b> above? <b>(iii)</b> A 35% controlled entity of a person described in <b>(i)</b> or <b>(ii)</b> above?
h	<input type="checkbox"/>	Provide the following information about the supported organization(s)

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

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

Part II

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

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

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

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

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

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

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

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

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



Part IV

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

Facts And Circumstances Test		
Return Reference	Explanation	

SCHEDULE 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 ST VINCENT HEALTHCARE	Employer identification number  81-0232124
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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 <b>Form 1120-POL</b> for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

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

Part II-A

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

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

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

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

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

Part II-B

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	0
d	Mailings to members, legislators, or the public?		No	0
e	Publications, or published or broadcast statements?		No	0
f	Grants to other organizations for lobbying purposes?		No	0
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		96,050
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	0
i	Other activities?		No	0
j	Total. Add lines 1c through 1i.			96,050
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 G	General, Federal and State lobbying MHA association dues

[illegible]

SCHEDULE D  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b**  
▶ **Attach to Form 990.** ▶ **See separate instructions.** ▶ **Information about Schedule D (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

OMB No 1545-0047

2013

Open to Public Inspection

<b>Name of the organization</b> ST VINCENT HEALTHCARE	<b>Employer identification number</b>  81-0232124
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Part I

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

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

Part II

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

1

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

☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area  
☐ Protection of natural habitat ☐ Preservation of a certified historic structure  
☐ Preservation of open space

2

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

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

3

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

4

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

5

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

☐ Yes ☐ No

6

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

7

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

8

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

☐ Yes ☐ No

9

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

Part III

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

1a

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

b

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

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

▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X

▶ \$ \_\_\_\_\_

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ \_\_\_\_\_

b

Assets included in Form 990, Part X

▶ \$ \_\_\_\_\_

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

Cat No 52283D

Schedule D (Form 990) 2013

Part III

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

- 3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other
- 4

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

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

☐ Yes

☐ No

Part IV

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

- 1a

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

☐ Yes

☐ No
- b

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

	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 . . . . .	19,944,936	17,928,483	17,315,205	13,018,507	11,984,697
b Contributions . . . . .	9,541,014	4,861,760	4,759,506	7,120,185	3,744,602
c Net investment earnings, gains, and losses	1,046,819	670,983	-155,529	557,080	983,335
d Grants or scholarships . . . . .	5,289,936	1,704,966	2,728,621	1,940,841	2,017,212
e Other expenditures for facilities and programs . . . . .	3,076,725	1,811,324	1,262,078	1,439,726	1,676,915
f Administrative expenses . . . . .					
g End of year balance . . . . .	22,166,108	19,944,936	17,928,483	17,315,205	13,018,507

- 2

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

a

Board designated or quasi-endowment

5 000 %

b

Permanent endowment

32 000 %

c

Temporarily restricted endowment

63 000 %

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

3a

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

(i) unrelated organizations . . . . .

3a(i)

☐ Yes

☐ No

(ii) related organizations . . . . .

3a(ii)

☐ Yes

☐

b

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

3b

☐ Yes

☐
- 4

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

Part VI

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

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .		16,833,160		16,833,160
b Buildings . . . . .		171,156,617	114,830,106	56,326,511
c Leasehold improvements . . . . .		2,395,704	1,788,215	607,489
d Equipment . . . . .		156,389,423	129,658,700	26,730,723
e Other . . . . .		18,804,957	0	18,804,957
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				119,302,840





**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.

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

**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.

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

**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
Intended use of endowment funds	The two largest endowments are designated for insurance coverage for the working poor and nurse education. The remainder supports various hospital departments and for the greatest need for the hospital and patients. The endowments are held by St. Vincent Healthcare Foundation.

[illegible]

SCHEDULE H  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
ST VINCENT HEALTHCARE

Employer identification number  
81-0232124

Part I

Financial Assistance and Certain Other Community Benefits at Cost

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

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1) . . . .			6,447,422		6,447,422	1 760 %
b Medicaid (from Worksheet 3, column a) . . . . .			30,278,682	22,579,223	7,699,459	2 100 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . .						
d <b>Total</b> Financial Assistance and Means-Tested Government Programs . .			36,726,104	22,579,223	14,146,881	3 860 %
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . .			2,241,950		2,241,950	0 610 %
f Health professions education (from Worksheet 5) . . . .			186,380		186,380	0 050 %
g Subsidized health services (from Worksheet 6) . . . .			12,185,543	5,719,893	6,465,650	1 760 %
h Research (from Worksheet 7)			134,259		134,259	0 040 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			3,728,971		3,728,971	1 020 %
j <b>Total</b> Other Benefits . . . .			18,477,103	5,719,893	12,757,210	3 480 %
k <b>Total.</b> Add lines 7d and 7j . .			55,203,207	28,299,116	26,904,091	7 340 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing			0		0	0 %
2Economic development			0		0	0 %
3Community support			256,227		256,227	0 070 %
4Environmental improvements			1,276		1,276	0 %
5Leadership development and training for community members			0		0	0 %
6Coalition building			2,474		2,474	0 %
7Community health improvement advocacy			45,667		45,667	0 010 %
8Workforce development			198		198	0 %
9Other			0		0	0 %
10Total			305,842		305,842	0 080 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?

1

Yes

2

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

2

19,840,994

3

Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.

3

4

Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.

Section B. Medicare

5

Enter total revenue received from Medicare (including DSH and IME).

5

83,365,097

6

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

6

92,282,362

7

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

7

-8,917,265

8

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

☐ Cost accounting system

☒ Cost to charge ratio

☐ Other

9a

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

9a

Yes

9b

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

9b

Yes

Part IVManagement Companies and Joint Ventures

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1 ROCKY MTN HEALTH NET	PHO - PROVIDE ADMIN SERVICES	50 000 %		50 000 %
2 ATHL MED & PERFORM	ATHLETIC MEDICINE/PERFORMANCE	33 330 %		47 410 %
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V

Facility Information

Section A. Hospital Facilities

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

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

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

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

St Vincent Healthcare

Name of hospital facility or facility reporting group

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

1

		Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)			
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 . . . . . If "Yes," indicate what the CHNA report describes (check all that apply) a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility b <input checked="" type="checkbox"/> Demographics of the community c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input checked="" type="checkbox"/> How data was obtained e <input checked="" type="checkbox"/> The health needs of the community f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	Yes	
2 Indicate the tax year the hospital facility last conducted a CHNA 20 <u>11</u>			
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted . . . . .	3	Yes	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI . . . . .	4	Yes	
5 Did the hospital facility make its CHNA report widely available to the public? . . . . . If "Yes," indicate how the CHNA report was made widely available (check all that apply) a <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>WWW.SVH-MT.ORG</u> b <input type="checkbox"/> Other website (list url) _____ c <input checked="" type="checkbox"/> Available upon request from the hospital facility d <input type="checkbox"/> Other (describe in Part VI)	5	Yes	
6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year) a <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA b <input checked="" type="checkbox"/> Execution of the implementation strategy c <input checked="" type="checkbox"/> Participation in the development of a community-wide plan d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans f <input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input checked="" type="checkbox"/> Prioritization of health needs in its community h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs . . . . .	7		No
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? . . . . .	8a		No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . .	8b		
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____			

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
9	Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for free care 200 % If "No," explain in Part VI the criteria the hospital facility used	10	Yes
11	Used FPG to determine eligibility for providing discounted care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 % If "No," explain in Part VI the criteria the hospital facility used	11	Yes
12	Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply)	12	Yes
a <input checked="" type="checkbox"/> Income level			
b <input checked="" type="checkbox"/> Asset level			
c <input checked="" type="checkbox"/> Medical indigency			
d <input type="checkbox"/> Insurance status			
e <input type="checkbox"/> Uninsured discount			
f <input type="checkbox"/> Medicaid/Medicare			
g <input type="checkbox"/> State regulation			
h <input type="checkbox"/> Residency			
i <input type="checkbox"/> Other (describe in Part VI)			
13	Explained the method for applying for financial assistance? . . . . .	13	Yes
14	Included measures to publicize the policy within the community served by the hospital facility? . . . . . If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	14	Yes
a <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website			
b <input type="checkbox"/> The policy was attached to billing invoices			
c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices			
e <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility			
f <input checked="" type="checkbox"/> The policy was available upon request			
g <input type="checkbox"/> Other (describe in Part VI)			
Billing and Collections			
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? . . . . .	15	Yes
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP		
a <input type="checkbox"/> Reporting to credit agency			
b <input type="checkbox"/> Lawsuits			
c <input type="checkbox"/> Liens on residences			
d <input type="checkbox"/> Body attachments			
e <input type="checkbox"/> Other similar actions (describe in Section C)			
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged	17	No
a <input type="checkbox"/> Reporting to credit agency			
b <input type="checkbox"/> Lawsuits			
c <input type="checkbox"/> Liens on residences			
d <input type="checkbox"/> Body attachments			
e <input type="checkbox"/> Other similar actions (describe in Section C)			

Part V

Facility Information (continued)

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

☒

Notified individuals of the financial assistance policy on admission
- b

☒

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

☒

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

☒

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

☐

Other (describe in Section C)

Policy Relating to Emergency Medical Care

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

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

20		
Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care		
a	<input type="checkbox"/>	The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
b	<input type="checkbox"/>	The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
c	<input checked="" type="checkbox"/>	The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
d	<input type="checkbox"/>	Other (describe in Part VI)
21		No
During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? . . . . .		
If "Yes," explain in Part VI		
22		No
During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? . . . . .		
If "Yes," explain in Part VI		





Part V

Facility Information (continued)

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

How many non-hospital health care facilities did the organization operate during the tax year? 38

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

Part VI

Supplemental Information

Provide the following information

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

Form and Line Reference	Explanation
PART I, LINE 7	THE COST TO CHARGE RATIO USED TO REPORT AMOUNTS IN FORM 990, SCHEDULE H, PART I, LINE 7 WERE DERIVED FROM WORKSHEET 2, IN THE SCHEDULE H, FORM 990 INSTRUCTIONS PART I, LINE 7, COLUMN (F) THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE ON SCHEDULE H, PART I, LINE 7 COLUMN (F) IS \$48,259,481 PART II COMMUNITY BUILDING ACTIVITIES, THOSE THAT ENHANCE EXISTING EFFORTS OR FILL GAPS OF COMMUNITY NEED, INCLUDE PROGRAMS THAT SUPPORT THOSE IN THE COMMUNITY WHO ARE LIVING AT OR BELOW POVERTY ST VINCENT HEALTHCARE ADMINISTRATIVE LEADERSHIP AND ITS EMPLOYEES PERFORMED CIVIC ACTIVITIES IN WHICH THE HEALTH OF THE COMMUNITY WAS ADVOCATED AS A PRIORITY BY THE HOSPITAL IN 2013, ST VINCENT CONTRIBUTED FUNDING AND RESOURCED TO NON-HEALTH RELATED NOT FOR PROFITS THAT SERVE POOR AND VULNERABLE POPULATIONS THEY PROVIDED SUPPORT TO THE FOSTER GRANDPARENT PROGRAM FOR LOW-INCOME SENIORS, BROADWATER SCHOOL FOUNDATION - PARTNERS IN EDUCATION, THE SUMMER STUDENT VOLUNTEER MENTOR PROGRAM, ADOPT A HIGHWAY CLEAN UP, POLLUTION REDUCTION EFFORTS, COMMUNITY COALITION HEALTHCARE ALLIANCE WORK, HEALTH CARE ADVOCACY IN COLLABORATION WITH BILLINGS CLINIC AND YCCHD TO IMPROVE HEALTH CONDITIONS AND EVS DOCUMENTATION OF USING GREEN PRODUCTS MACHINE OPERATIONS TO CREATE A REDUCTION IN MEDICAL WASTE GOING TO LANDFILL- ESTIMATED AT 60% REDUCTION IN WASTE VOLUME PART III, LINE 1 THE ORGANIZATION REPORTS BAD DEBT IN ACCORDANCE TO HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION (HFMA) STATEMENT NO 15 TO THE EXTENT THAT HFMA STATEMENT NO 15 FOLLOWS THE GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) FOR THE REPORTING OF BAD DEBT PART III, LINE 2 THE ALLOWANCE FOR BAD DEBT IS BASED UPON THE ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS CONSIDERING BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS THE BAD DEBT ALLOWANCE IS CALCULATED AS A PERCENTAGE OF PATIENT RECEIVABLES AFTER DEDUCTIONS FOR ESTIMATED PROVISIONS FOR CONTRACTUAL ADJUSTMENTS (DISCOUNTS) ON SERVICES PROVIDED TO ENROLLEES OF MEDICARE, MEDICAID, THIRD-PARTY PAYOR PROGRAMS, CHARITY CARE, UNINSURED DISCOUNTS, AND OTHER ADMINISTRATIVE ADJUSTMENTS THE BAD DEBT EXPENSE REPORTED ON PART III, LINE 2 IS AT COST THE COST TO CHARGE RATIO USED TO CALCULATE BAD DEBT AT COST WAS DERIVED FROM WORKSHEET 2, IN THE SCHEDULE H, FORM 990 INSTRUCTIONS PART III, LINE 4 THE ALLOWANCE FOR BAD DEBT IS BASED UPON THE ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS CONSIDERING BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS THE BAD DEBT ALLOWANCE IS CALCULATED AS A PERCENTAGE OF PATIENT RECEIVABLES AFTER DEDUCTIONS FOR ESTIMATED PROVISIONS FOR CONTRACTUAL ADJUSTMENTS (DISCOUNTS) ON SERVICES PROVIDED TO ENROLLEES OF MEDICARE, MEDICAID, THIRD-PARTY PAYOR PROGRAMS, CHARITY CARE, UNINSURED DISCOUNTS, AND OTHER ADMINISTRATIVE ADJUSTMENTS THE FOLLOWING IS THE TEXT OF THE FOOTNOTE TO THE ORGANIZATIONS FINANCIAL STATEMENTS THAT DESCRIBE THE BAD DEBT ALLOWANCE AND BAD DEBT EXPENSE THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS CONSIDERING THE BUSINESS AND GENERAL ECONOMIC CONDITION IN ITS SERVICE AREA, TRENDS IN HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS THROUGHOUT THE YEAR, MANAGEMENT ASSESSES THE ADEQUACY OF THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS BASED UPON HISTORICAL COLLECTION EXPERIENCE BY PAYOR CATEGORY AND OTHER FACTORS THE RESULTS OF THESE REVIEWS ARE THEN USED TO MAKE ANY MODIFICATIONS TO THE PROVISION FOR UNCOLLECTIBLE ACCOUNTS TO ESTABLISH AN APPROPRIATE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS INCLUDES A RESERVE FOR BOTH UNINSURED PATIENTS AND BALANCE AFTER INSURANCE ACCOUNTS RECEIVABLE THE ORGANIZATION HAS A FINANCIAL ASSISTANCE PROGRAM THAT PROVIDES PATIENTS OPPORTUNITIES TO APPLY FOR FREE OR DISCOUNTED CARE OR TO BE ENROLLED IN A GOVERNMENT SPONSORED MEDICAL CARE PROGRAM THE PROCESS INCLUDES IDENTIFYING PATIENTS WITH A FINANCIAL CONCERN AND PROVIDING FINANCIAL COUNSELING AND ASSISTANCE IN APPLYING FOR THE ORGANIZATION'S CHARITY CARE AND OTHER FINANCIAL ASSISTANCE PROGRAMS CERTAIN PATIENT ACCOUNTS ARE WRITTEN OFF TO BAD DEBT BECAUSE THE ORGANIZATION DOES NOT HAVE SUFFICIENT INFORMATION TO DETERMINE IF THE PATIENT WOULD QUALIFY FOR FREE CARE OR FINANCIAL AID THEREFORE, IT IS POSSIBLE THAT SOME BAD DEBT IS ACTUALLY CHARITY CARE HOWEVER, IF A PATIENT ACCOUNT IS WRITTEN OFF TO BAD DEBT AND THE COLLECTION AGENCY LATER DETERMINES THAT THE PATIENT WOULD HAVE QUALIFIED FOR FREE CARE OR FINANCIAL AID, THEN THE BAD DEBT EXPENSE IS RECLASSIFIED TO CHARITY CARE PART III, LINE 8 THE ORGANIZATION BELIEVES THAT AT LEAST SOME PORTION OF THE COSTS WE INCUR IN EXCESS OF PAYMENTS RECEIVED FROM THE FEDERAL GOVERNMENT FOR PROVIDING MEDICAL SERVICES TO MEDICARE ENROLLEES AND BENEFICIARIES UNDER THE FEDERAL MEDICARE PROGRAM (SHORTFALL OR MEDICARE SHORTFALL) CONSTITUTES A COMMUNITY BENEFIT PROVIDING THESE SERVICES CLEARLY LESSENS THE BURDENS OF THE GOVERNMENT BY ALLEVIATING THE FEDERAL GOVERNMENT FROM HAVING TO DIRECTLY PROVIDE THESE MEDICAL SERVICES AS DEMONSTRATED AND CALCULATED ON FORM 990, SCHEDULE H, PART III, LINES 5, 6 AND 7, OUR MEDICARE "ALLOWABLE COSTS" CLEARLY EXCEED THE PAYMENTS WE RECEIVE FOR PROVIDING THESE MEDICAL SERVICES UNDER THE MEDICARE PROGRAM BY ABSORBING THE MEDICARE SHORTFALL COSTS WE ARE PROVIDING A COMMUNITY BENEFIT AS WELL AS EASING THE BURDEN OF THE FEDERAL GOVERNMENT HAVING TO COVER THESE COSTS TO ARRIVE AT THE FORM 990, SCHEDULE H, PART III, LINE 6 AMOUNT WE USED ACTUAL MEDICARE CHARGES FROM INTERNAL RECORDS AND APPLIED AN ESTIMATED COST TO CHARGE RATIO TO DETERMINE THE MEDICARE ALLOWABLE COSTS THE ESTIMATED MEDICARE COST TO CHARGE RATIO IS THE PRIOR PERIOD MEDICARE COST REPORT COST TO CHARGE RATIO PART III, LINE 9B AN INTEGRAL COMPONENT OF OUR MISSION IS TO BE GOOD FINANCIAL STEWARDS THIS REQUIRES US TO DETERMINE WHICH PATIENTS ARE IN NEED OF CHARITY CARE AND WHICH ARE ABLE TO CONTRIBUTE SOME PAYMENT FOR CARE RECEIVED WE MAINTAIN A BALANCE THAT ENABLES US TO CONTINUE TO PROVIDE CHARITY CARE TO THOSE WHO NEED IT MOST, AND TO ENSURE THAT WE MANAGE OUR RESOURCES SO THAT WE CAN CONTINUE TO BE HERE WHEN PEOPLE NEED US MOST THE ORGANIZATION NOTIFIES PATIENTS OF FINANCIAL ASSISTANCE POLICY UPON ADMISSION, DISCHARGE AND IN COMMUNICATION REGARDING PATIENT BILLS PATIENTS ARE CONTACTED MULTIPLE TIMES ABOUT UNPAID BALANCES PRIOR TO INITIATING ANY COLLECTION ACTION IF A PATIENT IS DETERMINED TO BE ELIGIBLE FOR FINANCIAL ASSISTANCE AT ANY TIME DURING THE COLLECTION PROCESS, THE ACCOUNT IS RECLASSIFIED AS FINANCIAL ASSISTANCE AND DEBT COLLECTION EFFORTS ARE CEASED PART VI, LINE 2 NEEDS ASSESSMENT Since 1994, Billings Clinic, RiverStone Health and St Vincent Healthcare have been working together as The Alliance, creating and sustaining innovative programs that address complex community-wide health issues The Alliance sees this research as a community asset, information that will assist many organizations in strengthening the impact and effectiveness of their services toward improving health in our community The 2011 Community Health NEEDS Assessment (CHNA) for Yellowstone County WAS a systematic, data-driven approach to determining the health status, behaviors and needs of our population There are three components that are essential in rendering a complete picture of the health of Yellowstone County (1) the community health survey [primary quantitative data], (2) existing data [secondary quantitative data], and (3) focus group data [primary qualitative data] The SURVEY developed for this study gives us a complete and timely view of the health status and behaviors of area residents through a randomized telephone survey of 400 Yellowstone County adults The sample drawn for this survey WAS representative of the adult Yellowstone County population in terms of demographic and socioeconomic characteristics, as well as geographical location The maximum error rate associated with the total sample of 400 residents is 4.9% at the 95 percent level of confidence Existing vital statistics and other data WERE incorporated into this assessment for Yellowstone County Comparisons WERE also made, where available, to state and national benchmarks Furthermore, wherever possible, health promotion goals outlined in Healthy People 2020 WERE included To further gain perspective from community members and local organizations, five focus groups were conducted in the area, including groups among Physicians and Other Health Professionals, Legislators, Social Service Providers, Educators, and Employers PART VI, LINE 3 PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE THE ORGANIZATION NOTIFIES PATIENTS OF FINANCIAL ASSISTANCE POLICY UPON ADMISSION, PRIOR TO DISCHARGE AND IN COMMUNICATION REGARDING PATIENT BILL

Additional Data

Software ID:

Software Version:

EIN: 81-0232124

Name: ST VINCENT HEALTHCARE

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

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

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

Name and address	Type of Facility (describe)
1 INTERNAL MEDICINE ASSOCIATES 2900 12TH AVENUE NORTH SUITE 310 W BILLINGS,MT 591017588	AMBULATORY CARE CLINIC
2 INTERNAL MEDICINE AND DIABETES 2019 BROADWATER AVENUE BILLINGS,MT 591024810	AMBULATORY CARE CLINIC
3 WEST GRAND FAMILY MEDICINE 2750 GRAND AVENUE BILLINGS,MT 591022629	AMBULATORY CARE CLINIC
4 YELLOWSTONE IMAGING AND BREAST CENTER 2900 12TH AVENUE NORTH SUITE 210 W BILLINGS,MT 59101	AMBULATORY CARE CLINIC
5 HOME OXYGEN AND MEDICAL EQUIPMENT 1124 16TH STREET WEST BILLINGS,MT 591024152	AMBULATORY CARE CLINIC
6 CARDIOVASCULAR AND THORACIC SURGERY 2900 12TH AVENUE NORTH SUITE 502E BILLINGS,MT 591017504	AMBULATORY CARE CLINIC
7 LAUREL MEDICAL CENTER 1035 1ST AVENUE LAUREL,MT 590442119	AMBULATORY CARE CLINIC
8 OUTPATIENT REHABILITATION 2900 12TH AVENUE NORTH BILLINGS,MT 59101	AMBULATORY CARE CLINIC
9 HEIGHTS FAMILY PRACTICE 32 WICKS LANE BILLINGS,MT 59105	AMBULATORY CARE CLINIC
10 HARDIN MEDICAL CLINIC 16 NORTH MILES AVENUE HARDIN,MT 590342356	AMBULATORY CARE CLINIC
11 VASCULAR CLINIC 2900 12TH AVENUE NORTHSUITE 502E BILLINGS,MT 591017504	AMBULATORY CARE CLINIC
12 YELLOWSTONE HEART CENTER 2900 12TH AVENUE NORTH SUITE 307W BILLINGS,MT 59101	AMBULATORY CARE CLINIC
13 NORTHERN ROCKIES REGIONAL PAIN CENTER 2900 12TH AVENUE NORTH SUITE 401 E BILLINGS,MT 591017506	AMBULATORY CARE CLINIC
14 NEUROSCIENCE CENTER 2900 12TH AVENUE NORTH SUITE 400E BILLINGS,MT 591010136	AMBULATORY CARE CLINIC
15 SVH NEUROSURGERY 2900 12TH AVENUE NORTH SUITE 315 W BILLINGS,MT 59101	AMBULATORY CARE CLINIC
16 CENTER FOR HEALTHY LIVING 2223 MISSION WAY BILLINGS,MT 591020160	AMBULATORY CARE CLINIC
17 OCCUPATIONAL HEALTH 1027 NORTH 27TH STREET BILLINGS,MT 591010701	AMBULATORY CARE CLINIC
18 BROADWATER WALKIN CLINIC 2019 BROADWATER AVENUE BILLINGS,MT 591024810	AMBULATORY CARE CLINIC
19 PHYSICAL MEDICINE CLINIC 2900 12TH AVENUE NORTH SUITE 400 E BILLINGS,MT 591010136	AMBULATORY CARE CLINIC
20 CANCER THERAPY CLINIC 1041 NORTH 29TH STREET BILLINGS,MT 591010700	AMBULATORY CARE CLINIC
21 ELIZABETH SETON PRENATAL CLINIC 1230 NORTH 30TH ST SUITE 100 BILLINGS,MT 591010128	AMBULATORY CARE CLINIC
22 SVH GASTROINTESTINAL CLINIC 1144 NORTH 28TH STREET SUITE C BILLINGS,MT 59101	AMBULATORY CARE CLINIC
23 MOUNTAIN VIEW CLINIC 10 ROBINSON LANE RED LODGE,MT 590680070	AMBULATORY CARE CLINIC
24 HOME HEALTH SPECIALITIES 2600 WILSON STREET MILES CITY,MT 59301	AMBULATORY CARE CLINIC
25 BEHAVIORAL HEALTH ASSOCIATES 1101 NORTH 27TH STREET SUITE 201 BILLINGS,MT 591010100	AMBULATORY CARE CLINIC
26 WEIGHT MANAGEMENT CLINIC 1101 NORTH 27TH STREET SUITE 101 BILLINGS,MT 591010100	AMBULATORY CARE CLINIC
27 SISTER JOANNA BRUNER CLINIC 720 LINDSAY LANE SUITE A CODY,WY 824144103	AMBULATORY CARE CLINIC
28 ABSAROKEE MEDICAL CLINIC 55 NORTH MONTANA AVENUE ABSAROKEE,MT 590010425	AMBULATORY CARE CLINIC
29 PHYSICAL THERAPY WEST 14 AVANTA WAY BILLINGS,MT 59102	AMBULATORY CARE CLINIC
30 SVH TRAUMATIC BRAIN INJURY 2900 12TH AVE NORTH SUITE 10W BILLINGS,MT 291010127	AMBULATORY CARE CLINIC
31 SVH NEUROLOGY 1233 NORTH 30 ST BILLINGS,MT 591010127	AMBULATORY CARE CLINIC
32 RONALD MCDONALD CLINIC 1233 NORTH 30TH STREET BILLINGS,MT 591075200	AMBULATORY CARE CLINIC
33 SVH PEDIATRIC SPECIALITY CLINICS 1230 NORTH 30TH STREET SUITE 100 BILLINGS,MT 591020128	AMBULATORY CARE CLINIC
34 MATERNAL FETAL CLINIC 2900 12TH AVENUE NORTH SUITE 130W BILLINGS,MT 59101	AMBULATORY CARE CLINIC
35 BIG HORN BASIN RADIATION ONCOLOGY CENTER 1025 9TH STREET CODY,WY 824143441	AMBULATORY CARE CLINIC
36 Ortho Trauma 1233 N 30th Street billings,MT 59101	AMBULATORY CARE CLINIC
37 MOUNTAIN VIEW CLINIC 10 Robinson Ln RED LODGE,MT 59068	AMBULATORY CARE CLINIC
38 HARDIN CLINIC 16 N Miles Ave Ste 101 HARDIN,MT 59034	AMBULATORY CARE CLINIC

Schedule I  
(Form 990)

Department of the Treasury  
Internal Revenue Service

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

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

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

OMB No 1545-0047

2013

Open to Public  
Inspection

Name of the organization  
ST VINCENT HEALTHCARE

Employer identification number  
81-0232124

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 . . . . .

18

3

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

**Part III**

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

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

**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 1, Line 2	MISSION FUND POLICIES ST VINCENT HEALTHCARE PROVIDES A LIMITED NUMBER OF GRANTS TO IMPROVE THE HEALTH AND WELL-BEING OF THE PEOPLE IN OUR COMMUNITY GUIDED BY HOSPITAL POLICY, MISSION FUND AWARD PROJECTS MUST (1) DEMONSTRATE A COMMITTMENT TO THE ST VINCENT HEALTHCARE MISSION, VISION, AND VALUES, (2) MEET CRITERIA FOR INCLUSION IN THE COMMUNITY BENEFIT REPORT, AND (3) DOCUMENT MEASURABLE OUTCOMES THAT DEMONSTRATE THE SUCCESS OF THE PROJECT PREFERENCE WILL BE GIVEN WHEN THE PROJECT (1) ADDRESSES CREATIVELY THE UNMET NEEDS OF THE ECONOMICALLY DISADVANTAGED, (2) FORMS COLLABORATIVE PARTNERSHIPS THAT IMPROVE THE HEALTH OF THE COMMUNITY, (3) AIDS A SIGNIFICANT POPULATION OF THE POOR, UNDERSERVED AND/OR UNINSURED, (4) REFLECTS ST VINCENT HEALTHCARE'S ANNUAL AND STRATEGIC GOALS, AND (5) DEMONSTRATE THE POSSIBILITY FOR SUSTAINABILITY BEYOND THE GRANT PERIOD APPLICATIONS ARE REVIEWED ON AN ANNUAL BASIS BY COMMITTEE GRANTEEES ARE REQUIRED TO PROVIDE A 6-MONTH AND 1-YEAR REPORT TO ST VINCENT HEALTHCARE AND PROVIDE FOR AN ON-SITE VISIT OF THE PROGRAM AS NOTED IN THE MISSION FUND APPLICATION, IF FUNDS ARE USED OUTSIDE OF PROJECT GUIDELINES THE GRANTEE MAY BE ASKED TO REIMBURSE ST VINCENT HEALTHCARE FOR FUNDS ALREADY DISTRIBUTED FOR THE PROJECT

Additional Data

Software ID:  
Software Version:  
EIN: 81-0232124  
Name: ST VINCENT HEALTHCARE

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
St Vincent Healthcare Foundation PO Box 352000 BILLINGS, MT 591075200	81-0468034	501(c)(3)	1,115,067				Operations

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 1903 Central Ave BILLINGS, MT 59102	13-1788491	501(c)(3)	7,500				event sponsorship



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 2812 1st Ave North BILLINGS, MT 59101	13-5613797	501(c)(3)	25,000				event sponsorship

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
Community Leadership Box 3381-103 BILLINGS, MT 59103	81-0397424	501(c)(3)	16,841				neighborhood revitalization project

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
Community Seven TV 415 N 30th St BILLINGS, MT 59101	36-3503578	501(c)(3)	8,000				health programming sponsorship

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
YMCA 402 N 32nd St BILLINGS, MT 59101	81-0229386	501(c)(3)	18,000				domestic violence hotline 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
MONTANA HEALTH NETWORK 11 S 7th Ste 241 Miles City, MT 59301	81-6073209	501(c)(3)	23,300				RURAL HOSPITAL 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
BILLINGS AREA CHAMBER 815 S 27th St Billings, MT 59101	81-0111570	501(c)(3)	10,000				sponsorship

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
EDUCAT FOUNDAT FOR BILLINGS PUBLIC SCHOOLS 415 N 30th St Billings, MT 59101	81-0452904	501(c)(3)	20,000				event sponsorship

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
UNIVERSITY OF MONTANA Box 7159 Missoula, MT 59807	81-0362989	501(c)(3)	211,988				family practice residency 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
BILLINGS AREA CATHOLIC EDUCATION TRUST 215 N 31st St billings,MT 59101	81-6081234	501(c)(3)	10,000				student scholarships

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
FOUNDATION OF MONTANA STATE UNIVERSITY 1500 UNIVERSITY DRIVE BILLINGS,MT 59102	81-0301477	501(c)(3)	10,000				event sponsorship - student scholarshipts

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
PARMLY BILLINGS LIBRARY 510 N BROADWAY BILLINGS, MT 59101	81-0451892	501(c)(3)	10,000				community library building project

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
NATIONAL MS SOCIETY 2047 Broadwater Billings, MT 59102	13-5661935	501(c)(3)	10,000				event sponsorship- multiple sclerosis 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
COMMUNITY CRISIS CENTER 704 N 30TH ST BILLINGS,MT 59101	20-3231164	501(c)(3)	82,000				operational support for crisis intervention 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
RIVERSTONE HEALTH 123 S 27TH ST BILLINGS, MT 59101	35-2332179	501(c)(3)	45,000				Medication Assistance Program

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
CENTER FOR CHILDREN AND FAMILIES 3021 3RD AVE N BILLINGS, MT 59101	26-2318221	501(c)(3)	12,000				Counseling for 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
BILLINGS SYMPHONY SOCIETY 2721 2ND AVE N STE 350 BILLINGS, MT 59101	23-7083873	501(c)(3)	6,500				event sponsorship



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](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
ST VINCENT HEALTHCARE

Employer identification number  
81-0232124

Part I

Questions Regarding Compensation

	Yes	No
<div><div>1a</div><div>Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.</div><div><div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div></div>		
<div><div>1b</div><div>If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain.</div></div>		
<div><div>2</div><div>Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?</div></div>		
<div><div>3</div><div>Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.</div><div><div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div><div><div><input type="checkbox"/> Written employment contract</div><div><input type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Approval by the board or compensation committee</div></div></div></div>		
<div><div>4</div><div>During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization:</div></div>		
<div><div>4a</div><div>Receive a severance payment or change-of-control payment?</div></div>	Yes	
<div><div>4b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>	Yes	
<div><div>4c</div><div>Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</div>		No
<div><div></div><div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div></div>		
<div><div>5</div><div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:</div></div>		
<div><div>5a</div><div>The organization?</div></div>		No
<div><div>5b</div><div>Any related organization?</div></div> <div>If "Yes," to line 5a or 5b, describe in Part III.</div>		No
<div><div>6</div><div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:</div></div>		
<div><div>6a</div><div>The organization?</div></div>		No
<div><div>6b</div><div>Any related organization?</div></div> <div>If "Yes," to line 6a or 6b, describe in Part III.</div>		No
<div><div>7</div><div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.</div></div>	Yes	
<div><div>8</div><div>Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.</div></div>		No
<div><div>9</div><div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</div></div>		

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
SCHEDULE J, PART I, LINE 4A	SEVERENCE PAYMENTS SCLHS PERIODICALLY INCURS SEVERANCE PAYMENTS RELATED TO FORMER EMPLOYEES. THE AMOUNTS PAID TO LISTED INDIVIDUALS FOR SEVERANCE IN 2013 WERE: Jill Kennelly \$330,360. SCHEDULE J, PART I, LINE 4B: PAYMENTS FROM SUPPLEMENTAL RETIREMENT PLAN. OTHER REPORTABLE COMPENSATION SHOWN IN SCHEDULE J PART II COLUMN (B) (III) CONTAINS AN ANNUAL REPORTING ADJUSTMENT FOR CERTAIN EMPLOYEES WHO PARTICIPATE IN THE SUPPLEMENTAL NONQUALIFIED RETIREMENT PLANS. SCLHS PROVIDES NONQUALIFIED RETIREMENT PLANS FOR EXECUTIVES TO COMPENSATE FOR REGULATORY IMPOSED LIMITATIONS IN QUALIFIED RETIREMENT PLANS AND TO PROVIDE A BENEFIT CONSISTENT WITH OTHER NOT-FOR-PROFIT HEALTH SYSTEMS. THESE PLANS ENABLE THE EXECUTIVE TO EARN BENEFITS DURING EACH YEAR THAT THEY PARTICIPATE. ON ADVICE OF COUNSEL, SCLHS HAS DETERMINED THAT THESE BENEFITS SHOULD BE SUBJECT TO TAXATION AS THEY ARE EARNED AND VESTED RATHER THAN WHEN THEY ARE RECEIVED. AS A RESULT, THE TOTAL NONQUALIFIED RETIREMENT PLAN BENEFITS, WHICH WERE ACCRUED AND VESTED IN THE CURRENT YEAR, ARE NOW CONSIDERED TAXABLE AND WERE TAXED TO THE PARTICIPANTS. AN AMOUNT EQUAL TO THE PARTICIPANT'S EXPECTED INCOME TAX LIABILITY WAS WITHDRAWN FROM THE PARTICIPANT'S ACCOUNT AND REMITTED TO THE IRS AS WITHHOLDING ON THE TAXABLE BENEFIT. THE AMOUNTS WITHDRAWN FROM THE PLAN FOR TAXES IN 2013 WERE: NONE. IN ADDITION, VESTED AMOUNTS ARE PAYABLE UPON END OF EMPLOYMENT. THE VESTED AMOUNTS WITHDRAWN INCLUDE AMOUNTS PREVIOUSLY TAXED TO THE RECIPIENT AND AMOUNTS TAXABLE TO THE RECIPIENT IN THE CURRENT YEAR. THE TAXABLE AMOUNTS ARE INCLUDED ON THE RECIPIENT'S W-2. THE AMOUNTS WITHDRAWN FROM THE PLAN IN 2013 WERE: Jill Kennelly \$155,299.
SCHEDULE J, PART I, LINE 7	OTHER NON-FIXED PAYMENTS: SCLHS HAS MANAGEMENT INCENTIVE PLANS BASED ON A COMBINATION OF MEASURES. MANAGEMENT AND SENIOR LEADERSHIP ARE ELIGIBLE FOR THE INCENTIVE COMPENSATION. PERFORMANCE CATEGORIES ARE MADE UP OF A COMBINATION OF CLINICAL QUALITY MEASURES AND OPERATING INCOME. THE OPERATING INCOME CATEGORY IS GENERALLY RELATED TO THE NET EARNINGS OF THE CARE SITE IN WHICH THE INDIVIDUAL WORKS, OR IN THE CASE OF SCLHS SENIOR MANAGEMENT, THE NET EARNINGS OF SCLHS.
SCHEDULE J	ADDITIONAL OFFICER AND BOARD DISCLOSURES: THE SISTERS OF CHARITY OF LEAVENWORTH HEALTH SYSTEM, INC. (SCLHS) CONSISTS OF ELEVEN HOSPITALS AND FOUR CLINICS (AFFILIATES) IN FOUR STATES. SCLHS AND ITS AFFILIATES ADHERE TO GOVERNANCE EXCELLENCE STANDARDS INCLUDING TRANSPARENCY AND ACCOUNTABILITY. IN KEEPING WITH SCLHS' CORE VALUE OF STEWARDSHIP, NO BOARD MEMBER SERVING ON SCLHS' BOARD OF DIRECTORS (BOARD) IS COMPENSATED FOR THAT SERVICE. SCLHS' BOARD COMPENSATION COMMITTEE (COMMITTEE) HAS RETAINED THE SERVICES OF AN INDEPENDENT COMPENSATION ADVISOR. THE COMPENSATION ADVISOR IS RESPONSIBLE FOR ADVISING THE COMMITTEE ON ALL MATTERS RELATING TO EXECUTIVE COMPENSATION, INCLUDING SUPPORTING THE COMMITTEE'S EFFORTS TO ENSURE THAT THE LEVEL OF COMPENSATION PROVIDED OFFICERS IS CONSISTENT WITH MARKET VALUE AND THE PAY PHILOSOPHY SET BY THE BOARD. THE PAY PHILOSOPHY SET BY THE BOARD IS TO PAY AT THE MIDDLE OF THE MARKET FOR EXECUTIVES OF SIMILAR-SIZED ORGANIZATIONS OVERALL. SCLHS' EXECUTIVE COMPENSATION IS COMPARABLE TO THAT PROVIDED BY SIMILAR NOT-FOR-PROFIT HEALTHCARE SYSTEMS AND HOSPITALS. THE SISTERS WHO SERVE AS OFFICERS AND/OR BOARD MEMBERS OF THIS HEALTH SYSTEM ARE MEMBERS OF THE SISTERS OF CHARITY OF LEAVENWORTH (A RELIGIOUS ORDER OF WOMEN). AS MEMBERS OF THIS ORDER, THEY HAVE TAKEN VOWS OF POVERTY AND RECEIVE NO COMPENSATION, EXPENSE ACCOUNT ALLOWANCE, OR CONTRIBUTIONS TO BENEFIT PLANS FOR THEIR SERVICES TO THE HEALTH SYSTEM. HOWEVER, PAYMENT IS MADE DIRECTLY TO THE SISTERS OF CHARITY OF LEAVENWORTH FOR THE SERVICES OF THOSE WHO PERFORM PROFESSIONAL, ADMINISTRATIVE, AND OTHER SUCH SERVICES.

# Additional Data

**Software ID:**  
**Software Version:**  
**EIN:** 81-0232124  
**Name:** ST VINCENT HEALTHCARE

## 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				
Jason Barker President/CEO	(i)	0	0	0	0	0	0	0
	(ii)	441,730	151,297	13,509	59,133	16,604	682,273	0
Ron Oldfield VP & CFO	(i)	0	0	0	0	0	0	0
	(ii)	206,416	10,213	3,291	24,736	14,911	259,567	0
Jill Kennelly VP of planning	(i)	0	0	0	0	0	0	0
	(ii)	86,334	59,253	489,682	882	13,843	649,994	155,299
Mike Bush MD VP & CMO	(i)	0	0	0	0	0	0	0
	(ii)	323,408	53,174	9,953	47,769	27,497	461,801	0
Steve Loveless Executive VP & COO	(i)	0	0	0	0	0	0	0
	(ii)	284,287	21,660	1,191	47,004	19,124	373,266	0
John Kinna Executive Director, SV Phys	(i)	221,396	8,884	6,576	11,551	21,887	270,294	0
	(ii)	0	0	0	0	0	0	0
Robert Dowdy VP Business Development	(i)	0	0	0	0	0	0	0
	(ii)	202,954	15,643	6,674	28,153	24,833	278,257	0
Darren Walker VP Human Resources	(i)	0	0	0	0	0	0	0
	(ii)	181,009	11,549	7,390	22,697	18,643	241,288	0
Joan Thullbery CNO (thru 8/17/2013)	(i)	180,997	13,621	2,792	8,909	16,954	223,273	0
	(ii)	0	0	0	0	0	0	0
Michael Copeland MD Physician	(i)	886,880	0	4,142	12,750	21,816	925,588	0
	(ii)	0	0	0	0	0	0	0
Richard Teff MD Physician	(i)	831,945	0	11,222	19,729	11,516	874,412	0
	(ii)	0	0	0	0	0	0	0
Mark Morasch MD Physician	(i)	641,111	147,589	11,016	19,967	23,249	842,932	0
	(ii)	0	0	0	0	0	0	0
Stuart Goodman MD Physician	(i)	755,613	0	19,922	20,400	27,094	823,029	0
	(ii)	0	0	0	0	0	0	0
William Spire MD Physician	(i)	730,058	0	30,708	0	22,249	783,015	0
	(ii)	0	0	0	0	0	0	0
Dave Irion President/CEO Foundation	(i)	172,789	6,576	6,155	14,214	16,807	216,541	0
	(ii)	0	0	0	0	0	0	0

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](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public  
Inspection

Name of the organization  
ST VINCENT HEALTHCARE

Employer identification number

81-0232124

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990 PART VI, LINES 6, 7A & 7B	

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](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public  
Inspection

Name of the organization ST VINCENT HEALTHCARE	Employer identification number 81-0232124
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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) Disproporionate 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	
See Additional Data Table												

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) CARITAS INC AND SUBSIDIARIES  2420 W 26TH AVE SUITE 100D DENVER, CO 80211 48-0941069	HEALTHCARE	KS	NA	C Corp			0 %	Yes	
(2) LEAVEN INSURANCE COMPANY LTD  23 LIME TREE BAY AVENUE WEST BAY R GRAND CAYMAN, GRAND CAYMAN KY1-1102 CJ 98-0370522	INSURANCE	CJ	NA	C CORP			0 %	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

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

1s

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) St Vincent Healthcare Foundation	c	12,134,046	Cash
(2) St Vincent Healthcare Foundation	b	1,115,067	Cash

Schedule R (Form 990) 2013



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

[illegible]

Part VII

Supplemental Information

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

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

Additional Data

Software ID:

Software Version:

EIN: 81-0232124

Name: ST VINCENT HEALTHCARE

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) SISTERS OF CHARITY OF LEAVENWORTH HEALTH  2420 W 26TH AVE SUITE 100D DENVER, CO 80211 23-7379161	SUPPORT MMBRS	KS	501(C)(3)	11B-TYPE II	NA		No
(1) CARITAS CLINICS INC  818 NORTH 7TH STREET LEAVENWORTH, KS 66048 48-1009910	CLINIC SVCS	KS	501(C)(3)	3	SCLHS	Yes	
(2) MARIAN CLINIC INC  1001 SW GARFIELD TOPEKA, KS 66604 48-1046905	CLINIC SVCS	KS	501(C)(3)	3	SCLHS	Yes	
(3) MARILLAC CLINIC INC  2333 N 6TH STREET GRAND JUNCTION, CO 81501 84-1085822	CLINIC SVCS	CO	501(C)(3)	3	SCLHS	Yes	
(4) PROVIDENCE MEDICAL CENTER INC  8929 PARALLEL PARKWAY KANSAS CITY, KS 66112 48-0784446	HEALTHCARE	KS	501(C)(3)	3	SCLHS	Yes	
(5) ST JOHN HOSPITAL INC  3500 SOUTH FOURTH STREET LEAVENWORTH, KS 66048 48-0543768	HEALTHCARE	KS	501(C)(3)	3	PMC	Yes	
(6) PROVIDENCEST JOHN FOUNDATION INC  8929 PARALLEL PARKWAY KANSAS CITY, KS 661121689 48-0925688	SUPPORT 501C3	KS	501(C)(3)	7	PMC	Yes	
(7) ST FRANCIS HEALTH CENTER INC  1700 SW 7TH STREET TOPEKA, KS 66606 48-0547719	HEALTHCARE	KS	501(C)(3)	3	SCLHS	Yes	
(8) ST FRANCIS HEALTH CENTER FOUNDATION  1700 SW 7TH STREET TOPEKA, KS 66606 48-1092520	SUPPORT 501C3	KS	501(C)(3)	11A-TYPE I	SFHC	Yes	
(9) ST MARYS HOSPITAL & MEDICAL CENTER INC  2635 N 7TH STREET GRAND JUNCTION, CO 81502 84-0425720	HEALTHCARE	CO	501(C)(3)	3	SCLHS	Yes	
(10) ST MARYS HOSPITAL DEVELOPMENT FOUNDATION  2635 N 7TH STREET GRAND JUNCTION, CO 81502 23-7001007	SUPPORT 501C3	CO	501(C)(3)	11A-TYPE I	SMHMC	Yes	
(11) HOLY ROSARY HEALTHCARE  2600 WILSON MILES CITY, MT 59301 81-0231792	HEALTHCARE	MT	501(C)(3)	3	SCLHS	Yes	
(12) HOLY ROSARY HEALTHCARE FOUNDATION INC  2600 WILSON MILES CITY, MT 59301 20-2270238	SUPPORT 501C3	MT	501(C)(3)	11A-TYPE I	HRHC	Yes	
(13) ST VINCENT HEALTHCARE FOUNDATION  PO BOX 35200 BILLINGS, MT 591075200 81-0468034	SUPPORT 501C3	MT	501(C)(3)	7	SVHC	Yes	
(14) ST JAMES HEALTHCARE  400 SOUTH CLARK STREET BUTTE, MT 597012328 81-0231785	HEALTHCARE	MT	501(C)(3)	3	SCLHS	Yes	
(15) ST JAMES HEALTHCARE FOUNDATION  400 SOUTH CLARK STREET BUTTE, MT 59701 65-1202190	SUPPORT 501C3	MT	501(C)(3)	11A-TYPE I	SJHC	Yes	
(16) SAINT JOHN'S HEALTH CENTER  2121 SANTA MONICA BLVD SANTA MONICA, CA 904042091 95-1684082	HEALTHCARE	CA	501(C)(3)	3	SCLHS	Yes	
(17) JOHN WAYNE CANCER INSTITUTE  2000 SANTA MONICA BLVD SANTA MONICA, CA 90404 95-4291515	CANCER R&D	CA	501(C)(3)	4	SJHC	Yes	
(18) SAINT JOHN'S HOSPITAL & HLTH CENTER FND  2121 SANTA MONICA BLVD SANTA MONICA, CA 904042091 95-6100079	SUPPORT 501C3	CA	501(C)(3)	7	SJHC	Yes	
(19) SCL HEALTH-FRONT RANGE INC  2420 W 26TH AVE SUITE 100D DENVER, CO 80211 84-1103606	HEALTHCARE	CO	501(C)(3)	3	SCLHS	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c) (3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity?	
						Yes	No
(21) EXEMPLA LUTHERAN MEDICAL CENTER FNDTN  2480 W 26TH AVESUITE 360B DENVER, CO 80211 20-8846152	SUPPORT 501C3	CO	501(C)(3)	7	SCLHEALTH-FR	Yes	
(1) EXEMPLA GOOD SAMARITAN MEDICAL CTR FNDTN  200 EXEMPLA CIRCLE LAFAYETTE, CO 80026 84-1649162	SUPPORT 501C3	CO	501(C)(3)	7	SCLHEALTH-FR	Yes	
(2) LUTH MED CNTR PRO&GEN LIAB SELF-INS TRS  2480 W 26TH AVESUITE 360B DENVER, CO 80211 74-2571584	INSURANCE	CO	501(C)(3)	11A-TYPE I	SCLHEALTH-FR	Yes	
(3) SAINT JOSEPH HOSPITAL  1835 FRANKLIN STREET DENVER, CO 80218 84-0417134	HEALTHCARE	CO	501(C)(3)	3	SCLHS	Yes	
(4) SAINT JOSEPH HOSPITAL FOUNDATION  1835 FRANKLIN STREET DENVER, CO 80218 84-0735096	SUPPORT 501C3	CO	501(C)(3)	11A-TYPE I	SJH	Yes	
(5) MOUNT ST VINCENT HOME INC  4159 LOWELL BOULEVARD DENVER, CO 80211 84-0405260	RESIDENT CARE	CO	501(C)(3)	11A-TYPE I	SCLHS	Yes	
(6) BETHANY COMMUNITY PLAZA INC  15 NORTH 12TH STREET KANSAS CITY, KS 66102 48-1207407	INACTIVE	KS	501(C)(3)	3	PMC	Yes	

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(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 K-1 (Form 1065)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
PAVILION IMAGING LLC  750 WELLINGTON GRAND JUNCTION, CO 81501 03-0516198	RADIOLOGY	CO	NA	N/A								
HEALTHCARE MANAGEMENT LLC  PO BOX 2907 GRAND JUNCTION, CO 81502 84-1238904	MGMT SVCS	CO	NA	N/A								
SAN JUAN CANCER CENTER LLC  600 SOUTH 5TH STREET MONTROSE, CO 81401 20-2856331	OP CANCER	CO	NA	N/A								
LUTHERAN CAMPUS ASC LLC  3455 LUTHERAN PKWY STE 150 WHEATRIDGE, CO 800336028 02-0749532	OP SURGERY	CO	NA	N/A								
DENVER WEST ENDOSCOPY CENTER LLC  382 S ARTHUR AVENUE LOUISVILLE, CO 80027 46-0788218	OP ENDOSCOPY	CO	NA	N/A								
COLORADO SURGICAL VENTURES LLC  250 S WACKER DR SUITE 500 CHICAGO, IL 60606 20-8038915	OP SURGERY	CO	NA	N/A								
COLORADO SURGICAL HOSPITAL LLC  250 S WACKER DR SUITE 500 CHICAGO, IL 60606 20-8038977	OP SURGERY	CO	NA	N/A								
MED-MAP LLC  PO BOX 1295 BILLINGS, MT 59103 81-0491356	RENTAL REAL EST	MT	NA	N/A								
YELLOWSTONE SURGERY CENTER LLC  1144 NORTH 28TH STREET BILLINGS, MT 59101 72-1519467	OP SURGERY	MT	NA	N/A								
ATHLETIC MEDICINE & PERFORMANCE LLC  1144 NORTH 28TH STREET BILLINGS, MT 59101 27-2270640	PHYS THERAPY	MT	NA	N/A								
TWENTIETH STREET GENERAL PARTNERSHIP  201 SOUTH LAKE AVENUE STE 507 PASADENA, CA 91101 95-3974903	RENTAL REAL EST	CA	NA	N/A								
SAINT JOHN'S MEDICAL PLAZA A CA Ltd Pa  201 SOUTH LAKE AVENUE STE 507 PASADENA, CA 91101 95-3983096	RENTAL REAL EST	CA	NA	N/A								
ALL CARE HOME HEALTH SOLUTIONS LLC  10170 E MISSISSIPPI AVENUE DENVER, CO 80247 46-2418729	HOME CARE	DE	NA	N/A								

CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTAL FINANCIAL INFORMATION

Sisters of Charity of Leavenworth Health System, Inc  
Years Ended December 31, 2013 and 2012  
With Reports of Independent Auditors

Exhibit 99-1



Building a better  
working world

Sisters of Charity of Leavenworth Health System, Inc

Consolidated Financial Statements  
and Supplemental Financial Information

Years Ended December 31, 2013 and 2012

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## Report of Independent Auditors

The Board of Directors  
Sisters of Charity of Leavenworth  
Health System, Inc.

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Sisters of Charity of Leavenworth Health System, Inc. at December 31, 2013 and 2012, and the consolidated results of its operations, and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

*Ernst & Young LLP*

May 6, 2014



Sisters of Charity of Leavenworth Health System, Inc

Consolidated Balance Sheets

	<b>December 31</b>	
	<b>2013</b>	<b>2012</b>
	<i>(In Millions)</i>	
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 81.7	\$ 29.6
Current portion of investments	217.4	97.0
Accounts receivable		
Patient (less allowance for uncollectible accounts of \$151.6 million and \$147.0 million at December 31, 2013 and 2012, respectively)	306.8	367.9
Pledges receivable, net and other	36.4	26.2
Inventory	40.0	40.3
Prepays and other assets	36.7	37.7
Assets held for sale	207.8	282.6
Total current assets	926.8	881.3
Investments		
Investments, net of current portion	1,469.7	1,637.9
Assets limited as to use		
Restricted funds – self-insured risks	80.1	77.7
Trustee-held funds	29.1	69.4
	109.2	147.1
Land, buildings, and equipment, net	1,744.5	1,532.2
Other assets		
Investments in joint ventures	23.7	24.2
Pledges receivable, net	3.4	5.1
Accrued pension assets	23.9	–
Other assets	49.5	40.3
	100.5	69.6
Total assets	\$ 4,350.7	\$ 4,268.1

	<b>December 31</b>	
	<b>2013</b>	<b>2012</b>
	<i>(In Millions)</i>	
<b>Liabilities and net assets</b>		
Current liabilities		
Current maturities of long-term obligations	\$ 190.1	\$ 67.7
Accrued interest payable	26.0	29.3
Accounts payable	104.9	162.4
Accrued salaries, wages, and benefits	99.9	111.9
Other accrued expenses	40.4	59.6
Liabilities held for sale	48.3	24.1
Total current liabilities	509.6	455.0
Other noncurrent liabilities		
Reserve for self-insured risks	80.0	75.9
Accrued pension payable	6.5	53.5
Accrued swap payable	15.0	27.8
Other liabilities	31.8	18.3
	133.3	175.5
Capital structure		
Bonds payable	1,575.1	1,329.0
Other notes and capital leases payable	1.9	250.0
	1,577.0	1,579.0
Less current maturities	190.1	67.7
	1,386.9	1,511.3
Total liabilities	2,029.8	2,141.8
Net assets		
Noncontrolling interest	3.8	2.7
SCL Health System controlling interest	2,179.5	1,986.7
Total unrestricted net assets	2,183.3	1,989.4
Temporarily restricted	100.5	105.2
Permanently restricted	37.1	31.7
Total net assets	2,320.9	2,126.3
Total liabilities and net assets	\$ 4,350.7	\$ 4,268.1

*See accompanying notes*

Sisters of Charity of Leavenworth Health System, Inc

Consolidated Statements of Operations

	<b>Year Ended December 31</b>	
	<b>2013</b>	<b>2012</b>
	<i>(In Millions)</i>	
<b>Patient services</b>		
Operating revenue		
Net patient service revenue before provision for bad debts	\$ 2,315.9	\$ 2,193.1
Provision for bad debts	(144.8)	(93.5)
Net patient service revenue	2,171.1	2,099.6
Other operating revenue	106.1	90.3
Net assets released from restrictions	17.1	7.4
Net gain from joint ventures	9.6	22.7
Net gain from disposal of assets	0.6	3.4
Total operating revenue	2,304.5	2,223.4
Operating expenses		
Salaries and wages	930.3	907.1
Employee benefits	208.6	205.2
Other operating expenses	890.1	813.7
Depreciation and amortization	183.5	185.2
Interest and amortization	50.6	55.5
Total operating expenses	2,263.1	2,166.7
Income from continuing operations	41.4	56.7
<b>Nonoperating gains (losses)</b>		
Income tax expense	(3.5)	(7.1)
Investment income	155.3	139.2
Loss on early extinguishment of debt	(0.1)	(0.6)
Mission Fund expenditures	(1.2)	(5.1)
Total nonoperating gains, net	150.5	126.4
Excess of revenue over expenses	191.9	183.1
Less amounts attributable to noncontrolling interest	3.3	2.5
Excess of revenue over expenses attributable to SCL Health System	\$ 188.6	\$ 180.6

See accompanying notes

Sisters of Charity of Leavenworth Health System, Inc

Consolidated Statements of Changes in Net Assets

	Year Ended December 31, 2013			Year Ended December 31, 2012		
	Total	Controlling	Noncontrolling	Total	Controlling	Noncontrolling
		<i>(In Millions)</i>			<i>(In Millions)</i>	
<b>Unrestricted net assets</b>						
Excess of revenue over expenses	\$ 191.9	\$ 188.6	\$ 3.3	\$ 183.1	\$ 180.6	\$ 2.5
Loss related to discontinued operations	(82.5)	(82.5)	—	(427.1)	(427.1)	—
Change in unrealized value of interest rate swaps	11.0	11.0	—	1.5	1.5	—
Acquisition of noncontrolling interest of Exempla Inc	—	—	—	(274.7)	—	(274.7)
Change in noncontrolling interest	—	—	—	—	(26.1)	26.1
Distributions to noncontrolling interest	(2.2)	—	(2.2)	(2.5)	—	(2.5)
Contributions to related organizations	(0.5)	(0.5)	—	(4.6)	(4.6)	—
Pension-related charges other than net periodic pension costs	61.2	61.2	—	(28.2)	(28.2)	—
Net assets released for capital acquisitions	9.8	9.8	—	7.4	7.4	—
Unrestricted net assets reclassification	5.2	5.2	—	—	—	—
	193.9	192.8	1.1	(545.1)	(296.5)	(248.6)
<b>Temporarily restricted net assets</b>						
Contributions	37.4	37.4	—	17.5	17.5	—
Net investment activity	2.1	2.1	—	1.9	1.9	—
Temporarily restricted net assets reclassification	(2.1)	(2.1)	—	—	—	—
Net assets released from restrictions	(42.1)	(42.1)	—	(34.9)	(34.9)	—
	(4.7)	(4.7)	—	(15.5)	(15.5)	—
<b>Permanently restricted net assets</b>						
Contributions	7.7	7.7	—	0.5	0.5	—
Net investment activity	0.8	0.8	—	0.4	0.4	—
Permanently restricted net assets reclassification	(3.1)	(3.1)	—	—	—	—
	5.4	5.4	—	0.9	0.9	—
	194.6	193.5	1.1	(559.7)	(311.1)	(248.6)
Increase (decrease) in net assets	2,126.3	2,123.6	2.7	2,686.0	2,434.7	251.3
Beginning net assets						
Ending net assets	\$ 2,320.9	\$ 2,317.1	\$ 3.8	\$ 2,126.3	\$ 2,123.6	\$ 2.7

See accompanying notes

Sisters of Charity of Leavenworth Health System, Inc

Consolidated Statements of Cash Flows

	Year Ended December 31	
	2013	2012
	<i>(In Millions)</i>	
<b>Operating activities</b>		
Increase (decrease) in net assets	\$ 194.6	\$ (559.7)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities and discontinued operations		
Depreciation and amortization	208.1	226.9
Loss on assets held for sale	73.9	394.6
Note payable issued to acquire noncontrolling interest	—	230.0
Acquisition of noncontrolling interest	—	44.7
Change in cash from assets held for sale	(4.1)	(1.2)
Loss on defeasance of debt	0.1	0.6
Provision for bad debts	162.0	120.5
Increase in accounts receivable, net of allowances	(156.6)	(127.4)
Change in unrealized value of interest rate swaps	(11.0)	(1.5)
Restricted contributions	(45.1)	(18.0)
Pension-related charges other than net periodic pension costs	(61.2)	28.2
Net assets released for capital acquisitions	(9.8)	(7.4)
Net gain from joint ventures	(9.6)	(22.7)
Net gain (loss) from disposal of assets	1.2	(3.7)
(Decrease) increase in investments	64.7	(69.4)
Increase in other assets	(14.4)	(59.2)
(Decrease) increase in liabilities	(37.8)	75.7
Net cash provided by operating activities	355.0	251.0
<b>Investing activities</b>		
Acquisition of land, buildings, and equipment	(415.9)	(284.9)
Proceeds from disposal of land, buildings, and equipment	48.5	4.4
Decrease in investments in joint ventures	11.6	13.1
Net cash used in investing activities	(355.8)	(267.4)
<b>Financing activities</b>		
Acquisition of noncontrolling interest	—	(44.7)
Restricted contributions	45.1	18.0
Net assets released for capital acquisitions	9.8	7.4
Proceeds from issuance of long-term debt, net of original issue discount and financing costs	301.1	76.0
Payments on bonds, notes, and capital leases payable	(303.1)	(37.5)
Defeasance of bonds payable, including call and interest premium	—	(76.0)
Net cash provided by (used in) financing activities	52.9	(56.8)
Net increase (decrease) in cash and cash equivalents	52.1	(73.2)
Beginning cash and cash equivalents	29.6	102.8
Ending cash and cash equivalents	\$ 81.7	\$ 29.6
<b>Supplemental disclosures of cash flow information</b>		
Cash paid during the year for interest, including amounts capitalized	\$ 65.1	\$ 57.9
Interest expense capitalized	\$ 12.1	\$ 2.3
Transfer of land from investment to land, buildings, and equipment	\$ 10.1	\$ —
Note payable issued to acquire noncontrolling interest	\$ —	\$ 230.0

See accompanying notes

# Sisters of Charity of Leavenworth Health System, Inc

## Notes to Consolidated Financial Statements

December 31, 2013

### 1. Organization

The Sisters of Charity of Leavenworth Health System, Inc. (SCL Health System) is a Catholic ministry that operates as a Kansas not-for-profit corporation, headquartered in Denver, Colorado. Leaven Ministries is a canonical entity and the sponsor of SCL Health System. The mission of SCL Health System is to reveal and foster God's healing love by improving the health of the people and communities we serve, especially those who are poor and vulnerable.

The primary ministry of SCL Health System is to witness the Gospel of Jesus by striving to provide quality health care in a spirit of justice and charity. Services are provided based on community need and available resources, with special concern for the poor and underserved. The ministry is carried out in many ways, including the provision of health care services at its locations.

SCL Health System controls a group of related entities identified as Affiliates (collectively referred to as SCL Health System). SCL Health System and its hospital, foundation, and clinic Affiliates have been determined to be exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3). Income tax expenses in the accompanying consolidated statements of operations relates to wholly-owned for-profit entities.

On January 1, 1998, Exempla Healthcare, a Denver, Colorado-based health care delivery system, was formed by a joint operating agreement (JOA) between the parent company of SCL Health System, Community First Foundation (CFF), Exempla, Inc. (Exempla), and Saint Joseph Hospital, Inc. (SJH). Under the JOA, Exempla operated SJH and Exempla's subsidiaries: Exempla Lutheran Medical Center, Exempla Good Samaritan Medical Center (EGSMC), and Exempla Partners, LLC. In December 2009, SCL Health System gained control of Exempla and its subsidiaries and, accordingly, those entities were consolidated into SCL Health System's consolidated financial statements from that date forward. In 2010, Exempla became a Restricted Affiliate under the SCL Health System Master Trust Indenture (MTI).

On October 2, 2012, SCL Health System terminated the JOA, acquiring the remaining 50% noncontrolling interest in Exempla Healthcare for \$274.7 million, the price defined in the 2010 JOA amendment. SCL Health System paid CFF \$44.7 million at the date of closing, and executed a \$230.0 million note to CFF, which was repaid in 2013.

On April 1, 2013, SCL Health System completed the sale of Providence Medical Center in Kansas City, Kansas (PMC) and Saint John Hospital in Leavenworth, Kansas (SJL). On September 11, 2013, SCL Health System and Providence Health & Services, Southern California (Providence) signed a definitive agreement for Providence to assume sponsorship of Saint John's Hospital and Health Center in Santa Monica, California (SJSJ) for \$125.0 million. See Note 3 for discussion of the accounting and reporting for discontinued operations.

Sisters of Charity of Leavenworth Health System, Inc

Notes to Consolidated Financial Statements (continued)

**1. Organization (continued)**

The following organizations comprise the Affiliates that are owned by or affiliated with SCL Health System directly or indirectly through sole or shared corporate membership. All Affiliates listed below are included in the accompanying consolidated financial statements. Restricted Affiliates is a defined term under the MTI. See Note 7 for discussion regarding the Restricted Affiliates.

<b>Restricted Affiliates</b>	<b>Location</b>
<b>Kansas</b>	
St. Francis Health Center, Inc.	Topeka, Kansas
<b>Colorado</b>	
Exempla, Inc. and Subsidiaries	Denver, Colorado
Exempla Lutheran Medical Center	Wheat Ridge, Colorado
Exempla Lutheran Medical Center Foundation	Wheat Ridge, Colorado
Exempla Good Samaritan Medical Center, LLC	Lafayette, Colorado
Exempla Good Samaritan Medical Center Foundation	Lafayette, Colorado
Exempla Partners, LLC	Denver, Colorado
Saint Joseph Hospital, Inc.	Denver, Colorado
St. Mary's Hospital & Medical Center, Inc.	Grand Junction, Colorado
<b>Montana</b>	
Holy Rosary Healthcare	Miles City, Montana
St. James Healthcare	Butte, Montana
St. Vincent Healthcare	Billings, Montana
<b>California</b>	
Saint John's Hospital and Health Center <sup>(1)</sup>	Santa Monica, California

<sup>(1)</sup>Restricted Affiliate held for sale as of December 31, 2013 and 2012

Sisters of Charity of Leavenworth Health System, Inc

Notes to Consolidated Financial Statements (continued)

**1. Organization (continued)**

<b>Other Affiliates</b>	<b>Location</b>
<b>Kansas</b>	
Providence/Saint John Foundation, Inc	Kansas City, Kansas
St. Francis Health Center Foundation	Topeka, Kansas
Holton Community Hospital	Holton, Kansas
Caritas Clinics, Inc	Leavenworth and Kansas City, Kansas
Marian Clinic, Inc	Topeka, Kansas
Caritas, Inc. and Subsidiaries	Lenexa, Kansas
<b>Colorado</b>	
Saint Joseph Hospital Foundation	Denver, Colorado
St. Mary's Hospital Foundation	Grand Junction, Colorado
Marillac Clinic, Inc	Grand Junction, Colorado
Mount St. Vincent	Denver, Colorado
<b>Montana</b>	
St. Vincent Foundation, Inc	Billings, Montana
St. James Healthcare Foundation, Inc	Butte, Montana
Holy Rosary Healthcare Foundation, Inc	Miles City, Montana
<b>California</b>	
Saint John's Hospital and Health Center Foundation <sup>(2)</sup>	Santa Monica, California
John Wayne Cancer Center, Inc. and Subsidiaries <sup>(2)</sup>	Santa Monica, California
<b>Grand Cayman, BWI</b>	
Leaven Insurance Company, Ltd	Georgetown, Grand Cayman, BWI

<sup>(2)</sup>Affiliate held for sale as of December 31, 2013 and 2012, in connection with Saint John's Hospital and Health Center

**2. Summary of Significant Accounting Policies**

**Principles of Consolidation**

All significant intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements

**Cash and Cash Equivalents**

Cash and cash equivalents include investments in highly liquid debt instruments with a maturity of three months or less when purchased that have not otherwise been classified as assets limited as to use by Board designation or other arrangements under trust agreements due to a designation for long-term purposes



Sisters of Charity of Leavenworth Health System, Inc

Notes to Consolidated Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Accounts Receivable**

SCL Health System provides health care services through inpatient, outpatient, and ambulatory care facilities and grants credit to patients, substantially all of whom are local residents in the communities served by SCL Health System. SCL Health System generally does not require collateral or other security in extending credit to patients, however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans, or policies, including, but not limited to, Medicare, Medicaid, health maintenance organizations, and commercial insurance policies.

Accounts written off as uncollectible are deducted from the allowance for uncollectible accounts, and subsequent recoveries are added. The allowance for uncollectible accounts is based upon management's assessment of historical and expected net collections considering the business and general economic conditions in its service area, trends in health care coverage, and other collection indicators. Throughout the year, management assesses the adequacy of the allowance for uncollectible accounts based upon historical collection experience by payor category and other factors. The results of these reviews are then used to make any modifications to the provision for uncollectible accounts to establish an appropriate allowance for uncollectible accounts. The allowance for uncollectible accounts includes a reserve for both uninsured patients and balance after insurance accounts receivable. SCL Health System's allowance percentage for uninsured patients is approximately 89.0% and 37.0% for balance after insurance accounts receivable. At December 31, 2013 and 2012, the allowance for uncollectible accounts was \$151.6 million and \$147.0 million, respectively. The uncollectible allowance increased in 2013 as more uninsured patients qualified to receive charity assistance, per SCL Health System charity policy, and the timing of accounts written off as uncollectible was standardized across the organization.

The following is a roll-forward of the allowance for uncollectible accounts as reflected in the accompanying consolidated balance sheets:

	<b>2013</b>	<b>2012</b>
	<i>(In Millions)</i>	
Balance, beginning of year	\$ <b>147.0</b>	\$ 167.1
Provision for bad debts	<b>162.0</b>	120.5
Write-offs, net of recoveries	<b>(157.4)</b>	(140.6)
Balance, end of year	<u><u>\$ <b>151.6</b></u></u>	<u><u>\$ 147.0</u></u>

**Inventory**

Inventory consists primarily of medical supplies and pharmaceuticals and is stated at the lower of actual cost, generally on the first-in, first-out basis, or market.

## Sisters of Charity of Leavenworth Health System, Inc

### Notes to Consolidated Financial Statements (continued)

#### 2. Summary of Significant Accounting Policies (continued)

##### Investments and Assets Limited as to Use

SCL Health System holds the majority of its investments through the Comprehensive Investment Program (CIP), an investment pool of funds in which a limited number of unaffiliated nonprofit entities participate. SCL Health System does not consolidate the entire investment pool of funds as a portion of the investments represents the interest of other entities. Accordingly, as related to the CIP, SCL Health System's investments recorded in the accompanying consolidated financial statements at fair value consist only of SCL Health System's pro rata share of the CIP's investments held for participants. Following are descriptions of each asset class held within the CIP:

*Absolute Return* This is a fund of funds with investments in private equity, structured credit, real estate, asset-based lending, and distressed assets.

*Core Hedge Funds* The core hedge fund pool consists of hedge fund of fund managers (to enhance diversification) whose target is an equity-like return with substantially less volatility than the equity market. The underlying managers may use leverage and may short securities in implementing their investment style. The core hedge fund pool consists of limited partnerships.

*Domestic Equity* The domestic equity pool invests in securities listed on the various stock exchanges located in the United States (NYSE, AMEX, NASDAQ, etc.). Foreign companies with domestically issued securities (American depository receipts (ADR's)) are allowed in the domestic equity pool. The domestic equity pool may consist of pooled vehicles and/or separate accounts.

*Domestic Fixed Income* The fixed income pool invests in a variety of fixed income instruments ranging in duration from 0 to 30 years or more. The aggregate duration of the pool is generally 5 to 7 years or less. The fixed income pool may consist of pooled vehicles and/or separate accounts.

*Global Equity* The global equity pool invests in securities listed on the major exchanges around the world. Global equity securities may be domiciled in developed and emerging markets and will expose the holders of this fund to currency risk as the equities may be denominated in the local currency of the market in which they trade. The global equity pool consists of pooled vehicles only when custodial and administrative costs associated with separate accounts prove inefficient.

*Opportunistic Funds* These funds invest in private markets securities with longer investment horizons including private equity, distressed debt, and real estate.

*Real Return* The real return pool consists of a variety of inflation hedging strategies including (but not limited to) public and private real estate, inflation-linked bonds, and commodities and commodity-linked equities. The real return pool consists of pooled vehicles only when custodial and administrative costs associated with separate accounts prove inefficient.

*Tactical Asset Allocation* The tactical asset allocation pool consists of managers that are allowed to purchase cash, fixed income, and equity securities across the globe. The tactical asset allocation pool consists of pooled vehicles only when custodial and administrative costs associated with separate accounts prove inefficient.

## Sisters of Charity of Leavenworth Health System, Inc

### Notes to Consolidated Financial Statements (continued)

#### **2. Summary of Significant Accounting Policies (continued)**

SCL Health System invests funds in excess of operating requirements. Trustee-held funds are the unspent proceeds related to bond financings and investments related to the executive supplemental retirement plans. Restricted funds – self-insured risks are funds set aside by SCL Health System to satisfy insurance claims and other related expenditures. Investments in equity and debt securities are measured at fair value.

Substantially all investments are considered to be trading securities. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in excess of revenue over expenses unless the income or loss is restricted by donor or law. Gains and losses with respect to disposition of marketable securities are based on the specific-identification method. Investment returns related to temporarily and permanently restricted net assets are added or deducted from the appropriate net asset balance based on donors' intent.

#### **Derivative Financial Instruments**

SCL Health System investment fund managers use derivative financial instruments in the investment portfolio to moderate changes in value due to fluctuations in financial markets. SCL Health System has not designated its derivatives related to marketable securities as hedges, and the change in fair value of these derivatives is recognized as a component of investment income.

SCL Health System uses interest rate swap contracts in managing its capital structure. SCL Health System recognizes these derivative instruments as either assets or liabilities in the consolidated balance sheets at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and the type of hedging relationship.

For derivative instruments that are designated and qualify as a cash flow hedge (i.e., hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), the effective portion of the gain or loss on the derivative instrument is reported as a component of unrestricted net assets and reclassified into excess of revenues over expenses in the same period or periods during which the cash flows of the hedged transaction are settled. The ineffective portion is recorded in the excess of revenues over expenses in the current period. If the hedging relationship ceases to be highly effective or it becomes probable that an expected transaction will no longer occur, subsequent gains or losses on the derivatives would be recorded in excess of revenues over expenses.

#### **Land, Buildings, and Equipment**

Land, buildings, and equipment are stated at cost, if purchased, or fair market value at the date of donation. Improvements and replacements are capitalized, and repairs and maintenance are expensed when incurred. Interest incurred in connection with borrowings to finance major construction or expansion of facilities is capitalized during the construction period and subsequently amortized over the lives of the related assets. Provision for depreciation is calculated using the straight-line method, which allocates the cost of tangible property equally over its estimated life. Estimated useful lives are generally those recommended by the American Hospital Association.

Sisters of Charity of Leavenworth Health System, Inc

Notes to Consolidated Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

Land, buildings, equipment, and accumulated depreciation, as of December 31, were as follows

	<b>2013</b>	<b>2012</b>
	<i>(In Millions)</i>	
Land	\$ 134.9	\$ 122.4
Buildings, land improvements, and equipment	3,159.7	3,016.1
Construction in progress	447.3	214.9
	<b>3,741.9</b>	<b>3,353.4</b>
Less accumulated depreciation	1,997.4	1,821.2
	<b>\$ 1,744.5</b>	<b>\$ 1,532.2</b>

**Asset Impairment**

SCL Health System considers whether indicators of impairment are present or performs the necessary test to determine whether the carrying value of an asset is appropriate. Impairment write-downs are recognized in income from operations at the time the impairment is identified, except for alternative investment impairments, which are recognized in investment income in nonoperating gains (losses).

During 2011, SCL Health System began work on a replacement hospital for SJH, which is expected to open in December 2014. As a result, the remaining useful life of the building and equipment assets was re-evaluated during 2011. Accelerated depreciation on building and equipment assets whose useful life will end on December 31, 2014, was \$19.7 million and \$12.0 million in 2013 and 2012, respectively. See Note 3 for discussion of asset impairment related to discontinued operations.

**Meaningful Use Revenue**

The American Recovery and Reinvestment Act of 2009 established incentive payments under Medicare and Medicaid programs for certain eligible professionals, hospitals, and critical access hospitals (Providers). Providers can receive incentive payments by adopting, implementing, and upgrading electronic health records (EHR) technology. Providers can also receive incentive payments for demonstrating meaningful use of EHR technology. Upon satisfaction of the meaningful use criteria, using a grant accounting model, SCL Health System recognized \$13.9 million and \$15.6 million of these incentive payments within other operating revenue on the consolidated statements of operations for the years ended December 31, 2013 and 2012, respectively, related to continuing operations. If specified meaningful use criteria are met in future periods, SCL Health System may qualify for additional incentive payments.

**Deferred Financing Costs**

Deferred financing costs are amortized over the lives of the bonds utilizing the effective interest method.

Sisters of Charity of Leavenworth Health System, Inc

Notes to Consolidated Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Investments in Joint Ventures**

SCL Health System accounts for investments in joint ventures using the equity or cost method, depending on the nature of the investment and extent of control or ownership by SCL Health System

**Temporarily and Permanently Restricted Net Assets**

Temporarily restricted net assets are those whose use by SCL Health System has been limited by donors to a specific time period or purpose. These assets relate primarily to gifts restricted for capital expenditures, research, or health care services.

Permanently restricted net assets have been restricted by donors to be maintained by SCL Health System in perpetuity, the income from which is expendable based on donor intent.

Reclassification of temporarily and permanently restricted net assets on the consolidated statements of changes in net assets represents donor changes or subsequent clarification in the intended purpose of previously recorded contributions.

**Contributions to Related Organizations**

SCL Health System records payments to Leaven Ministries and transfers from related foundations to other affiliated entities as contributions to related organizations, which are recorded as changes in net assets.

**Contributions for Long-Lived Assets**

Contributions for long-lived assets are those contributions, bequests, or grants to SCL Health System for the sole purpose of acquiring capitalized long-lived assets.

**Contributions, Bequests, and Grants**

Donors' unconditional pledges to give cash and other assets are reported at fair value at the date the promise is received. Donors' conditional pledges to give and indications of intentions to give are reported at fair value at the date the condition is satisfied. Except for contributions for long-lived assets, all unrestricted contributions, bequests, and grants are included in excess of revenue over expenses. Contributions, bequests, and grants are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction is satisfied (as to either time or purpose), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions. Resources temporarily restricted by donors for additions to land, buildings, and equipment whose purposes have been met are recorded as net assets released for capital acquisitions in the consolidated statements of changes in net assets. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

Sisters of Charity of Leavenworth Health System, Inc

Notes to Consolidated Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Endowments**

SCL Health System's endowments consist of approximately 70 individual funds established for a variety of purposes. Endowment assets include those assets of donor-restricted funds that SCL Health System must hold in perpetuity or for a donor-specified period, as well as Board-designated funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

SCL Health System is subject to the Uniform Prudent Management of Institutional Funds Acts (UPMIFA), as separately enacted in Kansas, Colorado, Montana, and California. Collectively, these statutes establish requirements for the management, investment, and expenditure of endowed funds. SCL Health System has adopted investment and spending policies for endowment assets that attempt to provide a stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under these policies, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of their relevant benchmarks while assuming a reasonable level of investment risk.

As of December 31, 2013 and 2012, the permanently restricted endowment net assets were \$37.1 million and \$28.7 million, respectively. Included in these amounts are \$14.5 million and \$14.4 million, respectively, of endowments associated with discontinued operations.

**Use of Estimates**

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

**Operating and Nonoperating Gains (Losses)**

SCL Health System's primary mission is to meet the health care needs of its service areas through a broad range of general and specialized health care services, including inpatient, acute care, outpatient, physician, and other health care services. Activities directly associated with the furtherance of this purpose are considered to be operating activities. Other activities that result in gains or losses peripheral to SCL Health System's primary mission are considered to be nonoperating. Nonoperating activities include income tax expense, investment income, loss on early extinguishment of debt, and Mission Fund expenditures.

## Sisters of Charity of Leavenworth Health System, Inc

### Notes to Consolidated Financial Statements (continued)

#### 2. Summary of Significant Accounting Policies (continued)

##### Operating and Performance Indicators

The activities of SCL Health System are primarily related to providing health care services, and accordingly, expense information by functional classification is not used as a basis for measuring performance. Furthermore, since substantially all resources are derived from providing health care services, similar to that provided by a business enterprise, the following indicators are considered important in evaluating how well management has discharged its stewardship responsibilities:

*Operating Indicator (income from continuing operations)* – Includes all unrestricted revenue, gains, and other support, equity income or loss of unconsolidated health care subsidiaries, and expenses directly related to the recurring and ongoing health care operations during the reporting period. The operating indicator excludes income tax expense, investment income or losses (including changes in unrealized gains and losses on investments), loss on early extinguishment of debt, Mission Fund expenditures, and gains and losses deemed by management not to be directly related to providing health care services.

*Performance Indicator (excess of revenues over expenses attributable to SCL Health System)* – Includes income from continuing operations and nonoperating gains, net. The performance indicator excludes the change in fair value of interest rate swaps designated as a hedge, noncontrolling interest, pension-related charges other than net periodic pension costs, contributions to related organizations, contributions for capital expenditures, and amounts attributable to noncontrolling interest.

##### Noncontrolling Interest in Subsidiaries

SCL Health System attributed excess of revenue over expenses of \$3.3 million and \$2.5 million for the years ended December 31, 2013 and 2012, respectively, to the noncontrolling interests based on the contractual terms of joint ventures and the ownership percentage of the noncontrolling interests in certain of the consolidated subsidiaries. These amounts are reflected in unrestricted net assets in the consolidated balance sheets, net of distributions.

SCL Health System acquired the remaining 50% noncontrolling interest in Exempla Healthcare in October 2012, at the price defined in the 2010 amendment. The acceleration of the transaction reduced unrestricted net assets by \$274.7 million, reflected in acquisitions of noncontrolling interest of Exempla Inc. in the consolidated statement of changes in net assets.

##### Discontinued Operations

A component of an entity is reported as discontinued operations if, among other things, such component (i) has been disposed of or is classified as held for sale, (ii) has operations and cash flows that can be clearly distinguished from the rest of the reporting entity, and (iii) will be eliminated from the ongoing operations of the reporting entity. In the period that a component meets such criteria, its results of operations for current and prior periods are reclassified to discontinued operations, and the assets and liabilities of the related disposal group are segregated on the consolidated balance sheets. See Note 3 for information regarding SCL Health System's discontinued operations.

## Sisters of Charity of Leavenworth Health System, Inc

### Notes to Consolidated Financial Statements (continued)

#### 2. Summary of Significant Accounting Policies (continued)

##### Reclassifications

Certain balances in the 2012 consolidated financial statements have been reclassified to conform to the current year presentation. The effect of such reclassifications did not change total net assets or excess of revenues over expenses.

##### Adoption of Accounting Pronouncements

In December 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-11, *Disclosures about Offsetting Assets and Liabilities*, which requires additional disclosures concerning the offsetting of assets and liabilities related to certain derivatives and hedging instruments. SCL Health System adopted the provisions of this standard in 2013, which did not have a significant effect on the consolidated financial statements.

In July 2012, the FASB issued ASU 2012-02, *Testing Indefinite-Lived Intangible Assets for Impairment*, which allows an entity to first assess qualitative factors to determine whether the existence of events and circumstances indicates that it is more likely than not that an indefinite-lived intangible asset such as goodwill is impaired. If, after assessing the totality of events and circumstances, an entity concludes that it is not more likely than not that the indefinite-lived intangible asset is impaired, then no further action is required. However, if an entity concludes otherwise, then it is required to determine fair value of the indefinite-lived intangible asset and perform the qualitative impairment test by comparing fair value with carrying amount. SCL Health System adopted the provisions of this standard in 2013, which did not have a significant effect on the consolidated financial statements.

#### 3. Discontinued Operations

SCL Health System entered into an asset purchase agreement with Prime Healthcare for the sale of PMC and SJL for \$54.1 million and completed the sale transaction on April 1, 2013. On September 11, 2013, SCL Health System and Providence signed a definitive agreement for Providence to assume sponsorship of SJSM. In accordance with Accounting Standards Codification (ASC) 205-20, *Presentation of Financial Statements – Discontinued Operations*, and ASC 360, *Property, Plant, and Equipment*, the results of operations associated with these locations have been reported as discontinued operations and are included in the consolidated statements of changes in net assets. Assets held for sale consist primarily of inventory, prepaid expenses, fixed assets, restricted pledges, and investments in joint ventures. Liabilities held for sale consist of accrued expenses.



## Sisters of Charity of Leavenworth Health System, Inc

### Notes to Consolidated Financial Statements (continued)

#### 3. Discontinued Operations (continued)

Related to the locations held for sale, SCL Health System recorded a deficiency of revenue over expenses of \$82.5 million and \$427.1 million for the years ended December 31, 2013 and 2012, respectively, which is reported as discontinued operations in the accompanying consolidated financial statements. Included in the loss on discontinued operations for 2013 and 2012 is an asset impairment loss of \$73.9 million and \$394.6 million, respectively, representing the difference between the fair value of assets held for sale, less costs to sell, and their net book value. Total operating revenues, total operating expenses, and asset impairment included in the results of discontinued operations for the years ended December 31 are summarized below:

	<b>2013</b>	<b>2012</b>
	<i>(In Millions)</i>	
Total operating revenues	\$ 369.0	\$ 498.5
Total operating expenses	<b>(380.3)</b>	(530.3)
Asset impairment	<b>(73.9)</b>	(394.6)
	<b>(85.2)</b>	(426.4)
Nonoperating gains (losses)	<b>2.7</b>	(0.7)
Loss related to discontinued operations	<b>\$ (82.5)</b>	\$ (427.1)

The consolidated statements of cash flows include source of \$66.8 million and use of \$46.9 million of operating, investing, and financing activities related to discontinued operations for the years ended December 31, 2013 and 2012, respectively.

#### 4. Charity Care

SCL Health System has a mission to care for those who are poor and vulnerable and provides charity care to patients deemed to be either financially or medically indigent. Policies have been established that define charity care and provide guidelines for assessing a patient's ability to pay. Evaluation procedures for charity care qualification have been established for those situations when previously unknown financial circumstances are revealed or when incurred charges are significant when compared to the individual patient's income and/or net assets.

The cost to provide charity care using the consolidated cost to charge ratio was \$82.3 million and \$80.1 million for 2013 and 2012, respectively. The ratio of cost to charges is calculated based on SCL Health System's total operating expenses less other nonpatient operating revenue divided by gross patient service revenue.

In addition to traditional charity care services, SCL Health System has a financial assistance policy that offers discounted services to uninsured patients who do not otherwise qualify for charity. The payments expected from patients are based on rates negotiated with managed care plans, with discounts determined on a sliding scale tied to the federal poverty level. SCL Health System's financial assistance policy prohibits the use of collection practices that do not respect the dignity of its patients. Liens on principal residences may only be used when there is clear evidence of the patient's ability to pay, may not be used to force foreclosure or sale, and must be approved by the Affiliate's Board Finance Committee.

## Sisters of Charity of Leavenworth Health System, Inc

### Notes to Consolidated Financial Statements (continued)

#### **4. Charity Care (continued)**

SCL Health System benefits its communities in a variety of ways. To improve the health status of citizens in the communities served, it provides numerous community education programs that alert the public to various health problems and how they can be addressed. SCL Health System offers health promotion and wellness programs and provides specific health care services and programs for senior citizens. Each of these programs helps contain the growth of community health care costs through prevention and positive intervention. SCL Health System has established a Mission Fund at each Affiliate. Earnings from the funds are available to support these charitable services and programs.

SCL Health System addresses problems of the poor in the communities by providing services such as health fairs and screenings at no cost or at substantially reduced rates. It provides prenatal education classes especially for low-income persons and transportation for those who otherwise would have no access to medical services. SCL Health System also supports organizations that provide other outreach programs for the poor, including the stand-alone clinics that serve only the medically underserved populations in their service areas.

SCL Health System encourages use of its facilities, consistent with its tax-exempt status, by other organizations and individuals to join in carrying out a broad health agenda. It promotes volunteerism by providing specific programs and training for volunteers from the community, encourages staff involvement in community organizations, and provides health-related information to the community by sponsoring speaker bureaus and tours of its facilities.

SCL Health System sponsors four stand-alone clinic affiliates (the Clinics) specifically for those individuals who have no other source of health care assistance. Generally, the Clinics do not serve persons with Medicare or any kind of private health insurance. The majority of funding for the Clinics is generated from individual contributions, donations, foundations, grants, and in-kind services. The Clinics create access to health care for those individuals without access, provide channels for physicians to reach the poor, and make a difference in the communities where they are established.

#### **5. Net Patient Service Revenue**

A significant portion of SCL Health System's services are provided to patients under Medicare, Medicaid, and other agreements with third-party contractual agencies. Such contracts provide for payment or reimbursement to SCL Health System at other-than-standard charges. Estimated settlements have been reflected in the accompanying consolidated balance sheets for differences between interim payments and the total payments to be received under the contracts.

The administrative procedures related to the cost reimbursement programs in effect generally preclude final determination of amounts due or payable until cost reports are audited or otherwise reviewed and settled upon by the applicable administrative agencies. Normal estimation differences between final settlements and amounts accrued in previous years are reported as current year contractual adjustments.

Sisters of Charity of Leavenworth Health System, Inc

Notes to Consolidated Financial Statements (continued)

**5. Net Patient Service Revenue (continued)**

Net patient service revenue as reflected in the accompanying consolidated statements of operations consists of the following

	<b>2013</b>	<b>2012</b>
	<i>(In Millions)</i>	
Gross patient service charges		
Inpatient charges	\$ <b>3,824.7</b>	\$ 3,703.6
Outpatient charges	<b>3,303.6</b>	2,974.4
Total gross patient service charges	<b>7,128.3</b>	6,678.0
Deductions from patient service charges		
Contractual allowances and other	<b>4,540.3</b>	4,227.1
Charity allowances	<b>272.1</b>	257.8
Total deductions from patient service charges	<b>4,812.4</b>	4,484.9
Net patient service revenue before provision for bad debts	<b>2,315.9</b>	2,193.1
Provision for bad debts	<b>(144.8)</b>	(93.5)
Net patient service revenue	<b>\$ 2,171.1</b>	\$ 2,099.6

Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered and includes estimated retroactive revenue adjustments due to audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, or investigations.

The primary sources of consolidated gross patient service charges include Medicare, state-administered Medicaid programs, contracted rate payors (including health maintenance organizations and preferred provider organizations), commercial insurers, self-paying patients, and other sources. The following information provides consolidated net patient service revenue before the provision for doubtful accounts by payor for the years ended December 31.

	<b>2013</b>		<b>2012</b>	
	<i>(In Millions)</i>			
Medicare	\$ <b>588.1</b>	<b>25%</b>	\$ 645.4	29%
Medicaid	<b>223.3</b>	<b>10</b>	205.3	9
Managed care, commercial, and other	<b>1,364.5</b>	<b>59</b>	1,218.7	56
Self-pay	<b>140.0</b>	<b>6</b>	123.7	6
	<b>\$ 2,315.9</b>	<b>100%</b>	\$ 2,193.1	100%

# Sisters of Charity of Leavenworth Health System, Inc

## Notes to Consolidated Financial Statements (continued)

### 5. Net Patient Service Revenue (continued)

Revenue from Kaiser Permanente (see Note 12) represented approximately 20.7% and 21.6% of SCL Health System's net patient service revenue for the years ended December 31, 2013 and 2012, respectively, related to continuing operations. Approximately 65% of SCL Health System's net patient service revenue is derived from Affiliates doing business in the state of Colorado.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is a reasonable possibility that recorded estimates may change. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs.

The Centers for Medicare & Medicaid Services (CMS) have made inquiries regarding certain reimbursements claimed by SCL Health System. SCL Health System has adopted internal organizational responsibility and compliance programs to address these concerns and seeks to proactively respond to these requests. SCL Health System does not expect that the ultimate resolution of these inquiries will be material to its consolidated financial statements.

### 6. Investments and Assets Limited as to Use

The majority of SCL Health System's investments are comprised of its pro rata share of the CIP's funds held for participants and certain other investments such as those investments held and managed by foundations and the captive insurance company. Investments and assets limited as to use, stated at fair value, were as follows:

	<b>December 31</b>	
	<b>2013</b>	<b>2012</b>
	<i>(In Millions)</i>	
Held in the CIP		
Cash and cash equivalents	\$ 60.9	\$ 59.9
Absolute return	17.6	28.7
Core hedge funds	108.1	78.1
Domestic equity	147.0	141.4
Domestic fixed income	509.4	551.2
Global equity	348.1	320.6
Opportunistic	18.3	20.9
Real estate	36.6	50.0
Real return	238.2	239.3
Tactical asset allocation	162.3	172.1
	<b>1,646.5</b>	<b>1,662.2</b>
Investments held outside of the CIP	<b>149.8</b>	<b>219.8</b>
	<b>\$ 1,796.3</b>	<b>\$ 1,882.0</b>

SCL Health System's pro rata share of the CIP's funds was \$1,646.5 million and \$1,662.2 million at December 31, 2013 and 2012, respectively, representing 84% and 85% of the funds held for participants in the CIP at those respective dates. At December 31, 2013, \$36.6 million of real estate was held in the CIP. The real estate is not held in units and is wholly owned by SCL Health System.

# Sisters of Charity of Leavenworth Health System, Inc

## Notes to Consolidated Financial Statements (continued)

### 6. Investments and Assets Limited as to Use (continued)

SCL Health System's investments are exposed to various kinds and levels of risk. Fixed income securities expose SCL Health System to interest rate risk, credit risk, and liquidity risk. As interest rates change, the value of many fixed income securities is affected, particularly those with fixed interest rates. Credit risk is the risk that the obligor of the security will not fulfill its obligation. Liquidity risk is affected by the willingness of market participants to buy and sell given securities. SCL Health System's investments are diversified across a broad range of asset classes, durations, and funds to avoid concentrations of risk in any particular company, region, or industry.

Equity securities expose SCL Health System to market risk, performance risk, and liquidity risk. Market risk is the risk associated with major movements of the equity markets, both foreign and domestic. Performance risk is that risk associated with a company's operating performance. Liquidity risk as previously defined tends to be higher for foreign equities and equities related to small capitalization companies.

The real estate investments, opportunistic investments, and absolute return funds present similar risks to all of the traditional investments, with some additional risks. Due to the fact that these investments are invested through limited partnerships, private real estate investment trusts, insurance separate accounts, or other limited-access-type vehicles, pricing is infrequent. These investments may also employ leverage that may lead to additional risk of loss. Although these investments are diversified by region and property type, they may at times have concentrations in a particular region or property type, which may cause additional risk. The real estate investment funds are redeemable on a quarterly basis with 60 to 90 days' notice. Opportunistic funds have restrictions on liquidity withdrawals. Interim liquidity in opportunistic funds is only available after the investments realize profits. As of December 31, 2013, SCL Health System has committed \$30.3 million to opportunistic funds and subsequently has funded \$1.4 million of this commitment. In addition, SCL Health System had given full redemption notices to investment managers in the absolute return funds and two of the core hedge fund managers with \$17.2 million and \$10.7 million, respectively, still remaining in the funds as of December 31, 2013. Subsequent to December 31, 2013, SCL Health System received \$1.6 million of cash proceeds on redemption notices given to absolute return fund investment managers and \$8.9 million from the core hedge fund managers.

The composition of investment income is as follows for the years ended December 31:

	<b>2013</b>	<b>2012</b>
	<i>(In Millions)</i>	
Interest and other investment income	\$ <b>33.1</b>	\$ 41.2
Realized and unrealized gains and losses	<b>122.2</b>	98.0
	<b>\$ 155.3</b>	\$ 139.2

Sisters of Charity of Leavenworth Health System, Inc

Notes to Consolidated Financial Statements (continued)

**7. Capital Structure**

Long-term debt for SCL Health System consists of the following

	<b>Annual Interest Rates</b>	<b>2013</b>	<b>2012</b>
		<i>(In Millions)</i>	
Tax-exempt bond issues			
2013, due through January 2044	4.0% to 5.5%	\$ 300.0	\$ —
2012, due through December 2031	Variable rate, 0.52% and 0.57%	65.2	74.5
2011, due through January 2039	Variable rate, 0.61% and 0.64%	60.6	61.6
2010, due through January 2040	2.50% to 5.25%	938.2	962.0
2006, due through December 2031	Variable rate, 0.04% and 0.13%	24.2	25.8
2003, due through December 2038	Variable rate, 0.05% and 0.15%	114.9	123.8
2002, due through December 2032	Variable rate, 0.04% and 0.15%	49.5	59.8
Total under the SCL Health System MTI		<b>1,552.6</b>	1,307.5
Note payable to CFF, due through October 2032	Variable rate, 3.25%	—	230.0
Note payable to Kaiser Permanente, due November 2032	6.00%	—	16.5
Other notes and capital leases		<b>6.5</b>	8.2
		<b>1,559.1</b>	1,562.2
Original issue premium, net		<b>17.9</b>	16.8
Current maturities of long-term debt		<b>(190.1)</b>	(67.7)
		<b>\$ 1,386.9</b>	\$ 1,511.3

SCL Health System is the sole member of an Obligated Group of which the Restricted Affiliates are included under the terms of an MTI amended and restated as of January 1, 1994. Under the terms of the MTI, debt can be incurred for which the Obligated Group is jointly and severally liable. As of December 31, 2013, the outstanding indebtedness under the MTI was \$1,522.6 million, exclusive of original issue discount or premium. In addition, as of December 31, 2013, there were also guarantees of indebtedness by SCL Health System outstanding under the MTI of \$38.1 million (see Note 13). The Obligated Group has agreed to certain covenants, including, among other things, a specified debt service coverage ratio and debt-to-capitalization ratio, a restriction on certain types of additional indebtedness, and a restriction on asset dispositions in excess of specified amounts. The consolidated results of the Obligated Group and Restricted Affiliates are used to determine compliance with certain covenants of the MTI. As of December 31, 2013 and 2012, SCL Health System was in compliance with all covenants.

On April 4, 2012, SCL Health System issued \$76.3 million of Kansas Development Finance Authority Variable Rate Demand Revenue Bonds Series 2012A as a private placement with Citibank, N.A. The private placement was used to refund the outstanding 2006 Series C and 2006 Series D SCL Health System Kansas Development Finance Authority Variable Rate Demand Revenue Bonds.

Sisters of Charity of Leavenworth Health System, Inc

Notes to Consolidated Financial Statements (continued)

**7. Capital Structure (continued)**

On April 1, 2013, PMC and SJL were withdrawn as Restricted Affiliates under the MTI (as Amended and Restated) dated as of January 1, 1994, between SCL Health System and The Bank of New York Mellon Trust Company, N.A., as master trustee. Of the disposition proceeds received from Prime Healthcare, \$18.0 million were used to redeem the allocable portion of the variable rate bonds.

During July 2013, EGSMC signed a new multiyear agreement with a Kaiser Permanente affiliate, specifying the terms under which EGSMC would provide hospital services to Kaiser Permanente members. In conjunction with the new agreement, EGSMC paid the Kaiser Permanente affiliate \$16.5 million to extinguish the subordinated note payable created under the original 2002 agreement.

On November 13, 2013, SCL Health System paid off the \$218.5 million outstanding portion of the unsecured promissory note with CFF.

On November 12, 2013, SCL Health System issued Series 2013A Colorado Health Facilities Authority tax-exempt revenue bonds in the par amount of \$300.0 million. Proceeds, exclusive of original issue discount or premium and incurred expenses, were used for reimbursement of qualified capital expenditures at the new Saint Joseph Hospital facility in Denver, Colorado.

The Series 2002, 2003, and 2006 Variable Rate Demand Bonds are backed by Standby Bond Purchase Agreements with JPMorgan Chase Bank and BNY Mellon. The Standby Bond Purchase Agreement supporting the 2003 Series A and 2003 (CA) bonds expires on March 1, 2017. The Standby Bond Purchase Agreement supporting the 2002, 2003 (MT), 2003 Series B, and 2006 Series A bonds expires on November 26, 2014. In the event that bonds bearing interest at a weekly or daily rate are not successfully remarketed or if funds are not available for remarketing, JPMorgan Chase Bank, Morgan Stanley Bank, N.A., or BNY Mellon will pay the purchase price for debt that is tendered. The repayment terms of the Standby Bond Purchase Agreements cause a portion of the Series 2002, 2003, and 2006 Variable Rate Demand Bonds to be classified as current.

Scheduled principal repayments on long-term debt (excluding original issue discount, net) are as follows:

<b>Years Ending December 31</b>	<b>Scheduled</b>	<b>Scheduled With Variable Classified as Current</b>
	<i>(In Millions)</i>	
2014	\$ 39.8	\$ 190.1
2015	40.5	42.9
2016	42.1	44.0
2017	43.9	31.7
2018	45.9	33.3
Thereafter	1,346.9	1,217.1
	<u>\$ 1,559.1</u>	<u>\$ 1,559.1</u>

## Sisters of Charity of Leavenworth Health System, Inc

### Notes to Consolidated Financial Statements (continued)

#### 8. Derivative Instruments

SCL Health System has entered into three interest rate swaps. The objective of the hedges is to offset the variability of cash flows due to the repricing of outstanding debt. Details of the interest rate swaps are outlined below:

Notional amount	\$33,675,000	\$33,675,000	\$60,000,000
Fixed annual payment rate	3.180%	3.789%	4.215%
Variable receiver rate	68% of LIBOR	SIFMA rate	SIFMA rate
Effective date	December 5, 2003	December 5, 2003	October 2, 2008
Termination date	December 1, 2023	December 1, 2023	December 1, 2031
Reset	Monthly	Weekly	Weekly
Settlement	Monthly	Monthly	Monthly
Classification	Cash flow hedge	Cash flow hedge	Cash flow hedge
Fair value at December 31, 2013	<b>\$(3.0) million</b>	<b>\$(3.6) million</b>	<b>\$(8.4) million</b>
Fair value at December 31, 2012	\$(4.9) million	\$(5.8) million	\$(17.1) million

SCL Health System measures the effectiveness of the hedges quarterly based on the cumulative dollar-offset approach. The change in unrealized value of interest rate swaps is excluded from the excess of revenue over expenses for the portion of the hedge determined to be effective. Any ineffective portion of the hedges is recorded as investment income. The ineffective portion of the hedges was \$1.8 million and \$(1.6) million for the years ended December 31, 2013 and 2012, respectively. The fair value of the swaps is recorded in other noncurrent liabilities at December 31, 2013 and 2012. The accumulated loss on the swaps was \$14.5 million and \$25.4 million at December 31, 2013 and 2012, respectively.

#### 9. Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820, *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

Certain of SCL Health System's financial assets and financial liabilities are measured at fair value on a recurring basis, including money market, fixed income, equity instruments, and interest rate swap contracts. The three levels of the fair value hierarchy and a description of the valuation methodologies used for instruments measured at fair value are as follows:

*Level 1* – Quoted prices (unadjusted) in active markets for identical assets or liabilities as of the reporting date. Level 1 primarily consists of financial instruments such as money market securities and listed equities.

*Level 2* – Pricing inputs other than quoted prices included in Level 1 that are either directly observable or that can be derived or supported from observable data as of the reporting date. Instruments in this category include certain U.S. government agency and sponsored entity debt securities and interest rate swap contracts.



Sisters of Charity of Leavenworth Health System, Inc

Notes to Consolidated Financial Statements (continued)

**9. Fair Value Measurements (continued)**

*Level 3* – Pricing inputs include those that are significant to the fair value of the financial asset or financial liability and are not observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of assumptions a market participant would utilize to determine fair value.

The CIP's investments include equities, various fixed income securities, and alternative investments as detailed in Note 2. As of December 31, 2013, 64% of CIP's investments were Level 1, 21% Level 2, and 15% Level 3. As of December 31, 2012, 58% of CIP's investments were Level 1, 24% Level 2, and 18% Level 3.

The fair value of financial assets measured at fair value on a recurring basis was determined using the following inputs at December 31, 2013:

<b>Fair Value Measurements at Reporting Date Using</b>				
	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	
	<b>Fair Value</b>			
<i>(In Millions)</i>				
<b>Assets</b>				
Investments				
Cash and cash equivalents	\$ 29.4	\$ 29.4	\$ —	\$ —
U.S. government and agency obligations	0.8	0.4	0.4	—
Corporate debt	8.5	—	8.5	—
Real estate	5.0	—	—	5.0
Mutual funds	89.5	89.5	—	—
Domestic equity	13.8	13.8	—	—
Global/international equity	2.8	2.8	—	—
Held in CIP	1,646.5	—	1,646.5	—
	<u>\$ 1,796.3</u>	<u>\$ 135.9</u>	<u>\$ 1,655.4</u>	<u>\$ 5.0</u>
<b>Liabilities</b>				
Obligations under swap contracts	\$ 15.0	\$ —	\$ 15.0	\$ —

Sisters of Charity of Leavenworth Health System, Inc

Notes to Consolidated Financial Statements (continued)

**9. Fair Value Measurements (continued)**

The fair value of financial assets measured at fair value on a recurring basis was determined using the following inputs at December 31, 2012

<b>Fair Value Measurements at Reporting Date Using</b>				
	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	
<b>Fair Value</b>				
<i>(In Millions)</i>				
<b>Assets</b>				
Investments				
Cash and cash equivalents	\$ 93.6	\$ 93.6	\$ —	\$ —
U.S. government and agency obligations	2.2	1.3	0.9	—
Corporate debt	19.4	—	19.4	—
Real estate	7.7	—	—	7.7
Mutual funds	82.7	82.7	—	—
Domestic equity	12.2	12.2	—	—
Global/international equity	2.0	2.0	—	—
Held in CIP	1,662.2	—	1,662.2	—
	<u>\$ 1,882.0</u>	<u>\$ 191.8</u>	<u>\$ 1,682.5</u>	<u>\$ 7.7</u>
<b>Liabilities</b>				
Obligations under swap contracts	\$ 27.8	\$ —	\$ 27.8	\$ —

The fair values of the securities included in Level 1 were determined through quoted market prices. The fair values of Level 2 securities (primarily holdings within the CIP) were determined based upon the unitized value of CIP holdings and the underlying recent trading activity. The fair values of Level 2 securities related to fixed income securities were determined through bid prices based on recent trading activity and other relevant information, including market interest rate curves and referenced credit spreads. Estimated prepayment rates, where applicable, are used for valuation purposes provided by third-party services where quoted market values are not available. Level 2 investments also include corporate fixed income, government bonds, and mortgage- and asset-backed securities. The fair values of the interest rate swap contracts are determined based on the present value of expected future cash flows using discount rates approximate with the risks involved. The valuations reflect a credit spread adjustment to the London Interbank Offered Rate (LIBOR) and Securities Industry and Financial Markets Association (SIFMA) discount curves in order to reflect the credit value adjustment for nonperformance risk. The credit spread adjustment is derived from other comparably rated entities' bonds priced in the market. Due to the volatility of the capital markets, there is a reasonable possibility of changes in fair value and additional gains (losses) in the near term subsequent to December 31, 2013. Level 3 includes real estate, fair value is determined using recent appraisals and purchase data.

# Sisters of Charity of Leavenworth Health System, Inc

## Notes to Consolidated Financial Statements (continued)

### 9. Fair Value Measurements (continued)

The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, accounts and pledges receivable, and current liabilities are reasonable estimates of their fair value due to the short-term nature of these financial instruments. The fair value of the fixed-rate bonds was approximately \$1.3 billion and \$1.1 billion at December 31, 2013 and 2012, respectively. The fair value of the variable-rate revenue bonds approximates the carrying value at December 31, 2013 and 2012. The carrying value of all other debt is assumed to approximate fair value.

The methods described above may produce a fair value calculation that may not indicate net realizable value or reflect future fair values. Furthermore, while SCL Health System believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table is a roll-forward of the financial assets classified within Level 3 of the valuation hierarchy defined above:

	<b>Investments</b> <i>(In Millions)</i>
Fair value at January 1, 2012	\$ 6.5
Acquisitions	1.2
Dispositions	(0.3)
Unrealized gains	0.3
Fair value at December 31, 2012	<u>7.7</u>
Acquisitions	<b>0.4</b>
Dispositions	<b>(4.3)</b>
Unrealized gains	<b>1.2</b>
Fair value at December 31, 2013	<u><b>\$ 5.0</b></u>

### 10. Retirement Plans

#### Defined-Contribution Plans

SCL Health System participates in a defined-contribution retirement plan (the Defined-Contribution Plan), which is a 401(a) defined-contribution retirement plan that covers substantially all employees. Employer contributions to the plan are based on a percentage of eligible compensation for participating employees and a percentage of participating employees' contributions to a related 403(b) plan. SCL Health System funded \$49.7 million and \$45.3 million related to the Defined-Contribution Plan during 2013 and 2012, respectively.

Sisters of Charity of Leavenworth Health System, Inc

Notes to Consolidated Financial Statements (continued)

**10. Retirement Plans (continued)**

**Defined-Benefit Plans**

SCL Health System participates in three defined-benefit retirement plans (the Defined-Benefit Plans). The first plan is an unfunded executive supplemental retirement plan. A second plan (the SCL Plan) is a single plan with multiple-employer participants that was frozen in 1996 for all participating associates except certain associates of St. James Healthcare. SCL Health System makes contributions to these plans based on the funding recommendations of the plans' actuaries. These two plans are collectively referred to as the SCLHS Plans.

The executive supplemental retirement plan was frozen effective December 31, 2013. The defined benefits accrued under this plan through December 2013 total \$5.0 million and will be credited with annual interest to be determined by the Compensation Committee. The interest rate is 5.0% for 2014. Participants in this plan become eligible to participate in the Supplemental Executive Retirement Plan, a defined contribution plan created and effective January 1, 2014.

A third plan relates to Exempla Healthcare. Prior to January 1, 1998, the predecessor to Exempla Healthcare had a defined-benefit pension plan (the Exempla Plan), that covered substantially all of its associates. The benefits were based on years of service and employees' final average compensation. Benefits under the plan have been frozen. SCL Health System's funding policy for this plan is to contribute annually the minimum amount under the requirements of the Employee Retirement Income Security Act of 1974, as amended. Contributions are currently intended to provide for benefits attributed for services rendered through January 1, 1998.

In 2013, the amortization period for actuarial gains and losses for the SCL Plan and the Exempla Plan was changed from average remaining service to average remaining lifetime as required by GAAP when almost all participants are inactive. In addition, certain bridge benefits for associates at St. James Healthcare were frozen, and the threshold for mandatory lump-sum distributions was increased from \$10,000 to \$25,000. The effect of these changes was to reduce pension expense by \$0.9 million and reduce the pension benefit obligation by \$4.1 million.

Sisters of Charity of Leavenworth Health System, Inc

Notes to Consolidated Financial Statements (continued)

**10. Retirement Plans (continued)**

The following sets forth the Defined-Benefit Plans' funded status and accrued pension liability, as of December 31, as actuarially determined

	<b>2013</b>	<b>2012</b>
	<i>(In Millions)</i>	
<b>Change in projected benefit obligation</b>		
Projected benefit obligation at beginning of year	\$ 399.7	\$ 354.5
Service cost	2.9	2.8
Interest cost	15.3	17.1
Actuarial (gain) loss	(33.4)	43.7
Benefits paid	(20.6)	(19.0)
Special termination benefits	0.3	0.3
Plan amendments and assumption changes	(4.1)	0.3
Adjustment for plan freeze	(9.2)	—
Projected benefit obligation at end of year	<u>350.9</u>	<u>399.7</u>
<b>Change in plan assets</b>		
Fair value of plan assets at beginning of year	345.7	331.5
Actual return on plan assets	40.9	31.8
Contributions	2.9	2.3
Benefits paid	(20.6)	(19.0)
Expenses paid	(0.6)	(0.9)
Fair value of plan assets at end of year	<u>368.3</u>	<u>345.7</u>
Accrued pension asset (liability)	<u>\$ 17.4</u>	<u>\$ (54.0)</u>

The net accrued pension asset in the table above as of December 31, 2013 of \$17.4 million includes \$23.9 million of accrued pension asset in the SCL Plan offset by \$6.5 million of accrued pension liability in the Exempla Plan

Included in unrestricted net assets at December 31 are the following amounts that have not yet been recognized in net periodic pension cost

	<b>2013</b>	<b>2012</b>
	<i>(In Millions)</i>	
Unrecognized actuarial losses	\$ 75.9	\$ 131.5
Unrecognized prior service costs	(3.9)	1.7
	<u>\$ 72.0</u>	<u>\$ 133.2</u>

Sisters of Charity of Leavenworth Health System, Inc

Notes to Consolidated Financial Statements (continued)

**10. Retirement Plans (continued)**

Changes in plan assets and benefit obligations in unrestricted net assets include the following

	<b>2013</b>	<b>2012</b>
	<i>(In Millions)</i>	
Unrecognized actuarial (gains) losses	\$ (50.4)	\$ 36.8
Prior service costs	(4.1)	—
Amortization of actuarial losses	(5.1)	(7.8)
Amortization of prior service costs	(1.6)	(0.8)
	<u>\$ (61.2)</u>	<u>\$ 28.2</u>

The prior service cost and actuarial (gains) losses included in unrestricted net assets and expected to be recognized in net periodic pension benefit during the year ending December 31, 2014, are \$1.7 million.

No plan assets are expected to be returned to SCL Health System during the year ending December 31, 2014.

	<b>2013</b>	<b>2012</b>
	<i>(In Millions)</i>	
<b>Components of net periodic benefit cost</b>		
Service cost	\$ 3.8	\$ 3.7
Interest cost	15.3	17.1
Expected return on plan assets	(24.1)	(24.6)
Amortization of prior service cost	0.5	0.8
Special termination benefits	0.3	0.3
Settlement loss and amortization of actuarial losses	4.0	7.8
Effect of plan freeze	(7.1)	—
Net periodic pension (benefit) expense	<u>\$ (7.3)</u>	<u>\$ 5.1</u>

Weighted-average assumptions used to determine the consolidated balance sheet liability as of December 31 are as follows:

	<b>2013</b>	<b>2012</b>
Discount rate – SCLHS Plans	4.71%	3.94%
Discount rate – Exempla Plan	4.85%	4.05%
Rate of increase in future compensation levels (age graded)	2.50 to 9.00	2.50 to 9.00

Sisters of Charity of Leavenworth Health System, Inc

Notes to Consolidated Financial Statements (continued)

**10. Retirement Plans (continued)**

Weighted-average assumptions used to determine pension benefit cost for the years ended December 31 are as follows

	<b>2013</b>	<b>2012</b>
Discount rate – SCLHS Plans	<b>3.94%</b>	4.83%
Discount rate – Exemplar Plan	<b>4.05%</b>	4.91%
Expected return on plan assets	<b>7.25%</b>	7.50%
Rate of increase in future compensation levels (age graded)	<b>2.50 to 9.00</b>	2.50 to 9.00

**Plan Assets**

The expected return on plan assets reflects historical returns and future expectations for returns in each asset class, as well as targeted asset allocation percentages within the portfolio. The investment strategy is of a long-term nature and is intended to ensure that funds are available to pay benefits as they become due and to maximize the trust's total return at an appropriate level of investment risk.

The target and actual asset allocations by asset category are as follows:

<b>Asset Category</b>	<b>Target Allocation</b>	<b>Actual Allocation</b>	
		<b>2013</b>	<b>2012</b>
Global equity	32.0%	<b>32.3%</b>	31.9%
Domestic fixed income	31.0	<b>31.4</b>	31.8
Real return	14.0	<b>14.0</b>	14.5
Domestic equity	12.0	<b>11.7</b>	11.3
Tactical allocation	6.0	<b>6.0</b>	6.3
Core hedge funds	5.0	<b>4.6</b>	4.2
	100.0%	<b>100.0%</b>	100.0%

Sisters of Charity of Leavenworth Health System, Inc

Notes to Consolidated Financial Statements (continued)

**10. Retirement Plans (continued)**

As described in Notes 2 and 6, SCL Health System's investments, which include investments held for its retirement plans, are comprised of its pro rata share of the CIP's funds. Accordingly, the amounts in the tables below reflect the fair value of the Defined Benefit Plans' share of each class of investment held in the CIP, classified in one of the three categories within the fair value hierarchy described in Note 9.

	<b>Fair Value Measurements at Reporting Date Using</b>			
	<b>Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<i>(In Millions)</i>				
<b>December 31, 2013</b>				
<b>Assets</b>				
Global equity	\$ 119.0	\$ —	\$ 119.0	\$ —
Domestic fixed	115.6	—	115.6	—
Real return	51.3	—	51.3	—
Domestic equity	43.1	—	43.1	—
Tactical allocation	22.3	—	22.3	—
Core hedge funds	17.0	—	17.0	—
	<b>\$ 368.3</b>	<b>\$ —</b>	<b>\$ 368.3</b>	<b>\$ —</b>
<b>December 31, 2012</b>				
<b>Assets</b>				
Global equity	\$ 110.3	\$ —	\$ 110.3	\$ —
Domestic fixed	110.1	—	110.1	—
Real return	50.0	—	50.0	—
Domestic equity	38.9	—	38.9	—
Tactical allocation	21.8	—	21.8	—
Core hedge funds	14.6	—	14.6	—
	<b>\$ 345.7</b>	<b>\$ —</b>	<b>\$ 345.7</b>	<b>\$ —</b>



# Sisters of Charity of Leavenworth Health System, Inc

## Notes to Consolidated Financial Statements (continued)

### 10. Retirement Plans (continued)

#### Expected Benefit Payments

Expected benefits payments to participants, excluding lump-sum distributions, are as follows (in millions)

2014	\$	26.9
2015		22.6
2016		23.4
2017		24.0
2018		24.5
2019–2022		122.4

### 11. Insurance Coverage

SCL Health System provides an insurance program to insure for various insurable risks. SCL Health System obtains insurance through Leaven Insurance Company, Ltd. (Leaven), a wholly-owned subsidiary and captive insurance company, as well as third-party insurers and other self-insured methods.

Aggregate excess umbrella coverage of \$100.0 million and excess claims-made basis professional liability coverage of \$100.0 million are obtained through Leaven, which cedes these risks to third-party commercial reinsurers located in the United States, Switzerland, the United Kingdom, and Bermuda. Claims-made general liability coverage provides for a self-insured retention of \$1.0 million per claim up to an annual aggregate of \$3.0 million. Effective October 1, 2010, professional liability coverage provides for a self-insured retention of \$2.0 million per medical incident, \$20.0 million annual aggregate (shared by all insureds), and a buffer layer of insurance is purchased from Leaven with limits of \$2.0 million per medical incident, \$5.0 million annual aggregate. For claims reported prior to October 1, 2010, professional liability coverage provides for a self-insured retention of \$2.0 million per claim, \$7.0 million annual aggregate (these limits are \$2.0 million per claim, \$8.0 million annual aggregate for Exempla Healthcare, and for St. Vincent Healthcare \$3.0 million per claim, \$12.0 million annual aggregate during the period from March 1, 2008 to February 28, 2009, and \$4.0 million per claim, \$14.0 million annual aggregate during the period from March 1, 2009 to September 30, 2010). Primary self-insured professional liability coverage for Kansas affiliates is limited to \$0.2 million per claim up to an annual aggregate of \$0.6 million per affiliate. This and additional statutory coverage purchased from the Kansas Health Care Stabilization Fund will contribute to losses within \$2.0 million, \$20.0 million self-insured retention. SCL Health System is self-insured to the extent of the deductible amounts not covered by other insurance. Related expense for this coverage totaled \$14.2 million and \$13.6 million in 2013 and 2012, respectively, and has been included in other operating expenses in the accompanying consolidated statements of operations. The loss reserves recorded for estimated self-insured professional and general liability, including estimates of the ultimate costs for both reported claims and claims incurred but not reported, are discounted at annual rates of 4% at December 31, 2013 and 2012. Professional and general liability funding is provided through a revocable trust fund.

SCL Health System self-insures and funds its obligations for workers' compensation. In connection therewith, SCL Health System (excluding Exempla Healthcare) has obtained excess workers' compensation insurance coverage from outside carriers for individual claims in excess of \$750,000. Exempla Healthcare has obtained excess workers' compensation insurance coverage for claims in excess of \$350,000. During 2013 and 2012, \$3.3 million and \$8.2 million, respectively, of workers' compensation expenses were charged to employee benefits expenses in the accompanying consolidated statements of operations.

## Sisters of Charity of Leavenworth Health System, Inc

### Notes to Consolidated Financial Statements (continued)

#### **11. Insurance Coverage (continued)**

SCL Health System offers an employee benefit package to all eligible employees and their dependents. Portions of these benefits are self-insured and are provided through the SCL Health System Employee Benefit Plan (the Benefit Plan). Contributions to the Benefit Plan are made in amounts determined in accordance with the recommendations of an independent actuary based on past claims experience and other factors. During 2013 and 2012, \$116.7 million and \$119.7 million, respectively, of expenses were charged to employee benefits expenses in the accompanying consolidated statements of operations.

SCL Health System is presently not aware of any unasserted casualty, professional liability, workers' compensation, or health and dental benefit claims that would have a material adverse impact on the accompanying consolidated financial statements.

#### **12. Relationship With Kaiser Permanente**

During 2002, EGSMC signed a multiyear agreement with a Kaiser Permanente affiliate, specifying the terms under which EGSMC would provide hospital services to Kaiser Permanente members beginning in 2005. Among other things, the agreement specifies payment terms and termination conditions. Beginning December 31, 2006, the agreement contains certain financial conditions relating to the operation of the hospital and provides that breach of the financial conditions would give Kaiser Permanente certain rights, including the right to purchase the hospital at a purchase price specified in the agreement. Management believes EGSMC was not in breach of the financial conditions as of December 31, 2013.

In August 2012, Exempla Healthcare entered into a multiyear agreement with a Kaiser Permanente affiliate, specifying the terms under which EGSMC provides hospital services to Kaiser Permanente. Among other things, the agreement specifies payment terms and termination conditions, including agreement between Kaiser and Exempla Healthcare to enter into a new, long-term agreement with Kaiser Permanente in 2013. This new provider services agreement became effective July 1, 2013, for a three-year term.

A Kaiser Permanente affiliate is also a noneconomic member of EGSMC, giving it certain rights to approve dissolution, reorganization, or voluntary bankruptcy of EGSMC. No such events occurred in 2013. During 2009, certain payments from Kaiser Permanente under the agreement represented advances from Kaiser Permanente, which were recorded as subordinated debt, but were paid off in 2013 (see Note 7).

In January 2012, Saint Joseph Hospital entered into a 10-year provider services agreement (the Agreement) with a Kaiser Permanente affiliate. Among other things, the Agreement specifies payment terms and conditions, annual rate inflators, and volume guarantees that provide for additional rate adjustments in the event Kaiser admission volumes increase or decrease from the agreed baseline.

#### **13. Commitments and Contingencies**

SCL Health System has guaranteed \$18.4 million of debt for the purpose of constructing medical office buildings in Billings, Montana. This is part of a joint venture in which SCL Health System is a 50% partner and co-manager. SCL Health System receives an annual fee for the guarantee. SCL Health System has also guaranteed \$19.7 million

## Sisters of Charity of Leavenworth Health System, Inc

### Notes to Consolidated Financial Statements (continued)

#### 13. Commitments and Contingencies (continued)

for a rural Kansas hospital, a medical office building in Wyoming, a university in Kansas, an ambulatory surgery center in Colorado, an imaging center venture in California, a cancer center in Montana, and other beneficiaries. SCL Health System has not recorded any liability with respect to these guarantees at December 31, 2013.

In 2006, SJH discovered life-safety code violations in its north and south patient towers. In late 2006, SJH notified the CMS, the Joint Commission, and the Denver Fire Department of such findings, along with an action plan to mitigate the issues that was approved by the various agencies. Subsequent to that approval, SJH revised its action plan calling for a replacement of the hospital (rather than construction of additional rooms on the existing site). CMS has granted an extension for the use of the tower rooms through December 2014. SCL Health System is currently engaged in a major building improvement construction project to build the replacement hospital for SJH. Total project cost is estimated to be \$623.0 million. Spending on the project through December 31, 2013, totals \$391.0 million. The remaining expenditures will be incurred during 2014, as the project is completed.

SCL Health System has various strategic information systems projects in progress, the largest of which is a commitment of \$38.5 million to implement ambulatory electronic medical record software. As of December 31, 2013, SCL Health System has spent \$15.7 million on this project and has reflected this in land, buildings, and equipment, net.

On September 6, 2013, SCL Health System signed a non-binding letter of intent to create a joint operating agreement (JOA) with National Jewish Health (NJH), a hospital in Denver, Colorado. The parties intend to collaboratively provide patient care in both an inpatient and an outpatient setting at SJH. The JOA will generally provide for, among other things, joint management of the combined operations of SJH and the clinical operations of NJH through a joint operating company (JOC). SCL Health System and NJH retain ownership of their respective assets, liabilities, equity, revenues and expenses of their businesses that participate in the JOA. SCL Health System is expected to have a majority ownership of the JOC. NJH will continue to have areas of its business that operate outside the joint entity, including certain research and educational operations. Both hospitals will retain their brand names and the joint entity would operate under a mutually agreed-upon name.

SCL Health System's rent expense under operating leases was \$31.8 million and \$27.4 million for the years ended December 31, 2013 and 2012, respectively. Scheduled noncancelable operating lease payments during the next five years and thereafter are as follows (in millions):

2014	\$	22.1
2015		17.9
2016		13.8
2017		10.5
2018		8.6
Thereafter		7.7

Sisters of Charity of Leavenworth Health System, Inc

Notes to Consolidated Financial Statements (continued)

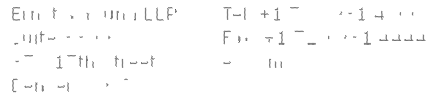
**14. Subsequent Events**

SCL Health System evaluated events and transactions occurring subsequent to December 31, 2013 through May 6, 2014, the date of issuance of the consolidated financial statements.

As described in Note 3, SCL Health System sold SJSM to Providence on March 1, 2014 for \$93.9 million. SCL Health System recognized no loss on disposal as the value of the related assets had previously been written down to fair value.

On March 1, 2014, Saint John's Hospital and Health Center was withdrawn as a Restricted Affiliate under the MTI (as Amended and Restated) dated as of January 1, 1994, between SCL Health System and The Bank of New York Mellon Trust Company, N.A., as master trustee. In addition, remediation action was taken in respect to outstanding tax-exempt bonds associated with Saint John's Hospital and Health Center. On March 28, 2014, \$14.7 million of outstanding variable rate bonds were redeemed and defeased.

## Supplemental Financial Information



The Board of Directors  
Sisters of Charity of Leavenworth  
Health System, Inc

Ernst & Young LLP

and the other two are the same as in the previous case.

Sisters of Charity of Leavenworth Health System, Inc

Financial and Operating Information

December 31, 2013

The table below is a summary of the consolidated statements of operations for SCL Health System and Restricted Affiliates (Restricted) and for SCL Health System (Consolidated) for the years ended December 31, 2013 and 2012, which have been derived from the audited consolidated financial statements

	Year Ended December 31			
	Restricted		Consolidated	
	2013	2012	2013	2012
	<i>(In Millions)</i>			
Net patient service revenue	\$ 2,156.9	\$ 2,082.5	\$ 2,171.1	\$ 2,099.6
Other revenue	93.5	83.7	133.4	123.8
Total operating revenue	<u>2,250.4</u>	<u>2,166.2</u>	<u>2,304.5</u>	<u>2,223.4</u>
Operating expenses (salaries and wages, employee benefits, and other operating expenses)	1,986.6	1,895.5	2,029.0	1,926.0
Depreciation and amortization	182.2	184.0	183.5	185.2
Interest and amortization	50.4	55.4	50.6	55.5
Total operating expenses	<u>2,219.2</u>	<u>2,134.9</u>	<u>2,263.1</u>	<u>2,166.7</u>
Income from operations	31.2	31.3	41.4	56.7
Investment income	141.1	129.0	155.3	139.2
Loss on early extinguishment of debt	(0.1)	(0.6)	(0.1)	(0.6)
Other nonoperating losses	(2.2)	(1.3)	(4.7)	(12.2)
Total nonoperating gains, net	<u>138.8</u>	<u>127.1</u>	<u>150.5</u>	<u>126.4</u>
Excess of revenue over expenses	170.0	158.4	191.9	183.1
Attributable to noncontrolling interest	(3.3)	(2.5)	(3.3)	(2.5)
Total excess of revenue over expenses attributable to SCL Health System	<u>\$ 166.7</u>	<u>\$ 155.9</u>	<u>\$ 188.6</u>	<u>\$ 180.6</u>

Sisters of Charity of Leavenworth Health System, Inc

Sources of Patient Revenue

December 31, 2013

The primary sources of consolidated gross patient service charges include Medicare, state-administered Medicaid programs, contracted rate payors (including health maintenance organizations and preferred provider organizations), commercial insurers, self-paying patients, and other sources. The following information provides consolidated net patient service revenue before the provision for doubtful accounts by payor for the years ended December 31.

	Year Ended December 31	
	2013	2012
Medicare	25%	29%
Medicaid	10	9
Managed care commercial and other	59	56
Self-pay	6	6
	100%	100%



# Sisters of Charity of Leavenworth Health System, Inc

## Capitalization Ratio

December 31, 2013

The following table sets forth the consolidated capitalization of SCL Health System and Restricted Affiliates (Restricted) and SCL Health System (Consolidated) as of December 31, 2013 and 2012

	Year Ended December 31			
	Restricted		Consolidated	
	2013	2012	2013	2012
	<i>(In Millions)</i>			
Long-term debt				
MTI debt (net of original issue discount, net)	\$ 1,570.5	\$ 1,324.3	\$ 1,570.5	\$ 1,324.3
Other long-term indebtedness	3.3	251.2	6.5	254.7
Total long-term debt	1,573.8	1,575.5	1,577.0	1,579.0
Less current maturities	(190.1)	(67.7)	(190.1)	(67.7)
Plus variable portion not scheduled	150.3	16.7	150.3	16.7
Net long-term debt	1,534.0	1,524.5	1,537.2	1,528.0
Unrestricted net assets	2,004.5	1,817.3	2,179.5	1,986.7
Total capitalization	\$ 3,538.5	\$ 3,341.8	\$ 3,716.7	\$ 3,514.7
Percent of net long-term debt to total capitalization	43.4%	45.6%	41.4%	43.5%

# Sisters of Charity of Leavenworth Health System, Inc

## Debt Service Coverage Requirements

December 31, 2013

The table below sets forth the consolidated debt service coverage of SCL Health System and Restricted Affiliates (Restricted) and SCL Health System (Consolidated) as of December 31, 2013 and 2012

	Year Ended December 31			
	Restricted		Consolidated	
	2013	2012	2013	2012
	<i>(In Millions)</i>			
Consolidated income available for debt service				
Excess of revenue over expenses attributable to SCL Health System	\$ 166.7	\$ 155.9	\$ 188.6	\$ 180.6
Change in unrealized (gains) losses, net	(54.7)	(61.0)	(60.9)	(66.9)
Depreciation and amortization	182.2	184.0	183.5	185.2
Interest and amortization	50.4	55.4	50.6	55.5
Total consolidated income available for debt service	<u>\$ 344.6</u>	<u>\$ 334.3</u>	<u>\$ 361.8</u>	<u>\$ 354.4</u>
Consolidated annual debt service requirements <sup>(1)</sup>	<u>\$ 115.6</u>	<u>\$ 96.3</u>	<u>\$ 115.9</u>	<u>\$ 96.6</u>
Actual debt service coverage ratio – all long-term debt <sup>(2)</sup>	3.0x	3.5x	3.1x	3.7x

<sup>(1)</sup> Annual debt service = principal paid + interest paid + 20% of interest and principal for guaranteed debt

<sup>(2)</sup> Debt service coverage = (excess of revenue over expenses – change in unrealized gains, net + depreciation and amortization + interest and amortization)/annual debt service

# Sisters of Charity of Leavenworth Health System, Inc

## Financial Performance

December 31, 2013

The following table highlights the financial results for SCL Health System and Restricted Affiliates (Restricted) and SCL Health System (Consolidated) for the years ended December 31, 2013 and 2012

	Year Ended December 31			
	Restricted		Consolidated	
	2013	2012	2013	2012
Adjusted operating income margin <sup>(1)</sup>	<b>1.1%</b>	1.1%	<b>1.4%</b>	1.4%
Operating income margin <sup>(2)</sup>	<b>1.3%</b>	1.4%	<b>1.7%</b>	2.4%
Return on net assets <sup>(3)</sup>	<b>8.5%</b>	8.7%	<b>8.8%</b>	9.2%
Debt service coverage <sup>(4)</sup>	<b>3.0x</b>	3.5x	<b>3.1x</b>	3.7x
Days' cash on-hand (excluding self-insured risk funds and trustee-held funds) <sup>(5)</sup>	<b>293</b>	306	<b>304</b>	319
Cushion ratio <sup>(6)</sup>	<b>14.4x</b>	17.7x	<b>15.5x</b>	19.0x

<sup>(1)</sup> Adjusted operating revenue = net patient service revenue + other operating revenue + net assets released from restrictions

Adjusted operating income = adjusted operating revenue – total operating expenses

Adjusted operating income margin = adjusted operating income/adjusted operating revenue

<sup>(2)</sup> Operating income margin = excess (deficit) of revenue over expenses/(total operating revenue + (total nonoperating gains (losses)))

<sup>(3)</sup> Return on net assets = excess (deficit) of revenue over expenses/unrestricted net assets

<sup>(4)</sup> Debt service coverage = (excess (deficit) of revenue over expenses – change in unrealized gains (losses), net + depreciation and amortization + interest and amortization)/annual debt service

<sup>(5)</sup> Days' cash on-hand = (cash and cash equivalents + investments – permanently restricted net assets)/divided (total operating expenses – depreciation and amortization/cumulative days)

<sup>(6)</sup> Cushion ratio = (cash and cash equivalents + investments + trustee-held funds)/annual debt service

Sisters of Charity of Leavenworth Health System, Inc

Utilization  
(Unaudited)

December 31, 2013

The following table provides utilization statistics for SCL Health System and Restricted Affiliates (Restricted) and SCL Health System (Consolidated) for the years ended December 31, 2013 and 2012

	Year Ended December 31			
	Restricted		Consolidated	
	2013	2012	2013	2012
Utilization statistics				
Licensed beds <sup>(1)</sup>	<b>2,436</b>	2,416	<b>2,448</b>	2,428
Operating (staffed) beds	<b>1,858</b>	1,858	<b>1,870</b>	1,870
Operating bed occupancy (%)	<b>57%</b>	60%	<b>57%</b>	60%
Admissions	<b>84,460</b>	88,222	<b>84,773</b>	88,507
Patient days	<b>386,040</b>	409,827	<b>387,506</b>	411,069
Average length of stay	<b>4.6</b>	4.7	<b>4.6</b>	4.6

Includes acute care, psychiatric, hospital-based skilled nursing beds, and extended care beds

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