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

TO LEAD AND ACT AS A CATALYST IN PROMOTING HEALTH FOR ALL PEOPLE, TO RECOGNIZE THE INDIVIDUAL AS A WHOLE HUMAN BEING WITH DIFFERENT NEEDS THAT MUST BE ENTHUSIASTICALLY MET, TO COMMUNICATE A VISION OF HEALTH, ART, EDUCATION, TECHNOLOGY AND A CENTER FOR HEALING WHICH WILL CONTINUALLY UPGRADE THE QUALITY OF LIFE IN THE COMMUNITY ENVIRONMENT IN WHICH WE ALL LIVE, TO EMPOWER PEOPLE TO BECOME PARTNERS IN THEIR HEALTH CARE GUIDED BY THIS MISSION MCMC CONTINUES TO BE A SIGNIFICANT PARTNER CONTRIBUTING TO THE OVERALL HEALTH OF THE COMMUNITIES IT SERVES

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

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 \$ 98,287,456 including grants of \$ 528,559) (Revenue \$ 106,433,990)
 ACUTE HOSPITAL CARE INPATIENT DAYS 7,430, INPATIENT REHAB DAYS 873, OUTPATIENT OBSERVATION DAYS 1,116, LABORATORY TESTS 190,158, IMAGING TESTS 28,092, HOME HEALTH EPISODES 1,582, EMERGENCY VISITS 14,850, ENDOSCOPY VISITS 1,190, MEDICAL ONCOLOGY 9,526, OUTPATIENT SURGERIES 2,012, RADIATION ONCOLOGY OUTPATIENT PROCEDURES 8,212, TOTAL HOSPITAL OUTPATIENT VISITS 115,596 AND TOTAL OUTPATIENT CLINIC VISITS 92,647SEE SCHEDULE H FOR NARRATIVE OF PROGRAM SERVICE ACCOMPLISHMENTS

[illegible][illegible]

4d Other program services (Describe in Schedule O)
(Expenses \$ including grants of \$) (Revenue \$)

4e	Total program service expenses	98,287,456
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Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	No
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10 Yes	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a Yes	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b 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	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		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		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	152	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
1c			
2a		1,048	
2b		Yes	
3a			No
3b			
4a			No
b			
5a			No
5b			No
5c			
6a			No
6b			
7			
7a			No
7b			
7c			No
7d			
7e			No
7f			No
7g			
7h			
8			
9			
9a			
9b			
10			
10a			
10b			
11			
11a			
11b			
12a			
12b			
13			
13a			
13b			
13c			
14a			No
14b			

Part VI

Governance, Management, and Disclosure

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	7	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
1b	Enter the number of voting members included in line 1a, above, who are independent	5	
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	No
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	8a	Yes
8b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	OR
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 MID-COLUMBIA MEDICAL CENTER 1700 E 19TH STREET THE DALLES,OR 97058 (541) 296-1111	

Part VII

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

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

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

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ROBERT LR BAILEY DIRECTOR	1 00	X						0	0	0
(2) WALLACE WOLF JR DVM DIRECTOR	1 00	X						0	0	0
(3) DAN BOLDT VICE CHAIR	1 00	X		X				0	0	0
(4) PAUL CARDOSI MD CHAIR	50 00	X		X				229,066	0	26,028
(5) ROB CARNAHAN SECRETARY	1 00	X		X				0	0	0
(6) CARINA SCHMIDT DIRECTOR	1 00	X						0	0	0
(7) DUANE FRANCIS PRESIDENT & CEO	50 00	X		X				0	604,132	147,703
(8) DONALD ARBON CFO & VP FINANCE	50 00			X				0	221,819	26,204
(9) REGINA ROSE VP CHIEF NURSING OFFICER	50 00				X			172,861	0	24,710
(10) WILLIAM HAMILTON MD VP MEDICAL AFFAIRS	50 00				X			364,267	0	28,574
(11) XINYU FU PHYSICIAN	50 00					X		409,442	0	28,770
(12) JOHN SCHWARTZ PHYSICIAN	50 00					X		586,068	0	23,312
(13) NATHAN ULLRICH PHYSICIAN	50 00					X		366,710	0	26,420
(14) GARY GINGRICH PHYSICIAN	50 00					X		518,085	0	24,512
(15) MARK CULLEN PHYSICIAN	50 00					X		581,294	0	26,486

Part VII

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	3,227,793	825,951	382,719

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 ▶89

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
OREGON HEALTH & SCIENCE UNIVERSITY 318 SW SAM JACKSON PARK RD PORTLAND OR 97239	PRO FEES FOR SPECIALTY CLINIC PROVIDERS	1,056,634
CORESOURCE INC PO BOX 83301 LANCASTER PA 17608	HEALTH INSURANCE CLAIMS PROCESSOR	669,217
RADIATION ONCOLOGISTS PC 1400 NW IRVING ST STE 527 PORTLAND OR 97209	RADIATION ONCOLOGISTS	660,643
QUEST DIAGNOSTICS 3 GIRALDA FARMS MADISON WI 07940	LAB SERVICES	390,760
LOCUMTENENSCOM LLC PO BOX 405547 ATLANTA GA 30384	ANESTHESIOLOGY LOCUM TENANS	337,798

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ►22

Part VIII

Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	113,787			
	e	Government grants (contributions)	1e	35,818			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		149,605			
Program Service Revenue	2a	MEDICARE/MEDICAID PMNTS	Business Code 900099	119,641,301	119,641,301		
	b	HOSPITAL REVENUE	900099	72,559,271	72,559,271		
	c	CLINIC REVENUE	900099	14,984,542	14,984,542		
	d	LESS CHARITY CARE	900099	-6,770,731	-6,770,731		
	e	LESS CONTRACTUALS-HOSP	900099	-99,021,233	-99,021,233		
	f	All other program service revenue		2,586,055	2,586,055		
	g	Total. Add lines 2a-2f		103,979,205			
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		181,026		
4		Income from investment of tax-exempt bond proceeds					
5		Royalties					
6a		(i) Real					
		(ii) Personal					
b		Less rental expenses					
c		Rental income or (loss)					
d		Net rental income or (loss)					
7a		(i) Securities					
		(ii) Other					
b		Less cost or other basis and sales expenses					
c		Gain or (loss)					
d		Net gain or (loss)		742,919			742,919
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18					
a							
b		Less direct expenses					
c	Net income or (loss) from fundraising events						
9a	Gross income from gaming activities See Part IV, line 19						
a							
b	Less direct expenses						
c	Net income or (loss) from gaming activities						
10a	Gross sales of inventory, less returns and allowances						
a							
b	Less cost of goods sold						
c	Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code					
11a	FITNESS & SPA CENTER	713940	1,148,068	1,148,068			
b	CAFETERIA	722100	764,618			764,618	
c	DAYCARE	624410	482,785			482,785	
d	All other revenue		1,344,401	1,306,717		37,684	
e	Total. Add lines 11a-11d		3,739,872				
12	Total revenue. See Instructions		108,792,627	106,433,990	0	2,209,032	

Part IX

Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States. See Part IV, line 21.	528,559	528,559		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.				
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.				
4	Benefits paid to or for members.				
5	Compensation of current officers, directors, trustees, and key employees.	3,227,793	2,690,665	537,128	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
7	Other salaries and wages.	49,892,825	45,643,576	4,249,249	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	2,331,509	2,118,227	213,282	
9	Other employee benefits.	6,364,768	5,061,350	1,303,418	
10	Payroll taxes.	3,600,819	3,278,042	322,777	
11	Fees for services (non-employees):				
a	Management.	1,500,000		1,500,000	
b	Legal.	262,443		262,443	
c	Accounting.	113,427		113,427	
d	Lobbying.				
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.				
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	4,952,558	4,856,558	96,000	
12	Advertising and promotion.				
13	Office expenses.				
14	Information technology.				
15	Royalties.				
16	Occupancy.	4,189,955	3,581,752	608,203	
17	Travel.				
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.				
20	Interest.	495,340	495,340		
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	2,995,955	2,746,905	249,050	
23	Insurance.	883,795	822,516	61,279	
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):				
a	SUPPLIES	13,785,146	13,610,520	174,626	
b	PURCHASED SERVICES	5,681,575	4,405,211	1,276,364	
c	BAD DEBT EXPENSE	5,303,387	5,303,387		
d	OTHER	4,038,293	3,144,848	893,445	
e	All other expenses				
25	Total functional expenses. Add lines 1 through 24e.	110,148,147	98,287,456	11,860,691	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		14,394,895	1	3,557,670
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		11,768,882	4	12,271,185
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net		148,315	7	310,370
	8	Inventories for sale or use		1,533,975	8	1,588,025
	9	Prepaid expenses and deferred charges		1,325,501	9	2,381,258
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a62,664,554			
	b	Less accumulated depreciation	10b45,412,569	17,383,347	10c	17,251,985
	11	Investments—publicly traded securities		4,493,765	11	13,510,354
	12	Investments—other securities See Part IV, line 11		668,671	12	875,041
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		1,477,493	14	1,511,102
	15	Other assets See Part IV, line 11		2,061,305	15	4,786,533
	16	Total assets. Add lines 1 through 15 (must equal line 34)		55,256,149	16	58,043,523
Liabilities	17	Accounts payable and accrued expenses		8,368,939	17	9,187,691
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		11,028,431	23	10,546,546
	24	Unsecured notes and loans payable to unrelated third parties		0	24	116,282
	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		4,551,692	25	7,488,615
	26	Total liabilities. Add lines 17 through 25		23,949,062	26	27,339,134
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		31,081,921	27	30,535,223
	28	Temporarily restricted net assets		225,166	28	169,166
	29	Permanently restricted net assets			29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		31,307,087	33	30,704,389
	34	Total liabilities and net assets/fund balances		55,256,149	34	58,043,523

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	108,792,627
2	Total expenses (must equal Part IX, column (A), line 25)	2	110,148,147
3	Revenue less expenses Subtract line 2 from line 1	3	-1,355,520
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	31,307,087
5	Net unrealized gains (losses) on investments	5	658,822
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	94,000
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	30,704,389

Part XII Financial Statements and Reporting

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

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

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MID-COLUMBIA MEDICAL CENTER

Employer identification number
93-0386936

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

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

1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____

5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)

8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10

☐

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

11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated

e

☐

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

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

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2013

Part II

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

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

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

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

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

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

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

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

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

Part IV

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

Facts And Circumstances Test		
Return Reference	Explanation	

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization MID-COLUMBIA MEDICAL CENTER	Employer identification number 93-0386936
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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	1,244,561	1,260,381	1,278,290	357,664	358,543
b Contributions	317,585	281,874	413,749	32,657	13,818
c Net investment earnings, gains, and losses	50,466	31,232	6,603	402	890
d Grants or scholarships	516,114	328,926	438,261	23,127	15,587
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	1,096,498	1,244,561	1,260,381	367,596	357,664

- 2

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

a

Board designated or quasi-endowment

53 530 %

b

Permanent endowment

33 630 %

c

Temporarily restricted endowment

12 840 %

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		562,933		562,933
b Buildings		12,967,267	8,810,275	4,156,992
c Leasehold improvements		4,111,018	1,394,089	2,716,929
d Equipment		44,701,232	35,208,205	9,493,027
e Other		322,104		322,104
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				17,251,985

Part XI

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

1	Total revenue, gains, and other support per audited financial statements	1	103,301,101
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	-5,269,006
e	Add lines 2a through 2d	2e	-5,269,006
3	Subtract line 2e from line 1	3	108,570,107
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	222,520
c	Add lines 4a and 4b	4c	222,520
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	108,792,627

Part XII

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

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

1	Total expenses and losses per audited financial statements	1	104,252,461
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	104,252,461
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	5,895,686
c	Add lines 4a and 4b	4c	5,895,686
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	110,148,147

Part XIII

Supplemental Information

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

Return Reference	Explanation
PART V, LINE 4	THE FOUNDATION'S ENDOWMENT FUND IS A QUASI-ENDOWMENT THAT FUNDS THE MID-COLUMBIA HEALTH FOUNDATION OPERATING EXPENSES - ENDING BALANCE \$968,394. THE REMAINING ENDOWMENT FUNDS SUPPORT SEVERAL SCHOLARSHIPS.
PART X, LINE 2	INCOME TAX POSITIONS THAT MEET A MORE-LIKELY-THAN-NOT RECOGNITION THRESHOLD ARE MEASURED AT THE LARGEST AMOUNT OF INCOME TAX BENEFIT THAT IS MORE THAN 50% LIKELY OF BEING REALIZED UPON SETTLEMENT WITH THE APPLICABLE TAXING AUTHORITY. THE PORTION OF THE BENEFITS ASSOCIATED WITH INCOME TAX POSITIONS TAKEN THAT EXCEEDS THE AMOUNT MEASURED AS DESCRIBED ABOVE WOULD BE REFLECTED AS A LIABILITY FOR UNRECOGNIZED INCOME TAX BENEFITS IN THE MEDICAL CENTER'S BALANCE SHEETS ALONG WITH ANY ASSOCIATED INTEREST AND PENALTIES THAT WOULD BE PAYABLE TO THE TAXING AUTHORITIES UPON EXAMINATION. INTEREST AND PENALTIES ASSOCIATED WITH UNRECOGNIZED INCOME TAX BENEFITS WOULD BE CLASSIFIED AS INCOME TAXES IN THE MEDICAL CENTER'S STATEMENTS OF OPERATIONS. THERE WERE NO UNRECOGNIZED INCOME TAX BENEFITS, NOR ANY INTEREST AND PENALTIES ASSOCIATED WITH UNRECOGNIZED INCOME TAX BENEFITS, ACCRUED OR EXPENSED AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012.
PART XI, LINE 2D - OTHER ADJUSTMENTS	BAD DEBT INCLUDED IN REVENUE ON THE FINANCIAL STATEMENTS -5,269,006
PART XI, LINE 4B - OTHER ADJUSTMENTS	RESTRICTED CONTRIBUTIONS FROM MID-COLUMBIA HEALTH FOUNDATION 70,915 RESTRICTED CONTRIBUTIONS FROM OTHER SOURCES 12,200. EXPENSES REPORTED AS REVENUE 139,405
PART XII, LINE 4B - OTHER ADJUSTMENTS	BAD DEBT INCLUDED IN REVENUE ON THE FINANCIAL STATEMENTS 5,269,006 CONTRIBUTIONS TO MID-COLUMBIA HEALTH FOUNDATION FOR OPERATIONS 487,275 EXPENSES REPORTED AS REVENUE 139,405

[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
MID-COLUMBIA MEDICAL CENTER

Employer identification number
93-0386936

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a Yes	
b	If "Yes," was it a written policy?	1b Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input checked="" type="checkbox"/> Generally tailored to individual hospital facilities		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year		
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	3a Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care <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 _____ %	3b Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4 Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	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)			3,471,890	0	3,471,890	3 150 %
b Medicaid (from Worksheet 3, column a)			11,743,861	7,798,860	3,945,001	3 580 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . .						
d Total Financial Assistance and Means-Tested Government Programs . .			15,215,751	7,798,860	7,416,891	6 730 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		28,500	462,609	9,265	453,344	0 410 %
f Health professions education (from Worksheet 5)		59	554,754	0	554,754	0 500 %
g Subsidized health services (from Worksheet 6)			3,634,565	3,615,388	19,177	0 020 %
h Research (from Worksheet 7)		36	21,101	2,800	18,301	0 020 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)		3,000	701,346	68,975	632,371	0 570 %
j Total Other Benefits		31,595	5,374,375	3,696,428	1,677,947	1 520 %
k Total. Add lines 7d and 7j . .		31,595	20,590,126	11,495,288	9,094,838	8 250 %

Part II

Community Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing					
2	Economic development					
3	Community support		162,607		162,607	0 150 %
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building					
7	Community health improvement advocacy	25,000	213,288		213,288	0 190 %
8	Workforce development		1,298		1,298	0 %
9	Other					
10	Total	25,000	377,193		377,193	0 340 %

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

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

1

Yes

2

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

2

2,473,905

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

23,512

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

27,795,500

6

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

6

29,216,415

7

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

7

-1,420,915

8

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

☐

Cost accounting system

☒

Cost to charge ratio

☐

Other

Section C. Collection Practices

9a

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

9a

Yes

b

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

9b

Yes

Part IV

Management Companies and Joint Ventures

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1 1 LONE PINE HEALTH & WELLNESS CENTER LLC	MANAGE MEDICAL BUILDING/PROPERTY	30 000 %	0 %	0 %
2 2 HEALTH FUTURE LLC	ADMINISTRATIVE SERVICES PROVIDER AND GPO	16 670 %	0 %	0 %
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Section A. Hospital Facilities

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

[illegible]

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)

MID-COLUMBIA MEDICAL CENTER

Name of hospital facility or facility reporting group

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

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

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No		
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		9	Yes		
10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>200 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		10	Yes		
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		11	Yes		
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12	Yes		
a <input checked="" type="checkbox"/> Income level					
b <input type="checkbox"/> Asset level					
c <input type="checkbox"/> Medical indigency					
d <input type="checkbox"/> Insurance status					
e <input checked="" type="checkbox"/> Uninsured discount					
f <input checked="" type="checkbox"/> Medicaid/Medicare					
g <input checked="" 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 checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms					
d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices					
e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility					
f <input checked="" type="checkbox"/> The policy was available upon request					
g <input checked="" type="checkbox"/> Other (describe in Part VI)					
Billing and Collections					
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?		15	Yes		
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP					
a <input type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input checked="" type="checkbox"/> Other similar actions (describe in Section C)					
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?				17	No
If "Yes," check all actions in which the hospital facility or a third party engaged					
a <input type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in Section C)					

Part V

Facility Information (continued)

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

☐

Notified individuals of the financial assistance policy on admission
- b

☐

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

☐

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

☐

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

☐

Other (describe in Section C)

Policy Relating to Emergency Medical Care

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

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

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

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)

RURAL HEALTH CLINICS

Name of hospital facility or facility reporting group

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

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

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No		
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		9	Yes		
10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>200 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		10	Yes		
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		11	Yes		
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12	Yes		
a <input checked="" type="checkbox"/> Income level					
b <input type="checkbox"/> Asset level					
c <input type="checkbox"/> Medical indigency					
d <input type="checkbox"/> Insurance status					
e <input checked="" type="checkbox"/> Uninsured discount					
f <input checked="" type="checkbox"/> Medicaid/Medicare					
g <input checked="" 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 type="checkbox"/> The policy was posted on the hospital facility's website					
b <input type="checkbox"/> The policy was attached to billing invoices					
c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms					
d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices					
e <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility					
f <input checked="" type="checkbox"/> The policy was available upon request					
g <input checked="" type="checkbox"/> Other (describe in Part VI)					
Billing and Collections					
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?		15	Yes		
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP					
a <input type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input checked="" type="checkbox"/> Other similar actions (describe in Section C)					
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?				17	No
If "Yes," check all actions in which the hospital facility or a third party engaged					
a <input type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in Section C)					

Part V

Facility Information (continued)

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

☐

Notified individuals of the financial assistance policy on admission
- b

☐

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

☐

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

☐

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

☐

Other (describe in Section C)

Policy Relating to Emergency Medical Care

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

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

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

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

Schedule H (Form 990) 2013

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? 6

Name and address	Type of Facility (describe)
1 MCMCOHSU ORTHOPEDICS 551 LONE PINE BLVD THE DALLES, OR 97058	NON-HOSPITAL BASED CLINIC
2 MCMCOHSU CARDIOLOGY 551 LONE PINE BLVD THE DALLES, OR 97058	NON-HOSPITAL BASED CLINIC
3 COLUMBIA RIVER WOMEN'S CENTER 1810 E 19TH STREET THE DALLES, OR 97058	NON-HOSPITAL BASED CLINIC
4 COLUMBIA CREST DERMATOLOGY 1935 E 19TH STREET STE 110 THE DALLES, OR 97058	NON-HOSPITAL BASED CLINIC
5 GORGE UROLOGY 1805 E 19TH STREET THE DALLES, OR 97058	NON-HOSPITAL BASED CLINIC
6 GORGE UROLOGY 810 12TH STREET HOOD RIVER, OR 97031	NON-HOSPITAL BASED CLINIC
7	
8	
9	
10	

Part VI Supplemental Information

Provide the following information

- 1
2
3
4
5
6
7
- 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

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

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

Community information. Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

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)

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

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	TRACK DIRECT LABOR AND OTHER COSTS IN EACH CATEGORY FOR ALL PATIENT SEGMENTS IF ONLY REVENUE INFORMATION WAS AVAILABLE, A COST/CHARGE RATIO WAS APPLIED TO ESTIMATE COSTS
PART I, LINE 7G	HOME HEALTH SERVICES, NET OF REVENUES AND CHARITY CARE/BAD DEBT ALREADY REPORTED IN PART I-7A OR III-A 2 FINANCIAL STATEMENTS REPORT BAD DEBT BASED ON GROSS CHARGES \$3,634,565 HOME HEALTH REVENUES\$3,615,388 HOME HEALTH OPERATING EXPENSES\$ (19,177) NET LOSSCOMMUNITY BENEFIT MID-COLUMBIA MEDICAL CENTER (MCMC) IS THE SOLE PROVIDER OF VISITING HOME HEALTH SERVICES IN A FIVE-COUNTY RANGE IN OREGON AND WASHINGTON STATES, WITHOUT OUR SERVICES THERE WOULD BE NO IN-HOME CARE IN THE COMMUNITIES WE SERVE

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	MCMC PROMOTES THE HEALTH OF THE COMMUNITIES WE SERVE BY PARTICIPATING IN REGIONAL EMERGENCY PREPAREDNESS PROGRAMS (PANDEMIC, NATURAL DISASTERS, AREA AND STATE TRAUMA ADVISORY BOARDS) AND DRILLS, BY SERVING AS AN ADVOCATE FOR THE COMMUNITY WITH REGARD TO LOCAL, STATE-WIDE AND REGIONAL HEALTH INITIATIVES, ACTING IN ADVISORY CAPACITY WITH OTHER LOCAL, STATE AND REGIONAL ORGANIZATIONS IN ORDER TO CREATE, ACCESS AND PROVIDE SERVICES OTHERWISE NOT AVAILABLE TO THE COMMUNITY, WORKING WITH THE LOCAL COMMUNITY COLLEGE AND EMS TO EDUCATE AND TRAIN FUTURE HEALTHCARE WORKERS BY PROVIDING JOB SHADOWING AND MENTORING PROGRAMS AS WELL AS DONATED SUPPORT TO THE COLLEGE FOR SPECIFIC NURSING PROGRAMS
PART III, LINE 4	FOOTNOTE 1 IN THE AUDITED FINANCIAL STATEMENTS DESCRIBES ALLOWANCE FOR BAD DEBT EXPENSE AT GROSS CHARGE THE ESTIMATE IS BASED PRIMARILY UPON THE MEDICAL CENTER'S HISTORICAL COLLECTION EXPERIENCE, MANAGEMENT'S ESTIMATE OF THE PATIENT'S ECONOMIC ABILITY TO PAY, AND THE EFFECTIVENESS OF COLLECTIONS EFFORTS BAD DEBT COST IS CALCULATED BY APPLYING THE HOSPITAL'S COST TO CHARGE RATIO

Form and Line Reference	Explanation
PART III, LINE 8	MID-COLUMBIA MEDICAL CENTER CONTINUES TO PROVIDE CLINICAL SERVICES TO MEDICARE PATIENTS AT A DEFICIT AS PART OF OUR COMMITMENT TO THE RESIDENTS OF THE COMMUNITIES WE SERVE THIS DEFICIT IS CONSISTENT WITH OUR TAX-EXEMPT STATUS AND INTERNAL MISSION TO PROVIDE COMMUNITY BASED HEALTHCARE REGARDLESS OF PATIENTS' ABILITY TO PAY
PART III, LINE 9B	IN CASES WHERE A PATIENT HAS QUALIFIED FOR FULL OR PARTIAL CHARITY CARE, THE BALANCE OF THE PATIENT ACCOUNT BALANCE IS WRITTEN DOWN AND NO ATTEMPT IS MADE TO COLLECT THE AMOUNT ALLOWED FOR CHARITY CARE

Form and Line Reference	Explanation
PART VI, LINE 2	<p>COMMUNITY BENEFIT PRIORITIES AND ALLOCATIONS ARE GUIDED BY A COMMUNITY ASSESSMENT PROCESS WHICH UTILIZES QUANTITATIVE AND QUALITATIVE DATA OBTAINED FROM INTERNAL SOURCES AS WELL AS ASSESSMENT DATA FROM KEY COMMUNITY PARTNERS MID-COLUMBIA MEDICAL CENTER PARTICIPATED AS A MEMBER OF THE COLUMBIA GORGE HEALTH COUNCIL (CGHC) IN A COLLABORATIVE NEEDS ASSESSMENT WHICH INCLUDED INPUT FROM SIX COUNTY HEALTH DEPARTMENTS, FOUR HOSPITALS, THE LOCAL COORDINATED CARE ORGANIZATION, SOCIAL SERVICES AGENCIES IN THE REGION, HEALTH CARE PROVIDERS IN THE SERVICE REGION AND CONSUMERS REPRESENTATIVE OF THE SAME DETAILS ON METHODOLOGY, PARTICIPANTS AND REGIONAL RESULTS ARE ADDRESSED IN THE COLUMBIA GORGE REGIONAL COMMUNITY HEALTH ASSESSMENT AGENCY REPORT AND HEALTH CARE PROFESSIONAL SESSIONS WERE CONDUCTED IN ORDER TO CAPTURE AND RANK THE PRIMARY PERCEIVED NEEDS IN THE GORGE REGION OVERALL NEEDS IDENTIFIED WERE ADEQUATE INCOME, STABLE HOUSING, FOOD, TRANSPORTATION, HEALTH PREVENTION AND BOTH MEDICAL AND BEHAVIORAL HEALTH ACCESS TO CARE AND THE NUMBER OF UNINSURED ARE ADDITIONAL REGION WIDE IDENTIFIED ISSUES HEALTH OUTCOMES AND FACTORS OF PARTICULAR CONCERN IN WASCO COUNTY INCLUDE A HIGH RATE OF CHRONIC DISEASE, PREVALENCE OF ADULT AND CHILD OBESITY, TEEN PREGNANCY, LIMITED ACCESS TO HEALTHY FOODS, LOW HIGH SCHOOL GRADUATION RATE AND A RELATIVELY HIGH PERCENTAGE OF THE POPULATION REPORTING INADEQUATE SOCIAL SUPPORT</p>
PART VI, LINE 3	<p>ALL FAMILY PRACTICE CLINIC STAFF ACTIVELY PROMOTES HEALTHY KIDS OPTIONS, WHICH PROVIDES INSURANCE FOR ALL CHILDREN IN THE STATE OF OREGON BROCHURES ARE AVAILABLE IN ENGLISH AND SPANISH AT ALL FAMILY PRACTICE OFFICES THE SCHOOL HEALTH NURSES MCMC SUPPLIES DISTRIBUTE THAT INFORMATION THROUGH THE LOCAL SCHOOLS OUR PATIENT AND VISITOR SERVICES AND PATIENT ACCOUNTS DEPARTMENTS TAKE AN ACTIVE ROLE IN ASSISTING PATIENTS WITH COMPLETING APPLICATIONS FOR THE OREGON HEALTH PLAN BROCHURES IN ENGLISH AND SPANISH ARE AVAILABLE AT REGISTRATION AND IN PATIENT ACCOUNTS DEPARTMENTS THIS BROCHURE OUTLINES THE PROCESS AND PROVIDES PHONE NUMBERS AND CONTACT INFORMATION</p>

Form and Line Reference	Explanation
PART VI, LINE 4	MID-COLUMBIA MEDICAL CENTER (MCMC) IS LOCATED IN THE DALLES, WASCO COUNTY, OREGON, POPULATION 25,426 MCMC SERVES A WIDE GEOGRAPHIC AREA OF RURAL NORTH CENTRAL OREGON ALONG THE COLUMBIA RIVER THIS SERVICE AREA INCLUDES WASCO, SHERMAN AND GILLIAM COUNTIES IN OREGON AND KICKITAT COUNTY IN WASHINGTON STATE FOR A COMBINED POPULATION TOTAL OF 50,249 MEDIAN INCOMES AND ETHNIC DEMOGRAPHICS VARY BY GEOGRAPHIC LOCATION 2013 CENSUS DATA SHOWS MEDIAN INCOMES RANGE FROM \$38,774 TO \$46,453 WASCO COUNTY HAS THE LARGEST ETHNIC DIVERSITY WITH A DISTRIBUTION THAT IS 76% WHITE, 16% HISPANIC/LATINO, 4% AMERICAN INDIAN/ALASKA NATIVE AND 4% OTHER 19% OF THE POPULATION IS BELOW THE POVERTY LEVEL, 22% OF THE POPULATION IS UNINSURED, OF ADULTS UNDER 65, 13% ARE DISABLED, 63% ARE WITH PUBLIC HEALTH INSURANCE AND 18% ARE UNINSURED 2013 TRUVEN HEALTH ANALYTICS DATA REPORTS THE CURRENT TOTAL POPULATION OF THE AREA IS EXPECTED TO INCREASE ABOUT 4% OVER THE NEXT FIVE YEARS, BUT NOT EQUALLY ACROSS COUNTIES THE FIVE-YEAR PROJECTED GROWTH FOR THE HISPANIC/LATINO POPULATION IS 13%, MORE THAN FIVE TIMES PROJECTED GROWTH THAN ANY OTHER POPULATION IT IS IMPORTANT TO NOTE THAT WITH THIS ESTIMATE THERE ARE A NUMBER OF UNDOCUMENTED PEOPLE WHO ARE INELIGIBLE FOR MANY PROGRAMS AND BENEFITS, PRESENTING ADDITIONAL CHALLENGES TO MEETING BASIC NEEDS AND PROVIDING ACCESS TO HEALTHCARE WE CAN ANTICIPATE THAT A SIZEABLE PORTION OF THIS POPULATION WILL REMAIN UNINSURED IN ADDITION TO THE YEAR ROUND POPULATION, THE DALLES EXPERIENCES AN INFLUX OF OVER 15,000 SEASONAL WORKERS IN SUPPORT OF THE HARVEST OF OUR AGRICULTURAL ECONOMY
PART VI, LINE 5	MID-COLUMBIA MEDICAL CENTER IS A MISSION-DRIVEN ORGANIZATION WHOSE PURPOSE IS * TO LEAD AND ACT AS A CATALYST IN PROMOTING HEALTH FOR ALL PEOPLE * TO RECOGNIZE THE INDIVIDUAL AS A WHOLE HUMAN BEING WITH DIFFERENT NEEDS THAT MUST BE MET ENTHUSIASTICALLY * TO COMMUNICATE A VISION OF HEALTH, ART, EDUCATION, TECHNOLOGY AND A CENTER FOR HEALING WHICH WILL CONTINUALLY UPGRADE THE QUALITY OF LIFE IN THE COMMUNITY ENVIRONMENT IN WHICH WE ALL LIVE * TO EMPOWER PEOPLE TO BECOME PARTNERS IN THEIR HEALTHCARE GUIDED BY THIS MISSION MCMC CONTINUES TO BE A SIGNIFICANT PARTNER CONTRIBUTING TO THE OVERALL HEALTH OF THE COMMUNITIES IT SERVES PREVENTION AND EDUCATIONADULT AND CHILDHOOD OBESITY* THE CENTER FOR MIND AND BODY MEDICINE AND MCMC DIETICIANS PARTNERED WITH LA NUESTRA COMUNIDAD SANA TO PROVIDE EXPERT INSTRUCTORS FOR A FAMILY WEIGHT LOSS PROGRAM (PASOS ADELANTE) OVER 20 FAMILIES PARTICIPATED AND GRADUATED FROM THIS BENCHMARK PROGRAM ADDRESSING NUTRITION AND OBESITY IN THE HISPANIC/LATINO POPULATION, WITH SCHOLARSHIPS PROVIDED TO PARTICIPANTS UNABLE TO COVER THE EXPENSE OF THE PROGRAMMID-COLUMBIA MEDICAL CENTER HEALTH FAIR* 350 PEOPLE ATTENDED THE HEALTH FAIR, WITH 117 BLOOD DRAWS, 46 FLU SHOTS AND 75 BLOOD PRESSURE SCREENINGS PROVIDED FREE OF CHARGEPLANETREE HEALTH RESOURCE CENTER* IN ADDITION TO ISSUING THOUSANDS OF FREE INPATIENT ADMISSION PACKETS TO PATIENTS, PHRC PROVIDED 375 BLOOD PRESSURE SCREENINGS IN 2013* OVER 280 PEOPLE ATTENDED THE FREE PHRC LECTURE SERIES, WITH TOPICS RANGING FROM TREATMENT AND MANAGEMENT OF CHRONIC PAIN TO HEALTHY WEIGHT AND STRESS MANAGEMENT* OVER 7,700 HUNDRED COMMUNITY MEMBERS TOOK ADVANTAGE OF FREE SERVICES AT PHRCDIABETES* MCMC HAS A ROBUST DIABETES EDUCATION OUTREACH FOCUS PROVIDING EDUCATIONAL SESSIONS THROUGHOUT OUR COMMUNITY AND SERVICE AREA IN 2013 OVER 200 COMMUNITY RESIDENTS ATTENDED PRESENTATIONS GIVEN THROUGHOUT OUR COMMUNITY OUR ANNUAL DIABETES DISCOVERY DAY WAS ATTENDED BY OVER 225 PEOPLE FROM COMMUNITIES THROUGHOUT THE COLUMBIA GORGE THIS FREE ANNUAL EVENT INCLUDED LECTURES BY PHYSICIANS, CERTIFIED DIABETES EDUCATORS AND DIETICIANS, WHO PRESENTED INFORMATION AND DEMONSTRATIONS ON THE LATEST RESEARCH, TREATMENTS, LIFESTYLE AND PREVENTION TIPS PROMOTING GOOD HEALTH FOR DIABETIC PATIENTS FREE BLOOD SUGAR SCREENINGS WERE OFFERED BY MCMC LABORATORY STAFF AS WELL POVERTY AND UNINSUREDALL FAMILY PRACTICE STAFF ACTIVELY PROMOTE HEALTHY KIDS OPTIONS, WHICH PROVIDES INSURANCE FOR ALL CHILDREN IN THE STATE OF OREGON BROCHURES ARE AVAILABLE IN ENGLISH AND SPANISH AT ALL FAMILY PRACTICE OFFICES AND THE MCMC SCHOOL HEALTH NURSES DISTRIBUTE THAT INFORMATION IN THE LOCAL SCHOOLS OUR PATIENT AND VISITOR SERVICES AND PATIENT ACCOUNTS DEPARTMENTS TAKE AN ACTIVE ROLE IN ASSISTING PATIENTS WITH COMPLETING APPLICATIONS FOR THE OREGON HEALTH PLAN APPLICATIONS (IN ENGLISH AND SPANISH) ARE AVAILABLE AT REGISTRATION AND IN PATIENT ACCOUNTS THIS APPLICATION PACKET OUTLINES THE PROCESS AND PROVIDES PHONE NUMBERS AND CONTACT INFORMATION OTHER MEANINGFUL CONTRIBUTIONS IN THE YEAR 2013MCMC FAMILY PRACTICE PROVIDERS PROVIDED OVER 300 FREE SPORTS PHYSICALS TO DISTRICT 21 STUDENTS IN MIDDLE AND HIGH SCHOOL ANNUAL COMMUNITY DRUG-TAKE BACK MID-COLUMBIA MEDICAL CENTER, IN PARTNERSHIP WITH LOCAL LAW ENFORCEMENT, YOUTH THINK AND TRI-COUNTY HAZARDOUS WASTE & RECYCLING, OFFERS FREE DROP-OFF OF HOUSEHOLD PRESCRIPTIONS, OVER THE COUNTER MEDICATIONS, VITAMIN/SUPPLEMENTS AND PET MEDICINES MCMC PRODUCES A QUARTERLY HEALTH MAGAZINE DISTRIBUTED TO OVER 17,000 HOUSEHOLDS THROUGHOUT THE SURROUNDING COMMUNITY, AT A COST OF APPROXIMATELY \$100,000 * MCMC FACILITATES A VARIETY OF SUPPORT GROUPS ON A REGULAR BASIS, INCLUDING O MONTHLY DIABETES SUPPORT GROUP FACILITATION O MONTHLY STROKE CLUB O MONTHLY FAMILY SUPPORT CLASSES O HEALTHY WEIGHT SOLUTIONS O MONTHLY PROSTATE CANCER SUPPORT GROUP O REACH FOR RECOVERY BREAST CANCER SUPPORT GROUP * CAR SEAT EVALUATIONS, BIKE HELMET PROGRAMS AND TRAUMA NURSES TALK TOUGH ARE OFFERED AT MAJOR MCMC AND OTHER COMMUNITY EVENTS* OVER 2,250 HOURS OF FREE INTERPRETATION SERVICES WERE PROVIDED TO ASSIST PATIENTS SEEKING CARE THROUGHOUT OUR ORGANIZATION AND TO ANY OTHER LOCAL HEALTH SERVICE PROVIDERS, REGARDLESS OF AFFILIATION WITH MCMC MCMC ALSO IMPLEMENTED VIDEO REMOTE INTERPRETING TECHNOLOGY TO MEET ALL LANGUAGE NEEDS IN THE HOSPITAL 24/7 * SUBSIDY OF THE SCHOOL HEALTH SERVICES PROGRAM PROVIDES ADDITIONAL DIRECT SERVICE HOURS TO SERVE SPECIAL NEEDS STUDENTS IN THE LOCAL DISTRICT* MCMC PROVIDES MENTORING AND INTERNSHIP PROGRAMS DESIGNED TO HELP TRAIN EXISTING AND FUTURE CARE PROVIDERS SUCH AS PHARMACY TECHNICIANS, MEDICAL ASSISTANTS, HEALTH INFORMATION MANAGEMENT STUDENTS, CHILD CARE PROVIDERS, RADIOLOGICAL TECHNICIANS, NURSES AND RURAL HEALTH EMS PROVIDERS * OUR PRIMARY CARE CLINICS ARE ACTIVE PARTICIPANTS IN THE REACH OUT AND READ EARLY CHILDHOOD LITERACY PROGRAM, PROVIDING FREE BOOKS FOR PEDIATRIC PATIENTS SEEN IN OUR CLINICS* MCMC PARTNERS WITH BREAD AND BLESSINGS, CONTRIBUTING IN-KIND FOOD DONATIONS ON A MONTHLY BASIS IN ADDITION, DEPARTMENTS/CLINICS AND INDIVIDUAL STAFF VOLUNTEER REGULARLY AT THE LOCAL COMMUNITY MEALS PROGRAM OVERSEEN BY ST VINCENT DE PAUL SERVICES, BY PURCHASING, PREPARING AND SERVING FREE MEALS SOCIAL DETERMINANTS OF HEALTHMCMC IS INVOLVED IN A VARIETY OF COMMUNITY AND COALITION BUILDING ACTIVITIES AND HEALTH ADVOCACY REGARDING SUCH SOCIAL DETERMINANTS OF HEALTH AS FOOD SECURITY, HOUSING AND TRANSPORTATION THE NEWLY FORMED REGIONAL COMMUNITY ACTION COUNCIL WILL BE PRIORITIZING AN IMPLEMENTATION STRATEGY AROUND THESE TOPICS BEGINNING IN 2014, MCMC WILL BE A PRIMARY PARTNER IN THOSE EFFORTS

Form and Line Reference	Explanation
PART VI, LINE 7, REPORTS FILED WITH STATES	OR

efile GRAPHIC print - DO NOT PROCESS

As Filed Data -

DLN: 93493318087054

Schedule I
(Form 990)

OMB No 1545-0047

2013

Open to Public
Inspection

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.

Name of the organization
MID-COLUMBIA MEDICAL CENTER

Employer identification number
93-0386936

Part I General Information on Grants and Assistance

- 1

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

☒ Yes ☐ No
- 2

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

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) MID-COLUMBIA HEALTH FOUNDATION 1700 E 19TH STREET THE DALLES, OR 97058	93-0854433	501(C)(3)	5,000				TO PROVIDE FUNDS FOR SCHOLARSHIPS
(2) CONFLUENCES INC 1701 BROADWAY 144 VANCOUVER, WA 98663	75-3008926	501(C)(3)	17,748				COLUMBIA RIVER ART, NATURAL RESOURCE PRESERVATION, HERITAGE AND TOURISM CORRIDOR
(3) CIVIC AUDITORIUM HISTORIC PRESERVATION FOUNDATION 323 E FOURTH STREET THE DALLES, OR 97058	30-0589189	501(C)(3)	10,000				PRESERVATION OF COMMUNITY RESOURCE
(4) MID-COLUMBIA HEALTH FOUNDATION 1700 E 19TH STREET THE DALLES, OR 97058	93-0854433	501(C)(3)	487,275				OPERATING EXPENSES

2

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

3

3

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

0

Part III

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

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

Part IV

Supplemental Information. Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
PART I, LINE 2	AN INTERNAL GRANT MANAGER TRACKS ALL EXPENSES RELATED TO THE GRANT AND REPORTS THEM PERIODICALLY IN A WRITTEN REPORT TO THE GRANTOR SOME GRANTS CONTAIN LINE-ITEM BUDGETS WHICH ALSO MUST BE MET AND ARE SUBJECT TO AUDIT BY THE GRANTOR

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.
▶ Attach to Form 990. ▶ See separate instructions.

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MID-COLUMBIA MEDICAL CENTER

Employer identification number
93-0386936

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>b</div><div>If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain.</div></div>	1b	
<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>	2	
<div><div>3</div><div>Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.</div><div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div></div>		
<div><div>4</div><div>During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization:</div></div>		
<div><div>a</div><div>Receive a severance payment or change-of-control payment?</div></div>	4a	No
<div><div>b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>	4b	Yes
<div><div>c</div><div>Participate in, or receive payment from, an equity-based compensation arrangement?</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></div>	4c	No
<div><div></div><div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div></div>		
<div><div>5</div><div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:</div></div>		
<div><div>a</div><div>The organization?</div></div>	5a	No
<div><div>b</div><div>Any related organization?</div><div>If "Yes," to line 5a or 5b, describe in Part III.</div></div>	5b	No
<div><div>6</div><div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:</div></div>		
<div><div>a</div><div>The organization?</div></div>	6a	Yes
<div><div>b</div><div>Any related organization?</div><div>If "Yes," to line 6a or 6b, describe in Part III.</div></div>	6b	No
<div><div>7</div><div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.</div></div>	7	No
<div><div>8</div><div>Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.</div></div>	8	No
<div><div>9</div><div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</div></div>	9	

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
PART I, LINE 4B	DUANE FRANCIS - \$101,955
PART I, LINE 6	THE INCENTIVE COMPENSATION PLAN OF \$80,164 FOR THE QUALIFIED PERSON WAS BASED LARGELY ON NET PROFESSIONAL FEES GENERATED DIRECTLY BY THE QUALIFIED PERSON, COMMON PRACTICE FOR EMPLOYED PHYSICIANS

Additional Data

Software ID:
Software Version:
EIN: 93-0386936
Name: MID-COLUMBIA MEDICAL CENTER

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				
PAUL CARDOSI MD CHAIR	(i) (ii)	168,061 0	61,005 0	0 0	11,682 0	14,346 0	255,094 0	0 0
DUANE FRANCIS PRESIDENT & CEO	(i) (ii)	0 568,607	0 35,525	0 0	0 114,705	0 32,998	0 751,835	0 0
DONALD ARBON CFO & VP FINANCE	(i) (ii)	0 221,294	0 525	0 0	0 11,310	0 14,894	0 248,023	0 0
REGINA ROSE VP CHIEF NURSING OFFICER	(i) (ii)	172,836 0	25 0	0 0	8,988 0	15,722 0	197,571 0	0 0
WILLIAM HAMILTON MD VP MEDICAL AFFAIRS	(i) (ii)	363,742 0	525 0	0 0	12,750 0	15,824 0	392,841 0	0 0
XINYU FU PHYSICIAN	(i) (ii)	409,417 0	25 0	0 0	12,750 0	16,020 0	438,212 0	0 0
JOHN SCHWARTZ PHYSICIAN	(i) (ii)	551,043 0	35,025 0	0 0	12,750 0	10,562 0	609,380 0	0 0
NATHAN ULLRICH PHYSICIAN	(i) (ii)	366,685 0	25 0	0 0	12,900 0	13,520 0	393,130 0	0 0
GARY GINGRICH PHYSICIAN	(i) (ii)	498,876 0	19,209 0	0 0	12,750 0	11,762 0	542,597 0	0 0
MARK CULLEN PHYSICIAN	(i) (ii)	581,269 0	25 0	0 0	11,906 0	14,580 0	607,780 0	0 0

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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

OMB No 1545-0047
2013
Open to Public Inspection

Name of the organization
MID-COLUMBIA MEDICAL CENTER

Employer identification number
93-0386936

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) MIRIAM MCDONELL MD	SPOUSE OF PAUL CARDOSI, M D , BOARD MEMBER	60,446	EMPLOYMENT		No
(2) VICKI WOLF	SPOUSE OF WALLACE WOLF, JR , D V M , DIRECTOR	60,367	EMPLOYMENT		No

Part V

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

Return Reference	Explanation
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SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury

Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization MID-COLUMBIA MEDICAL CENTER	Employer identification number 93-0386936
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990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	HEALTH CARE FOR THE MID-COLUMBIA REGION IS THE SOLE MEMBER
FORM 990, PART VI, SECTION B, LINE 11	A DRAFT OF THE RETURN IS SUBMITTED TO THE BOARD OF TRUSTEES FOR REVIEW UPDATES ARE MADE AS NECESSARY BEFORE FILING
FORM 990, PART VI, SECTION B, LINE 12C	WE ANNUALLY REQUIRE ALL OFFICERS AND DIRECTORS TO SIGN A CONFLICT OF INTEREST DISCLOSURE STATEMENT IF A CONFLICT WAS DISCOVERED FOR AN OFFICER OR DIRECTOR WITH A SIGNED DISCLOSURE STATEMENT, THEY WOULD BE SUBJECT TO CORRECTIVE ACTION UP TO AND INCLUDING TERMINATION FOR VIOLATION OF OUR POLICY IF THEY SELF-DISCLOSED A POTENTIAL CONFLICT OF INTEREST ON THE FORM, WE WOULD GATHER INFORMATION ON THE ISSUE AND MAKE A DETERMINATION ON HOW SEVERE THE CONFLICT IS AND WHETHER OR NOT THE INDIVIDUAL COULD REMAIN AN OFFICER OR DIRECTOR
FORM 990, PART VI, SECTION B, LINE 15	THE BOARD ENGAGES A PROFESSIONAL FIRM TO DO A REGIONAL AND NATIONAL SURVEY, ALONG WITH A COMPARISON OF ORGANIZATION COMPLEXITY AND STRUCTURE, AND THEN RECOMMENDS A SALARY AND BENEFITS RANGE TO THE BOARD THIS IS ALL DONE CONFIDENTIALLY WITHOUT CEO PARTICIPATION THE CEO THEN NEGOTIATES WITH THE BOARD, WHICH COMPARES THE COMPENSATION DISCUSSED WITH THE ANALYSIS IS JUST DESCRIBED AND THEN VOTES ON AND APPROVES A NEW CONTRACT IN EXECUTIVE SESSION WITHOUT CEO PRESENCE OR PARTICIPATION IN THE VOTE THE COMPENSATION OF THE ORGANIZATION'S OFFICERS AND KEY EMPLOYEES IS DETERMINED USING A SURVEY OF MARKET RATES FOR SIMILAR POSITIONS
FORM 990, PART VI, SECTION C, LINE 19	AS REQUESTED
FORM 990, PART XI, LINE 9	DECREASE IN RESTRICTED NET ASSETS -56,000 WRITE-OFF OF PAYABLE DUE TO AFFILIATE 150,000
FORM 990, PART XI, LINE 2C	THE RESPONSIBILITY AND PROCESS FOR OVERSIGHT OF THE AUDIT HAS NOT CHANGED FROM THE PRIOR YEAR

SCHEDULE R
(Form 990)

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization
MID-COLUMBIA MEDICAL CENTER

Employer identification number
93-0386936

Part I Identification of Disregarded Entities

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

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

Part II Identification of Related Tax-Exempt Organizations

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) MID-COLUMBIA HEALTH FOUNDATION 1700 E 19TH STREET THE DALLES, OR 97058 93-0854433	SUPPORT MID-COLUMBIA MEDICAL CENTER	OR	501(C)(3)	7	HEALTH CARE FOR THE MID-COLUMBIA REGION		No
(2) HEALTH CARE FOR THE MID-COLUMBIA REGION 1700 E 19TH STREET THE DALLES, OR 97058 93-0847905	HEALTH CARE SERVICES	OR	501(C)(3)	3			No

Part III

Identification of Related Organizations Taxable as a Partnership

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end- of-year assets	(h) Disproprtionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) LONE PINE HEALTH & WELLNESS CENTER LLC 10210 194TH ST E101 GRAHAM, WA 98338 26-3919508	MANAGE MEDICAL BUILDING/PROPERTY	OR		EXCLUDED 512- 514	183,856	3,761,109		No			No	30 000 %

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) DRY HOLLOW PROFESSIONAL CENTER INC 1700 EAST 19TH STREET THE DALLES, OR 97058 93-0631350	RENTAL BUILDING	OR	HEALTH CARE FOR THE MID- COLUMBIA REGION	C					No

Part V

Transactions With Related Organizations

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

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

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b	Yes	
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d	Yes	
e Loans or loan guarantees by related organization(s)	1e	Yes	
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j		No
k Lease of facilities, equipment, or other assets from related organization(s)	1k	Yes	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l		No
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	Yes	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o Sharing of paid employees with related organization(s)	1o	Yes	
p Reimbursement paid to related organization(s) for expenses	1p	Yes	
q Reimbursement paid by related organization(s) for expenses	1q		No
r Other transfer of cash or property to related organization(s)	1r		No
s Other transfer of cash or property from related organization(s)	1s	Yes	

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

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

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

[illegible]

Part VII

Supplemental Information

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

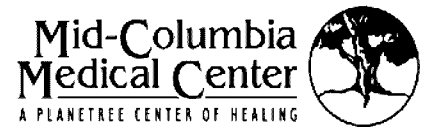
Return Reference	Explanation
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Additional Data

Software ID:
Software Version:
EIN: 93-0386936
Name: MID-COLUMBIA MEDICAL CENTER

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
MID-COLUMBIA HEALTH FOUNDATION	B	5,000	GRANTS PAID
MID-COLUMBIA HEALTH FOUNDATION	C	113,787	GRANTS RECEIVED
HEALTH CARE FOR THE MID-COLUMBIA REGION	E	31,647	PAYABLES TO RELATED PARTY
MID-COLUMBIA HEALTH FOUNDATION	E	2,439	LOANS FROM RELATED PARTY
DRY HOLLOW PROFESSIONAL CENTER	E	82,196	PAYABLES TO RELATED PARTY
HEALTH CARE FOR THE MID-COLUMBIA REGION	K	137,099	RENTAL AGREEMENT
LONE PINE HEALTH & WELLNESS CENTER	K	1,522,000	RENTAL AGREEMENT
DRY HOLLOW PROFESSIONAL CENTER	K	134,346	RENTAL AGREEMENT
HEALTH CARE FOR THE MID-COLUMBIA REGION	M	1,500,000	MANAGEMENT CONTRACT
MID-COLUMBIA HEALTH FOUNDATION	O	301,350	EMPLOYEE GROSS PAY
MID-COLUMBIA HEALTH FOUNDATION	P	185,925	ACTUAL EXPENSES
MID-COLUMBIA HEALTH FOUNDATION	S	113,787	ACTUAL EXPENSES
LONE PINE HEALTH & WELLNESS CENTER	D	2,250,000	LOAN GUARANTEE
HEALTH CARE FOR THE MID-COLUMBIA REGION	S	150,000	WRITE-OFF RECEIVABLE



**Financial Statements and
Supplementary Information**

**Years Ended
December 31, 2013
and 2012**

Mid-Columbia Medical Center

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Balance Sheets	2
Statements of Operations	3
Statements of Changes in Net Assets	4
Statements of Cash Flows	5 - 6
Notes to Financial Statements	7 - 29
Independent Auditors' Report on Supplementary Information	30
Supplementary Information	
Balance Sheets by Division	31 - 32
Statements of Operations by Division	33 - 34

Mid-Columbia Medical Center

Balance Sheets

December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 3,557,670	\$ 14,394,895
Patient accounts receivable - net of allowance for doubtful accounts of \$2,562,000 (\$3,051,000 in 2012)	12,271,185	11,768,882
Supplies inventory	1,588,025	1,533,975
Prepaid expenses and other current assets	<u>2,381,258</u>	<u>1,325,501</u>
Total current assets	19,798,138	29,023,253
Due from affiliates - net	-	74,933
Assets limited as to use	14,010,354	4,993,765
Property and equipment - net	17,251,985	17,383,347
Interest in net assets of Mid-Columbia Health Foundation (the Foundation)	169,166	225,166
Other noncurrent assets - net	<u>6,813,880</u>	<u>3,555,685</u>
Total Assets	<u>\$ 58,043,523</u>	<u>\$ 55,256,149</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 3,432,842	\$ 3,000,826
Accrued liabilities	5,754,849	5,368,113
Estimated third-party payor settlements payable - net	670,864	653,218
Current portion of long-term debt	653,827	604,739
Current portion of obligations under capital leases	<u>407,867</u>	<u>407,413</u>
Total current liabilities	10,920,249	10,034,309
Due to affiliates	116,282	-
Long-term debt - net of current portion	9,892,719	10,423,692
Obligations under capital leases - net of current portion	780,086	431,319
Other noncurrent liabilities	<u>5,629,798</u>	<u>3,059,742</u>
Total liabilities	<u>27,339,134</u>	<u>23,949,062</u>
Net assets		
Unrestricted	30,535,223	31,081,921
Temporarily restricted	<u>169,166</u>	<u>225,166</u>
Total net assets	<u>30,704,389</u>	<u>31,307,087</u>
Total Liabilities and Net Assets	<u>\$ 58,043,523</u>	<u>\$ 55,256,149</u>

The accompanying notes are an integral part of the financial statements

Mid-Columbia Medical Center

Statements of Operations

Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Unrestricted revenue		
Patient service revenue - net of contractual allowances and discounts		
Hospital	\$ 86,408,608	\$ 84,544,478
Clinics	<u>14,845,138</u>	<u>14,779,430</u>
Total patient service revenue - net of contractual allowances and discounts	101,253,746	99,323,908
Provision for bad debts	<u>(5,269,006)</u>	<u>(5,124,869)</u>
Net patient service revenue	95,984,740	94,199,039
Other revenue	<u>5,623,504</u>	<u>5,072,908</u>
Total unrestricted revenue	<u>101,608,244</u>	<u>99,271,947</u>
Expenses		
Salaries, wages, and employee benefits	65,417,713	61,228,232
Supplies	13,785,146	11,221,406
Medical professional fees	4,952,558	5,465,550
Depreciation	2,995,955	2,851,184
Interest	495,340	621,615
Purchased services and other	<u>16,605,750</u>	<u>16,343,553</u>
Total expenses	<u>104,252,462</u>	<u>97,731,540</u>
Operating Income (Loss)	<u>(2,644,218)</u>	<u>1,540,407</u>
Other income (expenses)		
Investment income	996,600	55,392
Change in fair value of interest rate swap agreement	416,847	(247,452)
Loss from early extinguishment of debt	-	(308,474)
Other - net	<u>279,411</u>	<u>43,276</u>
Total other income (expenses) - net	<u>1,692,858</u>	<u>(457,258)</u>
Excess (Deficit) of Revenue Over Expenses	(951,360)	1,083,149
Change in net unrealized gains and losses on other than trading securities	658,822	(85,959)
Contributions primarily from the Foundation for property and equipment acquisitions	83,115	89,890
Contributions to the Foundation for operations	(487,275)	(461,586)
Write-off of payable due to affiliate	<u>150,000</u>	<u>200,000</u>
Increase (Decrease) in Unrestricted Net Assets	<u>\$ (546,698)</u>	<u>\$ 825,494</u>

The accompanying notes are an integral part of the financial statements

Mid-Columbia Medical Center

Statements of Changes in Net Assets

Years Ended December 31, 2013 and 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Net Assets - December 31, 2011	\$ 30,256,427	\$ 279,907	30,536,334
Excess of revenue over expenses	1,083,149	-	1,083,149
Change in net unrealized gains and losses on other than trading securities	(85,959)	-	(85,959)
Contributions from the Foundation for property and equipment acquisitions	89,890	-	89,890
Contributions to the Foundation for operations	(461,586)	-	(461,586)
Decrease in interest in net assets of the Foundation	-	(54,741)	(54,741)
Write-off of payable due to affiliate	200,000	-	200,000
Increase (decrease) in net assets	<u>825,494</u>	<u>(54,741)</u>	<u>770,753</u>
Net Assets - December 31, 2012	31,081,921	225,166	31,307,087
Deficit of revenue over expenses	(951,360)	-	(951,360)
Change in net unrealized gains and losses on other than trading securities	658,822	-	658,822
Contributions primarily from the Foundation for property and equipment acquisitions	83,115	-	83,115
Contributions to the Foundation for operations	(487,275)	-	(487,275)
Decrease in interest in net assets of the Foundation	-	(56,000)	(56,000)
Write-off of payable due to affiliate	150,000	-	150,000
Decrease in net assets	<u>(546,698)</u>	<u>(56,000)</u>	<u>(602,698)</u>
Net Assets - December 31, 2013	<u>\$ 30,535,223</u>	<u>\$ 169,166</u>	<u>\$ 30,704,389</u>

The accompanying notes are an integral part of the financial statements

Mid-Columbia Medical Center

Statements of Cash Flows

Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows From Operating Activities		
Increase (decrease) in net assets	\$ (602,698)	\$ 770,753
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Provision for bad debts	5,269,006	5,124,869
Depreciation and amortization	3,012,347	2,863,455
Write-off of unamortized deferred financing costs on early extinguishment of debt	-	208,474
Change in fair value of interest rate swap agreement	(416,847)	247,452
Change in net unrealized gains and losses on other than trading securities	(658,822)	85,959
Write-off of payable due to affiliate	(150,000)	(200,000)
Decrease in interest in net assets of the Foundation	56,000	54,741
Changes in certain operating assets and liabilities		
Patient accounts receivable	(5,771,309)	(4,456,431)
Supplies inventory	(54,050)	90,726
Prepaid expenses and other current assets	(1,055,757)	251,787
Due from and to affiliates - net	341,215	503,436
Other noncurrent assets - net	(3,274,587)	(401,099)
Accounts payable	432,016	(39,664)
Accrued liabilities	386,736	(133,538)
Estimated third-party payor settlements payable - net	17,646	(688,145)
Other noncurrent liabilities	2,986,903	633,429
Net cash provided by operating activities	<u>517,799</u>	<u>4,916,204</u>
Cash Flows From Investing Activities		
Decrease (increase) in assets limited as to use - net	(8,357,767)	2,303,427
Purchases of property and equipment - net	<u>(1,792,594)</u>	<u>(1,989,428)</u>
Net cash provided (used) by investing activities	<u>(10,150,361)</u>	<u>313,999</u>

The accompanying notes are an integral part of the financial statements

Mid-Columbia Medical Center

Statements of Cash Flows (Continued)

Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash Flows From Financing Activities		
Proceeds from issuance of long-term debt	\$ 148,047	\$ 10,000,000
Payments on long-term debt	(629,932)	(9,886,721)
Payments on obligations under capital leases	(722,778)	(589,936)
Net cash used by financing activities	<u>(1,204,663)</u>	<u>(476,657)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(10,837,225)	4,753,546
Cash and cash equivalents - beginning of year	<u>14,394,895</u>	<u>9,641,349</u>
Cash and Cash Equivalents - End of year	<u>\$ 3,557,670</u>	<u>\$ 14,394,895</u>
 Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	<u>\$ 495,340</u>	<u>\$ 626,415</u>
 Supplemental Disclosure of Non-Cash Investing Activities		
Property and equipment acquired under capital lease obligations	<u>\$ 1,071,999</u>	<u>\$ 430,267</u>

The accompanying notes are an integral part of the financial statements

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2013 and 2012

1. Organization and Summary of Significant Accounting Policies

Organization and basis of presentation

Mid-Columbia Medical Center (the Medical Center) is an Oregon nonprofit corporation located in The Dalles, Oregon. The Medical Center provides various health care and health care related services primarily to residents of the Mid-Columbia region. Health Care for the Mid-Columbia Region (Health Care) is the sole member of the Medical Center, as well as the sole member or stockholder of several other affiliated organizations (see Notes 5 and 11).

The accompanying financial statements include the accounts and transactions of the Medical Center's hospital division (the Hospital) and clinic division (dba Mid-Columbia Outpatient Clinics (the Clinics)).

Method of accounting

The accompanying financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S.) (GAAP) using the accrual method of accounting which recognizes revenue, income, and gains when earned and expenses and losses when incurred. The preparation of financial statements in conformity with GAAP requires management of the Medical Center (Management) to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, income, gains, expenses, and losses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with remaining maturities of three months or less at the time of purchase by the Medical Center, excluding assets limited as to use (see Note 3). The Medical Center maintains its bank accounts at two financial institutions. The Medical Center's bank accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2013, the Medical Center's bank balances exceeded the applicable FDIC coverage, however, Management believes that its credit risk with respect to these bank balances is minimal due to the financial strength of the financial institutions.

Assets limited as to use

Assets limited as to use consist of assets designated by the Medical Center's Board of Trustees (the Board) for certain operating purposes and future capital acquisitions (over which the Board retains control and may, at its discretion, subsequently use for other purposes) and a deposit account required as a result of the Medical Center's guarantee of a related entity's debt obligation (see Notes 3 and 12).

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying balance sheets (see Note 14). Investment income or loss (including interest, dividends, and realized gains and losses on sales of investments) is included in the excess (deficit) of revenue over expenses unless the income or loss is restricted by donor or law. The change in net unrealized gains or losses on investments is excluded from the excess (deficit) of revenue over expenses unless the investments are trading securities or an unrealized loss is considered to be other-than-temporary. Trading securities are debt and equity securities that the Medical Center buys and holds principally to sell in the near-term. As of December 31, 2013 and 2012, all of the Medical Center's assets limited as to use are classified as other than trading securities. The Medical Center's gross unrealized losses on investment securities were not significant as of December 31, 2013 or 2012.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2013 and 2012

1. Organization and Summary of Significant Accounting Policies (Continued)

Assets limited as to use (continued)

As of December 31, 2013, the Medical Center had investments in cash and cash equivalents, common stocks, corporate notes, mutual and exchange-traded funds, and certificates of deposit (see Note 3). Management believes that the Medical Center's credit risk with respect to these investments is minimal due to FDIC insurance coverage, the diversity of the individual investments, and the financial strength of the entities which have issued the securities or instruments. However, due to changes in economic conditions, interest rates, and common stock prices, the fair value of the Medical Center's investments can be volatile. Consequently, the fair value of the Medical Center's investments can significantly change in the near-term as a result of such volatility.

Patient accounts receivable and allowance for doubtful accounts

The collection of receivables from third-party payors and patients is the Medical Center's primary source of cash and is critical to its operating performance. When the Medical Center provides care to patients, it does not require collateral, however, it maintains an estimated allowance for doubtful accounts. The primary collection risks relate to uninsured patient accounts and patient accounts for which the primary insurance payor has paid, but the patient is responsible for the remaining amounts outstanding (generally deductibles and co-payments). The Medical Center does not maintain a significant allowance for doubtful accounts from third-party payors, nor has it historically had significant write-offs from third-party payors. However, for services provided to patients who have third-party coverage, the Medical Center records the related patient service revenue and patient accounts receivable net of contractual discounts and allowances.

For patient accounts receivable due from self-pay patients – which include both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill – the Hospital records a significant allowance for doubtful accounts. The allowance for doubtful accounts is estimated based primarily upon the Medical Center's historical collection experience, Management's estimate of its patients' economic ability to pay, and the effectiveness of collection efforts. Patient accounts receivable balances are routinely reviewed in conjunction with historical collection rates and other economic conditions which might ultimately affect the collectibility of patient accounts when considering the adequacy of the amounts recorded in the allowance for doubtful accounts. The difference between the Medical Center's standard rates (or the discounted rates, if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts. Recoveries of amounts charged off are added to the allowance for doubtful accounts. Actual write-offs have historically been within Management's expectations. Significant changes in payor mix, business office operations, economic conditions, or trends in federal and state governmental health care coverage could affect the Medical Center's collection of patient accounts receivable, cash flows, and results of operations.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2013 and 2012

1. Organization and Summary of Significant Accounting Policies (Continued)

Patient accounts receivable and allowance for doubtful accounts (continued)

Significant concentrations of gross patient accounts receivable as of December 31, 2013 and 2012 were approximately as follows

	2013	2012
Medicare	37%	36%
Medicaid and Oregon Health Plan (OHP)	9	10
Regence BlueCross BlueShield of Oregon (Regence)	8	6
Other commercial insurance and third-party payors	26	25
Self-pay	20	23
	100%	100%

The Medical Center's allowance for doubtful accounts represented 54% and 56% of gross self-pay patient accounts receivable as of December 31, 2013 and 2012, respectively. The following is a summary of the activity in the Medical Center's allowance for doubtful accounts for the years ended December 31, 2013 and 2012

	2013	2012
Balance - beginning of year	\$ 3,051,000	\$ 2,490,000
Provision for bad debts	5,269,006	5,124,869
Accounts written off, net of recoveries	(5,758,006)	(4,563,869)
Balance - end of year	\$ 2,562,000	\$ 3,051,000

Supplies inventory

Supplies inventory is recorded at the lower of weighted-average cost (first-in, first-out method) or market

Property and equipment

Property and equipment acquisitions are recorded at cost. Donated property and equipment items are recorded on the basis of estimated fair value at the date of their donation. Improvements and replacements of property and equipment are capitalized. Routine maintenance and repairs are charged to expense as incurred.

Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized using the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation expense in the accompanying financial statements.

Management reviews property and equipment for possible impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. If there is an indication of impairment, Management would prepare an estimate of future cash flows (undiscounted and without interest charges) expected to result from the use of the asset and its eventual disposition. If these estimated cash flows were less than the carrying amount of the asset, an impairment loss would be recognized to write down the asset to its estimated fair value.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2013 and 2012

1. Organization and Summary of Significant Accounting Policies (Continued)

Property and equipment (continued)

Contributions of long-lived assets such as land, buildings, and equipment are reported as unrestricted support and are excluded from the excess (deficit) of revenue over expenses, unless explicit donor stipulations specify how the donated assets must be used. Contributions of long-lived assets with explicit restrictions that specify how the assets are to be used and contributions of cash or other assets that must be used to acquire long-lived assets would be reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Medical Center reports expirations of donor restrictions as support when the donated or acquired long-lived assets are placed in service.

Mid-Columbia Health Foundation (the Foundation)

Health Care is the sole member of the Foundation, which raises funds for various health care providers in the Mid-Columbia region. The Medical Center and the Foundation are considered financially interrelated organizations under GAAP. Accordingly, the Foundation's net assets restricted for use by the Medical Center are recognized by the Medical Center as interest in net assets of the Foundation and as temporarily restricted net assets (see Note 5).

Other assets

Other assets include the Medical Center's investments in certain related entities (see Note 12). If the Medical Center owns 50% or less of the voting stock of an investee and can exercise significant influence over the investee's operating and financial policies (generally presumed to be when the Medical Center owns more than 20% of the voting stock of the investee), the Medical Center accounts for such investments under the equity method of accounting, whereby the Medical Center records its proportionate share of the investee's income or loss in the statements of operations and records distributions from the investee as a reduction in the related investment balance. If the Medical Center cannot exercise significant influence over the investee's operating and financial policies (generally presumed to be when the Medical Center owns less than 20% of the voting stock of the investee), the Medical Center accounts for such investments at cost and records dividends or distributions from the investee as other income when received.

Interest rate swap agreement

In 2012, the Medical Center entered into an interest rate swap agreement (the Swap Agreement), a derivative financial instrument, to reduce interest rate risk associated with its long-term debt (see Note 6). The Medical Center does not hold or issue derivative financial instruments for trading purposes. GAAP requires that an entity recognize all derivatives as either assets or liabilities and measure those instruments at fair value. Accordingly, the estimated fair value of the Swap Agreement (see Note 14), which was an asset of \$169,395 and a liability of \$247,452 as of December 31, 2013 and 2012, respectively, is included in other noncurrent assets and liabilities, respectively, in the accompanying balance sheets.

GAAP also requires that changes in the fair value of the Swap Agreement be recognized in the statement of operations, unless specific hedge accounting criteria are met. The Medical Center did not elect hedge accounting treatment for the Swap Agreement, and, accordingly, the change in the fair value of the Swap Agreement is recorded as other income or expense in the accompanying statements of operations.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2013 and 2012

1. Organization and Summary of Significant Accounting Policies (Continued)

Net patient service revenue

The Medical Center has agreements with third-party payors that provide for payments to the Medical Center at amounts different from its established rates. Payment arrangements primarily include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts due from patients, third-party payors, and others for services rendered and includes estimates for potential retroactive revenue adjustments under reimbursement agreements with third-party payors. Such estimates are adjusted in future periods as final settlements are determined.

A significant portion of the Medical Center's services is provided to Medicare, OHP, and Medicaid patients under contractual arrangements. Inpatient acute care services rendered to Medicare program beneficiaries are reimbursed at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors (i.e., "Medicare severity-diagnosis related groups" or "MS-DRGs"). Such payments include a capital cost component and may be greater or less than the actual charges for services. Most outpatient services related to Medicare beneficiaries are reimbursed prospectively under the ambulatory payment classifications methodology. Home health services related to Medicare beneficiaries are reimbursed under a prospective payment system methodology. The Clinic's services related to Medicare beneficiaries are reimbursed under a cost reimbursement methodology. The Medical Center is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after audits of the Medical Center's annual cost reports by the Medicare fiscal intermediary. The Medical Center's Medicare cost reports have been audited and final settled by the Medicare fiscal intermediary through December 31, 2009.

Services rendered to OHP beneficiaries are primarily reimbursed at discounts from standard charges or based on fee schedules. In addition, the Clinics receive OHP "wrap-around" payments as Federally Qualified Health Centers. Services rendered to Medicaid program beneficiaries are generally reimbursed under a cost reimbursement methodology. Under this methodology, the Medical Center is reimbursed at a tentative rate with final settlement determined after audits of the Medical Center's annual cost reports by Medicaid. The Medical Center's Medicaid cost reports have been audited and final settled by Medicaid through December 31, 2009.

The laws and regulations governing the Medicare, OHP, and Medicaid programs are extremely complex and subject to interpretation. In addition, the Recovery Audit Contractors program requires the evaluation of certain Medicare and Medicaid claims for propriety by third-party contractors. As a result, there is at least a reasonable possibility that estimated third-party payor settlements payable - net, will change by a material amount in the near-term.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2013 and 2012

1. Organization and Summary of Significant Accounting Policies (Continued)

Net patient service revenue (continued)

Activity related to the Medical Center's estimated third-party payor settlements receivable (payable) - net for the years ended December 31, 2013 and 2012 was approximately as follows

	<u>Medicare</u>	<u>Medicaid</u>	<u>Total</u>
Estimated third-party payor settlements receivable (payable) - net, as of December 31, 2011	\$ (1,475,000)	\$ 134,000	\$ (1,341,000)
Settlements received related to prior years' cost reports	(524,000)	(1,216,000)	(1,740,000)
Revisions of estimates for prior years' cost report settlements - net	1,110,000	689,000	1,799,000
Estimates for 2012 cost report settlements - net	<u>(704,000)</u>	<u>1,333,000</u>	<u>629,000</u>
Estimated third-party payor settlements receivable (payable) - net, as of December 31, 2012	(1,593,000)	940,000	(653,000)
Settlements received related to prior years' cost reports - net	(316,000)	(906,000)	(1,222,000)
Revisions of estimates for prior years' cost report settlements - net	428,000	(48,000)	380,000
Estimates for 2013 cost report settlements - net	<u>(277,000)</u>	<u>1,101,000</u>	<u>824,000</u>
Estimated third-party payor settlements receivable (payable) - net, as of December 31, 2013	<u>\$ (1,758,000)</u>	<u>\$ 1,087,000</u>	<u>\$ (671,000)</u>

The Medical Center has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations to provide medical services to subscribing participants. The basis for payment to the Medical Center under these agreements primarily includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates based on the types of services provided.

Total patient service revenue - net of contractual allowances and discounts, by major payor, for the years ended December 31, 2013 and 2012 was as follows

	<u>2013</u>	<u>2012</u>
Medicare	\$ 33,699,373	\$ 35,990,135
Medicaid and OHP	9,307,887	9,081,449
Regence	15,747,395	12,863,016
Other commercial insurance and third-party payors	34,170,310	32,455,552
Self-pay	<u>8,328,781</u>	<u>8,933,756</u>
Total patient service revenue - net of contractual allowances and discounts	<u>\$ 101,253,746</u>	<u>\$ 99,323,908</u>

Reimbursement based on all of the Medical Center's contractual arrangements was approximately \$102,232,000 and \$84,594,000 less than the Medical Center's established rates for the years ended December 31, 2013 and 2012, respectively.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2013 and 2012

1. Organization and Summary of Significant Accounting Policies (Continued)

Charity care

The Medical Center also provides services to patients who meet certain criteria of its financial assistance (i.e., charity care) policy without charge or at amounts less than its established rates. The Medical Center's criteria for the determination of charity care include the patient's – or other responsible party's – annual household income, assets, credit history, existing debt obligations, and other indicators of the patient's ability to pay. Generally, those individuals with an annual household income at, or less than, 200% of the Federal Poverty Guidelines (the Guidelines) qualify for charity care under the Medical Center's policy. In addition, the Medical Center may provide discounts on a sliding scale to those individuals with an annual household income of between 200% and 400% of the Guidelines. Since the Medical Center does not pursue collection of amounts determined to qualify as charity care, those amounts are not reported as net patient service revenue (see Note 2).

Electronic health records (EHR) incentive payments

Under certain provisions of the American Recovery and Reinvestment Act of 2009 (ARRA), federal incentive payments are available to hospitals, physicians, and certain other professionals (collectively, "health care providers") when they adopt, implement, or upgrade (AIU) certified EHR technology or become "meaningful users" – as defined under ARRA – of EHR technology in ways that demonstrate improved quality, safety, and effectiveness of care. Health care providers can become eligible for annual Medicare incentive payments by demonstrating meaningful use of EHR technology in each federal fiscal year over four federal fiscal years. Medicaid providers can receive their initial incentive payment by satisfying AIU criteria but must demonstrate meaningful use of EHR technology in subsequent federal fiscal years in order to qualify for additional payments. Hospitals may be eligible for both Medicare and Medicaid EHR incentive payments, however, physicians and other professionals may be eligible for either Medicare or Medicaid incentive payments but not both. Hospitals that are meaningful users under the Medicare EHR incentive payment program are deemed meaningful users under the Medicaid EHR incentive payment program and do not need to meet additional criteria imposed by Medicaid. Medicaid EHR incentive payments to health care providers are 100% federally funded and administered by individual states. The Centers for Medicare and Medicaid Services (CMS) established the federal fiscal year ended September 30, 2011 as the first year that states could offer EHR incentive payments.

The Medical Center recognizes EHR incentive payments in income using the "contingency model." Under the contingency model, the income from the payments is recognized in the year for which payment is made if all significant contingencies related to the payment are resolved. Generally, the Medical Center expects to recognize payments from the Medicare and Medicaid programs in the Medical Center's fiscal year that includes the end of the federal fiscal year for which the payments are made. During the years ended December 31, 2013 and 2012, the Medical Center satisfied certain of the Medicare AIU and meaningful use criteria. As a result, the Medical Center recognized approximately \$856,000 and \$1,131,000 of Medicare EHR incentive payments as other operating revenue in the accompanying statements of operations for the years ended December 31, 2013 and 2012, respectively. During the years ended December 31, 2013 and 2012, the Medical Center satisfied certain of the Medicaid AIU criteria. As a result, the Medical Center recognized approximately \$421,000 and \$480,000 of Medicaid EHR incentive payments as other operating revenue in the accompanying statements of operations for the years ended December 31, 2013 and 2012, respectively. As of December 31, 2013 and 2012, prepaid expenses and other current assets in the accompanying balance sheets include receivables of Medicare and Medicaid EHR incentive payments of approximately \$1,277,000 and \$228,000, respectively. Medicare and Medicaid EHR incentive payments are subject to audit and/or final approval by CMS and Medicaid. As a result, there is at least a reasonable possibility that recorded Medicare and Medicaid EHR incentive payments will change by a material amount in the near-term.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2013 and 2012

1. Organization and Summary of Significant Accounting Policies (Continued)

Statements of operations

For purposes of presentation, transactions deemed by Management to be ongoing, major, or central to the provision of health care services are reported as operating revenue and expenses. Peripheral or incidental transactions are reported as other income and expenses. The accompanying statements of operations include the excess (deficit) of revenue over expenses. Changes in unrestricted net assets which are excluded from the excess (deficit) of revenue over expenses, consistent with industry practice, include the change in net unrealized gains and losses on other than trading securities, contributions from the Foundation for property and equipment acquisitions, contributions to the Foundation for operations, and permanent transfers of assets to, or from, affiliates for purposes other than purchases or sales of goods or services (e.g., write-offs of payables due to, and receivables due from, affiliates).

Income taxes

The Medical Center is a tax-exempt organization pursuant to Internal Revenue Code Section 501(c)(3). As such, only unrelated business income is subject to federal or state income taxes. It is Management's belief that none of the Medical Center's activities have generated material unrelated business income, therefore, no provision for income taxes has been made in the accompanying financial statements.

Income tax positions that meet a "more-likely-than-not" recognition threshold are measured at the largest amount of income tax benefit that is more than 50% likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with income tax positions taken that exceeds the amount measured as described above would be reflected as a liability for unrecognized income tax benefits in the Medical Center's balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Interest and penalties associated with unrecognized income tax benefits would be classified as income taxes in the Medical Center's statements of operations. There were no unrecognized income tax benefits, nor any interest and penalties associated with unrecognized income tax benefits, accrued or expensed as of and for the years ended December 31, 2013 and 2012.

The Medical Center files federal information and income tax returns in the U.S. and state information and income tax returns in Oregon. The Medical Center is no longer subject to tax examinations by the related tax authorities for its U.S. federal and Oregon information and income tax returns for years prior to 2010.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2013 and 2012

1. Organization and Summary of Significant Accounting Policies (Continued)

Recently issued accounting standards

In April 2013, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2013-06, *Not-for-Profit Entities (Topic 958) – Services Received from Personnel of an Affiliate* (ASU 2013-06). ASU 2013-06 specifies the guidance that not-for-profit entities apply for recognizing and measuring services received from personnel of an affiliate. An affiliate is defined by GAAP as "a party that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with an entity." ASU 2013-06 applies to not-for-profit entities – including not-for-profit, business-oriented health care entities – that receive services from personnel of an affiliate that directly benefit the recipient not-for-profit entity and for which the affiliate does not charge the recipient not-for-profit entity. Charging the recipient not-for-profit entity means requiring payment from the recipient not-for-profit entity at least for the approximate amount of the direct personnel costs (for example, compensation and any payroll-related fringe benefits) incurred by the affiliate in providing a service to the recipient not-for-profit entity or the approximate fair value of that service. ASU 2013-06 does not address transactions between affiliates for which the affiliate charges the recipient not-for-profit entity at least for the approximate amount of direct personnel costs or the approximate fair value of the services provided. ASU 2013-06 requires a recipient not-for-profit entity to recognize all services received from personnel of an affiliate that directly benefit the recipient not-for-profit entity. Those services should be measured at the cost recognized by the affiliate for the personnel providing those services. However, if measuring a service received from personnel of an affiliate at cost will significantly overstate or understate the value of the service received, the recipient not-for-profit entity may elect to recognize that service received at either (1) the cost recognized by the affiliate for the personnel providing that service or (2) the fair value of that service. A recipient not-for-profit entity within the scope of FASB Topic 954, *Health Care Entities*, that is required to provide a performance indicator should report as an equity transfer the increase in net assets associated with services received from personnel of an affiliate that directly benefit the recipient not-for-profit entity and for which the affiliate does not charge the recipient not-for-profit entity, regardless of whether those services are received from personnel of a not-for-profit affiliate or any other affiliate. Equity transfers are reported separately as changes in net assets, are excluded from the performance indicator, and do not result in any step-up in basis of the underlying assets transferred. All recipient not-for-profit entities should report the corresponding decrease in net assets or the creation or enhancement of an asset resulting from the use of services received from personnel of an affiliate similar to how other such expenses or assets are reported. ASU 2013-06 will be effective for the Medical Center beginning in 2015, with early adoption permitted. Management is currently evaluating the effect that ASU 2013-06 will have on the Medical Center's future financial statements.

In December 2013, the FASB issued ASU No. 2013-12, *Definition of a Public Business Entity* (ASU 2013-12). ASU 2013-12 provides a single definition of a "public business entity" for use in future financial accounting and reporting guidance and does not affect existing requirements. Generally, most not-for-profit entities have received the same financial accounting and reporting alternatives under GAAP that have been available to nonpublic business entities. Distinctions about which not-for-profit entities would receive financial accounting and reporting alternatives under GAAP typically have been made on the basis of whether a not-for-profit entity has public debt securities, including conduit debt. ASU 2013-12 excludes all not-for-profit entities from the definition of a public business entity so that a public versus nonpublic distinction will no longer be made between not-for-profit entities in future standard setting. Instead, the FASB will consider factors such as user needs and not-for-profit entity resources, on a standard-by-standard basis, when determining whether all, none, or only some not-for-profit entities will be eligible to apply financial accounting and reporting alternatives under GAAP for private companies. There is no formal effective date for ASU 2013-12, however, the term, "public business entity," is being used in ASUs issued subsequent to December 31, 2013.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2013 and 2012

1. Organization and Summary of Significant Accounting Policies (Continued)

Subsequent events

Management has evaluated, for potential recognition or disclosure in the financial statements, subsequent events that have occurred through June 9, 2014, which is the date that the financial statements were available to be issued

In August 2013, the Medical Center entered into a letter of intent (LOI) with Oregon Health & Science University to form a collaborative relationship with a goal of achieving more accessible, clinically integrated, coordinated, and cost-effective health care for the Mid-Columbia region and enhance the health of the citizens in this region. Under the LOI, due diligence is currently in the final stages by both parties. The definitive agreement is expected to be effective July 1, 2014, after which the Medical Center will continue to operate as a separately licensed general acute care facility.

2. Community Benefits (Unaudited)

The Medical Center's philosophy embraces a definition of health that acknowledges the interdependence of biological, social, intellectual, environmental, and spiritual components. This definition has broadened the Medical Center's focus and prioritization of resources dedicated to improve the health of the communities within the Medical Center's geographic location. The Medical Center's mission is to lead and act as a catalyst in promoting health for all people in its service area. The Medical Center works to accomplish this by being willing to provide health care services to all members of the community, providing access to health information and support services, and acting as a catalyst and strategic partner in broad-based community initiatives.

In keeping with the Medical Center's mission to serve all members of the community, free care and/or subsidized care is provided. During the years ended December 31, 2013 and 2012, the Medical Center provided approximately \$6,991,000 and \$6,318,000, respectively, in free or charity care at established rates to qualified patients because of medical need and limited financial resources. Management estimates that the net cost of charity care provided was approximately \$3,466,000 and \$3,246,000 for the years ended December 31, 2013 and 2012, respectively. These estimates were based on the Hospital's overall ratio of cost to charges in each year. For the years ended December 31, 2013 and 2012, approximately 16% and 5%, respectively, of all inpatient admissions and approximately 4% and 3%, respectively, of all outpatient visits were classified as charity care.

The Medical Center's Operations Management Team (the OMT) is comprised of its President, all members of the Medical Center's Executive Management Team, and certain other members of Management. The Medical Center's Director of Community Initiatives (the Director) reports directly to the OMT and is dedicated to research, community mobilization, and program coordination of community health initiatives. The OMT – whose vision is to be an active, compassionate community partner and catalyst for ensuring the highest quality of life for all – acts on the recommendations of the Director.

The Medical Center believes in community partnerships and preventive programs which enhance the health and wellness of community members. According to Management, some of the Medical Center's efforts are as follows:

- Provides all community members with access to health information through its Planetree Health Resource Center Library (the PHRC). The PHRC offers the Planetree Health Lecture Series on various health topics and also provides individualized patient information packets.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2013 and 2012

2. Community Benefits (Unaudited) (Continued)

- Participates as a member of the Columbia Gorge Health Council (CGHC) in providing oversight and governance of the coordinated care organization formed by PacificSource Community Solutions. CGHC is a nonprofit corporation comprised of the Medical Center, Wasco County, Hood River County, Central Oregon Independent Practice Association, Inc., One Community Health, PacificSource, Providence Hood River Memorial Hospital, and at-large members of the community.
- Physicians and nurses provide access to free or reduced cost primary care and school nursing services for uninsured students in the local school districts.
- Provides free prenatal classes and support programs focusing on prenatal care, testing, delivery, and post-partum care for high-risk pregnancies.
- Provides meeting facilities for various civic, charitable, and support groups.
- Provides support for American Red Cross Blood Drives.
- Provides and subsidizes EMT (emergency medical technician) training for several neighboring counties.
- Offers free interpretive services to non-English speaking community members, when necessary, for medical or financial dialogue.
- Funds local school districts with financial support and volunteer hours.
- Encourages staff to volunteer to make a difference through service to members of the community.
- Sponsors and participates in community, senior, and diabetes health fairs by supplying health and safety information, demonstrations, and screenings.
- Sponsors monthly support groups for various health care-related issues and post-treatment support for affected patients.
- Provides a home care helpline service staffed by a registered nurse to help assess home care patient needs and link such patients to Oregon and Washington health care facilities, as appropriate.
- Provides sports medicine specialists to the Northern Wasco, Dufur, and Sherman County school districts for education on prevention of sports-related injuries and preventative conditioning principles to increase athleticism, as well as injury assessment and treatment. The program covers athletic events, practices, sports and conditioning camps, and requested physical education classes.
- Partners with those in the community seeking to improve or enhance their health through lifestyle changes and choices, particularly in the areas of obesity and heart disease.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2013 and 2012

3. Assets Limited as to Use

Assets limited as to use consisted of the following as of December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Internally designated for certain operating purposes		
Cash and cash equivalents	\$ 4,963	\$ 3,613
Common stocks	881,093	575,706
Corporate notes	146,163	14,621
Mutual funds	-	113,015
Accrued interest receivable	309	-
Total internally designated for certain operating purposes	<u>1,032,528</u>	<u>706,955</u>
Internally designated for capital acquisitions		
Cash and cash equivalents	57,175	306,914
Common stocks	6,538,135	-
Corporate notes	4,067,439	-
Certificates of deposit	1,649,107	348,310
Mutual and exchange-traded funds	142,008	3,130,361
Accrued interest receivable	23,962	1,225
Total internally designated for capital acquisitions	<u>12,477,826</u>	<u>3,786,810</u>
Restricted under guarantee agreement (see Note 12)		
Deposit account (cash and cash equivalents)	<u>500,000</u>	<u>500,000</u>
Total assets limited as to use	<u>\$ 14,010,354</u>	<u>\$ 4,993,765</u>

Investment income consisted of the following for the years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Interest and dividend income	\$ 229,836	\$ 55,392
Realized gains on sales of investment securities - net	<u>766,764</u>	<u>-</u>
Investment income	<u>\$ 996,600</u>	<u>\$ 55,392</u>

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2013 and 2012

4. Property and Equipment

Property and equipment consisted of the following as of December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Land	\$ 562,933	\$ 562,933
Land improvements	951,698	935,447
Buildings	12,967,267	12,855,187
Leasehold improvements	3,159,320	3,077,873
Furniture and moveable equipment	31,416,632	30,924,960
Fixed equipment	<u>13,284,600</u>	<u>13,226,844</u>
	62,342,450	61,583,244
Less accumulated depreciation	<u>(45,412,569)</u>	<u>(44,504,059)</u>
	16,929,881	17,079,185
Construction in progress	<u>322,104</u>	<u>304,162</u>
Property and equipment - net	<u>\$ 17,251,985</u>	<u>\$ 17,383,347</u>

Included in property and equipment were assets under capital lease agreements with a cost of approximately \$1,651,000 and \$2,067,000 as of December 31, 2013 and 2012, respectively. Accumulated amortization related to these assets was approximately \$407,000 and \$1,368,000 as of December 31, 2013 and 2012, respectively.

As part of the Medical Center's long-term campus plan, it is anticipated that the Medical Center will build a new patient tower to be opened in 2017. In March 2014, the Oregon Legislature appropriated \$1,000,000 to assist the Medical Center in the new tower's construction. Although no commitments have yet been entered into related to the patient tower's construction, the Medical Center expects to fund the remaining costs of such tower with a combination of internally designated assets, community raised funds, and long-term debt.

5. Mid-Columbia Health Foundation

As discussed in Note 1, the Foundation raises funds for various health care providers in the Mid-Columbia region. Accordingly, generally only those funds restricted for use by the Medical Center are included in the Medical Center's interest in net assets of the Foundation in the accompanying balance sheets. During 2013 and 2012, the Foundation contributed \$70,915 and \$75,000, respectively, to the Medical Center for purchases of property and equipment. In addition, during 2013 and 2012, the Medical Center paid expenses on behalf of the Foundation totaling \$487,275 and \$461,586, respectively.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2013 and 2012

5. Mid-Columbia Health Foundation (Continued)

A summary of the Foundation's assets, liabilities, total net assets, and increase in net assets as of and for the years ended December 31, 2013 and 2012 is as follows

	<u>2013</u>	<u>2012</u>
Assets		
Cash and cash equivalents	\$ 249,033	\$ 331,385
Investments	2,743,646	2,580,224
Contributions receivable - net	35,272	65,202
Receivable from the Medical Center	2,439	-
Assets held in trust	338,008	281,650
Other assets	6,746	6,678
Total assets	<u>\$ 3,375,144</u>	<u>\$ 3,265,139</u>
Liabilities and net assets		
Payable to the Medical Center	\$ -	\$ 136,121
Other liabilities	200,078	172,966
Total net assets	<u>3,175,066</u>	<u>2,956,052</u>
Total liabilities and net assets	<u>\$ 3,375,144</u>	<u>\$ 3,265,139</u>
Increase in net assets	<u>\$ 219,014</u>	<u>\$ 123,540</u>

6. Debt Agreements

Long-term debt consisted of the following as of December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Note payable to Umpqua Bank (Umpqua)	\$ 9,572,098	\$ 9,893,024
Notes payable to General Electric Healthcare Financial Services (G E Financial)	838,188	1,135,407
Other	136,260	-
Total	10,546,546	11,028,431
Less current portion	<u>(653,827)</u>	<u>(604,739)</u>
Long-term debt - net of current portion	<u>\$ 9,892,719</u>	<u>\$ 10,423,692</u>

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2013 and 2012

6. Debt Agreements (Continued)

In August 2012, the Medical Center entered into a loan agreement with Umpqua (the Umpqua Loan Agreement) to borrow \$10,000,000. The proceeds from the Umpqua Loan Agreement were used primarily to refinance the balance payable under a loan agreement with G E Capital (the G E Loan Agreement) in order to obtain a more favorable interest rate. As a result of the early repayment of the G E Loan Agreement, the Medical Center recognized an aggregate loss of \$308,474 during 2012, which resulted from a prepayment penalty of \$100,000 and the write-off of unamortized deferred financing costs of \$208,474.

The Umpqua Loan Agreement is due in monthly principal installments of approximately \$27,000 through July 2019, with a final principal payment of approximately \$7,800,000 due in August 2019. Borrowings outstanding under the Umpqua Loan Agreement are secured by substantially all of the Medical Center's real property and fixed equipment and are guaranteed by Health Care. The note payable to Umpqua bears interest at the one-month London InterBank Offered Rate (LIBOR) plus 2.25% (2.42% as of December 31, 2013) which is payable monthly. However, in connection with the issuance of the note payable to Umpqua, the Medical Center entered into the Swap Agreement (see Note 1) with Umpqua to reduce the Medical Center's exposure to increases in interest rates on the note payable to Umpqua. The Swap Agreement – which terminates on August 20, 2019 – is an interest rate swap in which the Medical Center pays a fixed interest rate of 3.74% to Umpqua instead of paying the variable rate described above. The notional amount under the Swap Agreement decreases as principal payments are made on the Umpqua Loan Agreement so that the notional amount approximately equals the expected principal balance outstanding on the Umpqua Loan Agreement. The Swap Agreement had a notional amount of approximately \$9,572,000 as of December 31, 2013.

The Umpqua Loan Agreement contains certain financial covenants (including a "Debt Service Cover" ratio covenant (the DSC covenant), limitations on additional indebtedness, and a prepayment penalty). For the year ended December 31, 2013, the Medical Center was not in compliance with the DSC covenant, however, on May 13, 2014, Umpqua waived compliance with the DSC covenant for the year ended December 31, 2013, and the DSC covenant is not required to be met again until the year ending December 31, 2014. Accordingly, the long-term portion of the borrowings under the Umpqua Loan Agreement has been classified as long-term in the accompanying 2013 balance sheet.

In August and September 2011, the Medical Center entered into three separate note payable agreements with G E Financial (the G E Financial notes payable), with the proceeds used to finance certain tenant improvements. Aggregate borrowings under the G E Financial notes payable were approximately \$1,533,000. The G E Financial notes payable are due in monthly installments aggregating approximately \$29,000 – including interest at 4.98% – through August 2016 (with a final payment of approximately \$6,000 due in September 2016).

Required principal payments on long-term debt for the five years subsequent to December 31, 2013, and thereafter, are approximately as follows:

2014	\$ 654,000
2015	685,000
2016	572,000
2017	348,000
2018	321,000
Thereafter	7,967,000
	<u>\$ 10,547,000</u>

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2013 and 2012

6. Debt Agreements (Continued)

The Medical Center has a \$2.0 million line of credit agreement (the LOC Agreement) with Columbia State Bank (the Bank). There were no amounts outstanding under the LOC Agreement as of December 31, 2013 or 2012. Any borrowings outstanding under the LOC Agreement would bear interest at a variable rate based on the Bank's "base rate" (3.25% as of December 31, 2013). The LOC Agreement contains certain financial covenants and expires on December 25, 2014.

7. Obligations under Capital Leases

Obligations under capital leases consisted of the following as of December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Lease obligations payable to Winthrop Resources Corporation (Winthrop)	\$ 671,869	\$ 493,678
Lease obligation payable to GE Healthcare Financial Services, due in monthly installments of approximately \$8,000 through April 2017, interest at approximately 8.53%	269,739	-
Other	<u>246,345</u>	<u>345,054</u>
Total	1,187,953	838,732
Less current portion	<u>(407,867)</u>	<u>(407,413)</u>
Obligations under capital leases - net of current portion	<u>\$ 780,086</u>	<u>\$ 431,319</u>

Future minimum lease payments under capital lease obligations for years subsequent to December 31, 2013 are approximately as follows:

2014	\$ 467,000
2015	421,000
2016	318,000
2017	<u>95,000</u>
Total minimum lease payments	1,301,000
Less amounts representing interest	<u>(113,000)</u>
Present value of minimum lease payments	<u>\$ 1,188,000</u>

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2013 and 2012

7. Obligations under Capital Leases (Continued)

In March 2011, the Medical Center entered into a master capital lease agreement with Winthrop (the Winthrop Agreement) to partially finance the acquisition of certain information systems (IS) hardware and software. During 2011, the Medical Center borrowed \$281,735 of the \$750,000 maximum available under the terms of the Winthrop Agreement. During 2013 and 2012, the Medical Center borrowed an additional \$335,903 and \$329,413, respectively, under the Winthrop Agreement, and such borrowings were paid directly from Winthrop to the IS vendors. As of December 31, 2013, \$671,869 was outstanding related to these three capital leases (the Winthrop Leases). The Winthrop Leases are due in monthly installments – including interest – aggregating approximately \$21,000 through December 2015, approximately \$14,000 from January 2016 through December 2016, and approximately \$5,000 from January 2017 through December 2017. Interest rates on the Winthrop Leases range from approximately 2.00% to 8.33%.

8. Commitments and Contingencies

Operating leases

The Medical Center leases certain equipment and facilities under operating lease agreements which expire at various dates through 2030. Some of the lease agreements contain renewal options. Such lease agreements include a lease of a building from Lone Pine Health and Wellness Center, LLC (Lone Pine), a limited liability company that is partially owned by the Medical Center (see Note 12), certain leases of office space with Health Care that are month-to-month, and certain leases with Dry Hollow Professional Center, Inc. (Dry Hollow), an affiliate of Health Care, that are primarily month-to-month. The Medical Center's lease commitments with Lone Pine are as disclosed below; the Medical Center's lease commitment with Dry Hollow that extends beyond one year is not significant.

As of December 31, 2013, future minimum lease commitments for the five years subsequent to December 31, 2013, and thereafter, under noncancelable operating lease agreements that have initial or remaining lease terms in excess of one year were approximately as follows:

	<u>Lone Pine Lease</u>	<u>Other</u>	<u>Total</u>
2014	\$ 1,538,000	\$ 1,822,000	\$ 3,360,000
2015	1,536,000	1,403,000	2,939,000
2016	1,532,000	851,000	2,383,000
2017	1,532,000	620,000	2,152,000
2018	1,532,000	576,000	2,108,000
Thereafter	17,360,000	1,371,000	18,731,000
Total minimum lease payments	<u>\$ 25,030,000</u>	<u>\$ 6,643,000</u>	<u>\$ 31,673,000</u>

Total rent expense for all operating leases was approximately \$4,190,000 and \$4,221,000 for the years ended December 31, 2013 and 2012, respectively. Rent expense included approximately \$1,522,000 and \$1,491,000 related to the Lone Pine Lease during the years ended December 31, 2013 and 2012, respectively. Rent expense also included aggregate amounts of approximately \$205,000 and \$176,000 related to leases with Health Care and Dry Hollow during the years ended December 31, 2013 and 2012, respectively.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2013 and 2012

8. Commitments and Contingencies (Continued)

Other commitments

The Medical Center has entered into agreements related to certain medical equipment which require the Medical Center to pay monthly maintenance and support service fees of approximately \$42,000 through August 2014, approximately \$37,000 from September 2014 through December 2014, and approximately \$27,000 from January 2015 through June 2016, and approximately \$21,000 from July 2016 through June 2018

Medical malpractice insurance

In September 2010, the Medical Center, along with four other hospitals who previously participated in a captive insurance company, Health Future Insurance Exchange (HFIE), began participating in a Montana-based captive insurance company, Mountain States Healthcare Reciprocal Risk Retention Group (MSH), whereby each participating hospital shares in the payments of medical malpractice claims. Under the insurance arrangement with MSH, the Medical Center is responsible for the first \$25,000 of indemnity payments related to each of its medical malpractice claims, MSH is responsible for any amounts from \$25,000 to \$1,000,000 per claim and \$3,000,000 in aggregate, and MSH carries excess medical malpractice insurance coverage for amounts in excess of \$1,000,000 per claim up to \$20,000,000 per claim (and \$20,000,000 in aggregate for all claims of the Medical Center and \$60,000,000 in aggregate for all participating hospitals' claims). The insurance policy under this arrangement is on a claims-made basis. Under this policy, medical malpractice claims reported during the policy period are covered, however, any medical malpractice claim that has been incurred but not reported (IBNR) to the insurance company during the policy period is not covered.

As part of participation in MSH, each hospital pays premiums to MSH – calculated by an independent actuary – to pay future medical malpractice claims, as well as premiums for the excess coverage. Annually, the actuary calculates each hospital's required premiums based on the previous years' actual medical malpractice claims history. Each HFIE member joining MSH was required to support its premium with a contribution to a policyholders' surplus account (PSA) in an amount equal to one-third of its 2010 premium. The Medical Center's contribution, which was not significant to the accompanying financial statements, is included in other assets - net, in the accompanying balance sheets. Similar contributions to the PSA are required annually. MSH will distribute its annual net income to members in the form of allocations to each member's savings account (SA) in proportion to the premiums paid by each member. In years in which the net income is less than zero, there will be no distribution. If the net amount of PSA contributions made to HFIE members and SA distributions to HFIE members is not sufficient to support the premiums for HFIE members in 2012, additional PSA contributions will be required toward the 2014 premiums.

Based on an actuarial valuation, the Medical Center has recorded estimated liabilities for IBNR medical malpractice claims, which, along with reported claims, aggregated approximately \$4,597,000 and \$2,105,000 as of December 31, 2013 and 2012, respectively, and are included in other noncurrent liabilities in the accompanying balance sheets. Management believes that these estimated liabilities are adequate, however, the establishment of estimated liabilities for reported and IBNR medical malpractice claims is an inherently uncertain process, and there can be no assurance that currently established reserves will prove adequate to cover actual ultimate expenses. Subsequent actual experience could result in reserves being too high or too low, which could positively or negatively impact the Medical Center's reported results of operations in future periods.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2013 and 2012

8. Commitments and Contingencies (Continued)

Self-insurance

The Medical Center is self-insured for employee accident claims and employee (and eligible family members of the employee) health claims. The Medical Center purchases stop-loss insurance which generally limits the Medical Center's liability to \$375,000 for employee accident claims and \$225,000 for employee health claims. Claims are accrued as the incidents which give rise to them become known. The provision and accrual for estimated employee accident and health claims include estimates of the ultimate costs for both reported claims and IBNR claims and are based upon the estimated costs of settlement, including claim settlement expenses. The Medical Center has recorded estimated liabilities for reported and IBNR employee accident and health claims aggregating approximately \$831,000 and \$803,000, which are included in accrued liabilities in the accompanying balance sheets as of December 31, 2013 and 2012, respectively. Management believes that adequate amounts have been accrued in the accompanying financial statements to cover estimated employee accident and health claims, however, the establishment of estimated liabilities for IBNR accident and health claims is an inherently uncertain process, and there can be no assurance that currently established reserves will prove adequate to cover actual ultimate expenses. Subsequent actual experience could result in reserves being too high or too low, which could positively or negatively impact the Medical Center's reported results of operations in future periods.

In conjunction with the Medical Center's self-insured employee accident claims policy, Health Care has a \$425,000 standby letter of credit from a bank that extends through July 24, 2014, and Health Care maintains restricted certificates of deposit with the same bank as collateral to support payment of the related claims.

Risk management

In the ordinary course of business, the Medical Center is exposed to various risks of loss from torts, theft of, damage to, and destruction of assets, business interruption, errors and omissions, and natural disasters. However, Management believes that adequate commercial insurance coverage has been purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage for the years ended December 31, 2013 and 2012.

Guarantee

The Medical Center is a guarantor of a loan of Lone Pine (see Note 12). As of December 31, 2013, the Medical Center's maximum guaranty is \$2,250,000, which will be reduced by \$750,000 in each of the three subsequent years if the borrower and guarantors meet certain conditions. In the opinion of Management, the likelihood that the Medical Center will be required to make any payments under the guarantee is remote, and the estimated fair value of such guaranty is not significant to the accompanying financial statements, accordingly, no liability related to this guarantee has been recorded in the accompanying balance sheets. As part of the guarantee agreement, the Medical Center is required to meet a certain financial covenant.

Collective bargaining agreement

As of December 31, 2013, approximately 16% of the Medical Center's employees are covered under a collective bargaining agreement with the Oregon Nurses Association, which expires in June 2015.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2013 and 2012

8. Commitments and Contingencies (Continued)

Regulation and litigation

The health care industry is subject to various laws and regulations from federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity has remained strong with respect to investigations and allegations concerning possible violations by health care providers of regulations which could result in the expulsion from government health care programs, together with the imposition of significant fines and penalties, as well as significant repayments of patient services previously billed and collected. Management believes that the Medical Center is in compliance with the fraud and abuse regulations, as well as other applicable government laws and regulations, however, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

During the years ended December 31, 2011 through 2013, various significant lawsuits were filed against the Medical Center claiming negligence and/or battery related to a certain independent anesthesiologist who performed services at the Medical Center. During 2013 and through June 9, 2014, a number of these lawsuits were settled or decided by jury trial, and the Medical Center's insurance carrier has covered all amounts owed by the Medical Center upon settlement or court decision. As of June 9, 2014, six lawsuits related to this matter remain unresolved. The Medical Center believes that it has meritorious defenses against the remaining lawsuits and that any related potential losses will be continue to be covered by its medical malpractice policy, however, the ultimate resolution of these matters is presently not determinable.

In addition, the Medical Center becomes involved in other litigation and regulatory investigations arising in the ordinary course of business. After consultation with legal counsel, Management believes that these matters will be resolved without causing a material adverse effect on the Medical Center's future financial position or results of operations.

Health care reform legislation

Health care reform legislation (the *Patient Protection and Affordable Care Act* and the *Health Care and Education Reconciliation Act*), which was passed in 2010, is expected to dramatically impact the delivery of, and payment for, health care services as various provisions are phased in over approximately the next five to seven years. Management cannot presently determine the impact of such legislation on the Medical Center's future financial position or results of operations.

9. Retirement Plan

The Medical Center has a contributory, defined contribution retirement plan (the Plan) covering its eligible employees. The Medical Center contributes 3% of each eligible participant's compensation to the Plan.

In addition, under terms of the Plan document, the Medical Center made discretionary matching contributions for eligible employees as follows through October 13, 2012:

<u>Participant Contributions</u>	<u>Matching Contributions</u>
Less than 3% of compensation	None
3% or 4% of compensation	1% of compensation
5% of compensation	2% of compensation
6% or more of compensation	3% of compensation

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2013 and 2012

9. Retirement Plan (Continued)

Effective October 14, 2012, the Medical Center's discretionary matching contributions are as follows

<u>Participant Contributions</u>	<u>Matching Contributions</u>
Less than 3% of compensation	None
3% or 4% of compensation	1% of compensation
5% or more of compensation	2% of compensation

Retirement plan costs associated with the Plan which were charged to operations were approximately \$2,332,000 and \$2,346,000 for the years ended December 31, 2013 and 2012, respectively

10. Compensation Plans

The Medical Center has incentive and other compensation arrangements for certain employees. The Medical Center has accrued the estimated cost of such benefits to be provided to employees under these arrangements. Expenses charged to operations under these arrangements were approximately \$102,000 and \$93,000 for the years ended December 31, 2013 and 2012, respectively.

11. Affiliated Organizations

The Medical Center – along with several other affiliated organizations – is controlled by, and operates under the supervision of, Health Care. During 2013 and 2012, Health Care wrote off \$150,000 and \$200,000, respectively, due from the Medical Center. Accordingly, the Medical Center's unrestricted net assets were increased by \$150,000 and \$200,000 during the years ended December 31, 2013 and 2012, respectively.

As of December 31, 2013 and 2012, the following amounts were due from (to) Health Care and affiliates of Health Care

	<u>2013</u>	<u>2012</u>
Health Care	\$ (31,647)	\$ (52,150)
The Foundation	(2,439)	136,121
Dry Hollow	(82,196)	(9,038)
	<u>\$ (116,282)</u>	<u>\$ 74,933</u>

Health Care provides management and related services to the Medical Center. Fees charged for these services – which Management believes approximates Health Care's cost for these services – were approximately \$1,500,000 for the years ended December 31, 2013 and 2012. Such fees are included in purchased services and other expenses in the accompanying statements of operations.

12. Lone Pine Health and Wellness Center, LLC

The Medical Center has a 30% ownership interest in Lone Pine, which was formed in January 2009 to build, own, and operate a building, the construction of which was completed in June 2010. Upon completion of the building, the Medical Center began renting most of the building for certain of its operations (e.g., sleep center, outpatient rehabilitation, etc.) under an operating lease agreement (see Note 8) that requires payments of approximately \$1.5 million per year for a term of 20 years (with two 20-year renewal options) with annual increases based on the consumer price index.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2013 and 2012

12. Lone Pine Health and Wellness Center, LLC (Continued)

The Medical Center's investment in Lone Pine was approximately \$350,000 and \$144,000 as of December 31, 2013 and 2012, respectively. The Medical Center's investment in Lone Pine is being accounted for using the equity method and is included in other assets - net, in the accompanying balance sheets. During the years ended December 31, 2013 and 2012, the Medical Center received approximately \$144,000 and \$120,000, respectively, in cash from Lone Pine. The Medical Center's share of Lone Pine's net income for the years ended December 31, 2013 and 2012 was approximately \$350,000 and \$21,000, respectively. The Medical Center's share of Lone Pine's net income is included in other income - net, in the accompanying statements of operations.

Lone Pine entered into a loan agreement (the Loan Pine Loan Agreement) with a bank for \$12,000,000 in August 2010 (modified in April 2012 and again in January 2014), and the Medical Center is a partial guarantor of the Loan, in an amount up to \$4,500,000. In connection with the Loan Pine Loan Agreement, the Medical Center is required to maintain a deposit account in the amount of \$500,000 with this bank (see Note 3).

The Loan Pine Loan Agreement contains certain other financial covenants (including a requirement for Lone Pine to maintain \$100,000 in a checking account, certificate of deposit, or cash collateral account with Umpqua ("Minimum Cash Requirement")). As of December 31, 2013, Lone Pine was not in compliance with the Minimum Cash Requirement, however, on April 28, 2014, Umpqua waived compliance with this covenant as of December 31, 2013.

13. Functional Classification of Expenses

Expenses on a functional basis for the years ended December 31, 2013 and 2012 were approximately as follows:

	2013	2012
Health care services	\$ 95,187,000	\$ 89,350,000
General and administrative	9,205,000	8,382,000
	\$ 104,392,000	\$ 97,732,000

14. Fair Value Measurements

GAAP defines fair value, establishes a framework for measuring fair value, and requires certain disclosures about fair value measurements. The hierarchy of fair value valuation techniques under GAAP provides for three levels. Level 1 provides the most reliable measure of fair value, whereas Level 3 which, if applicable, generally would require significant management judgment. The three levels for categorizing assets and liabilities under GAAP's fair value measurement requirements are as follows:

- Level 1 Fair value of the asset or liability is determined using unadjusted quoted prices in active markets for identical assets or liabilities,
- Level 2 Fair value of the asset or liability is determined using inputs other than quoted prices that are observable for the applicable asset or liability, either directly or indirectly, such as quoted prices for similar (as opposed to identical) assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active, and
- Level 3 Fair value of the asset or liability is determined using unobservable inputs that are significant to the fair value measurement and reflect the organization's own assumptions regarding the applicable asset or liability.

Mid-Columbia Medical Center

Notes to Financial Statements

Years Ended December 31, 2013 and 2012

14. Fair Value Measurements (Continued)

An asset's or liability's fair value measurement level within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

As of December 31, 2013 and 2012, the Medical Center's assets and liabilities measured at fair value on a recurring basis consisted of the following:

<u>2013</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets limited as to use	\$ 14,010,354	\$ -	\$ -	\$ 14,010,354
The Swap Agreement	-	169,395	-	169,395
	<u>\$ 14,010,354</u>	<u>\$ 169,395</u>	<u>\$ -</u>	<u>\$ 14,179,749</u>
<u>2012</u>				
Assets limited as to use	\$ 4,993,765	\$ -	\$ -	\$ 4,993,765
The Swap Agreement	-	(247,452)	-	(247,452)
	<u>\$ 4,993,765</u>	<u>\$ (247,452)</u>	<u>\$ -</u>	<u>\$ 4,746,313</u>

The fair value of the Swap Agreement was estimated by Umpqua using a model specifically designed for interest rate derivatives. This model employs an income valuation approach by calculating the present value of future expected cash flows using discount factors based on market interest rates. The Swap Agreement was discounted using an overnight index swap rate (e.g., the Federal Funds rate). In addition, the risk of counterparty non-performance was considered in such valuation.

Certain non-financial assets may also be measured at fair value on a non-recurring basis. These assets primarily consist of intangible assets (including goodwill) and other non-financial long-lived assets which are measured at fair value for periodic impairment assessments. As of December 31, 2013 and 2012, the Medical Center had no assets or liabilities measured at fair value on a non-recurring basis. In addition, there were no transfers of assets or liabilities between Levels 1, 2, and 3 during 2013 or 2012.



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Independent Auditors' Report on Supplementary Information

To the Board of Trustees of
Mid-Columbia Medical Center

We have audited the financial statements of Mid-Columbia Medical Center (the Medical Center) as of and for the years ended December 31, 2013 and 2012, and our report thereon dated June 9, 2014, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying balance sheets and statements of operations by division of the Medical Center as of and for the years ended December 31, 2013 and 2012 (the supplementary information), are presented for purposes of additional analysis of the financial statements rather than to present the financial position and results of operations of the individual divisions, and they are not a required part of the financial statements. Accordingly, we do not express an opinion on the financial position and results of operations of the individual divisions.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

DELAP LLP

June 9, 2014

Mid-Columbia Medical Center

Balance Sheets by Division

December 31, 2013

	<u>Hospital</u>	<u>Clinics</u>	<u>Eliminating Entries</u>	<u>Total</u>
Assets				
Current assets				
Cash and cash equivalents	\$ 2,536,972	\$ 1,020,698	\$ -	\$ 3,557,670
Patient accounts receivable - net	11,166,503	1,104,682	-	12,271,185
Supplies inventory	1,588,025	-	-	1,588,025
Prepaid expenses and other current assets	1,929,522	451,736	-	2,381,258
Total current assets	17,221,022	2,577,116	-	19,798,138
Assets limited as to use	14,010,354	-	-	14,010,354
Property and equipment - net	14,947,421	2,304,564	-	17,251,985
Interest in net assets of Mid-Columbia Health Foundation (the Foundation)	169,166	-	-	169,166
Other noncurrent assets - net	6,763,880	50,000	-	6,813,880
Total Assets	\$ 53,111,843	\$ 4,931,680	\$ -	\$ 58,043,523
Liabilities and Net Assets				
Current liabilities				
Accounts payable	\$ 3,348,479	\$ 84,363	\$ -	\$ 3,432,842
Accrued liabilities	5,516,596	238,253	-	5,754,849
Estimated third-party payor settlements payable (receivable) - net	2,264,999	(1,594,135)	-	670,864
Current portion of long-term debt	653,827	-	-	653,827
Current portion of obligations under capital leases	407,867	-	-	407,867
Total current liabilities - net	12,191,768	(1,271,519)	-	10,920,249
Due to affiliates	(2,116,583)	-	2,232,865	116,282
Due to the Hospital	-	2,232,865	(2,232,865)	-
Long-term debt - net of current portion	9,892,719	-	-	9,892,719
Obligations under capital leases - net of current portion	780,086	-	-	780,086
Other noncurrent liabilities	5,629,798	-	-	5,629,798
Total liabilities	26,377,788	961,346	-	27,339,134
Net assets				
Unrestricted	26,564,889	3,970,334	-	30,535,223
Temporarily restricted	169,166	-	-	169,166
Total net assets	26,734,055	3,970,334	-	30,704,389
Total Liabilities and Net Assets	\$ 53,111,843	\$ 4,931,680	\$ -	\$ 58,043,523

The accompanying notes and independent auditors' report on supplementary information should be read with the supplementary schedules

Mid-Columbia Medical Center

Balance Sheets by Division (Continued)

December 31, 2012

	<u>Hospital</u>	<u>Clinics</u>	<u>Eliminating Entries</u>	<u>Total</u>
Assets				
Current assets				
Cash and cash equivalents	\$ 13,628,945	\$ 765,950	\$ -	\$ 14,394,895
Patient accounts receivable - net	10,755,615	1,013,267	-	11,768,882
Supplies inventory	1,533,975	-	-	1,533,975
Prepaid expenses and other current assets	1,068,748	256,753	-	1,325,501
Total current assets	26,987,283	2,035,970	-	29,023,253
Due from affiliates - net	2,795,179	-	(2,720,246)	74,933
Assets limited as to use	4,993,765	-	-	4,993,765
Property and equipment - net	15,081,196	2,302,151	-	17,383,347
Interest in net assets of the Foundation	225,166	-	-	225,166
Other noncurrent assets - net	3,555,685	-	-	3,555,685
Total Assets	\$ 53,638,274	\$ 4,338,121	\$ (2,720,246)	\$ 55,256,149
Liabilities and Net Assets				
Current liabilities				
Accounts payable	\$ 2,997,316	\$ 3,510	\$ -	\$ 3,000,826
Accrued liabilities	5,207,576	160,537	-	5,368,113
Estimated third-party payor settlements payable (receivable) - net	2,085,794	(1,432,576)	-	653,218
Current portion of long-term debt	604,739	-	-	604,739
Current portion of obligations under capital leases	407,413	-	-	407,413
Total current liabilities - net	11,302,838	(1,268,529)	-	10,034,309
Due to the Hospital	-	2,720,246	(2,720,246)	-
Long-term debt - net of current portion	10,423,692	-	-	10,423,692
Obligations under capital leases - net of current portion	431,319	-	-	431,319
Other noncurrent liabilities	3,059,742	-	-	3,059,742
Total liabilities	25,217,591	1,451,717	(2,720,246)	23,949,062
Net assets				
Unrestricted	28,195,517	2,886,404	-	31,081,921
Temporarily restricted	225,166	-	-	225,166
Total net assets	28,420,683	2,886,404	-	31,307,087
Total Liabilities and Net Assets	\$ 53,638,274	\$ 4,338,121	\$ (2,720,246)	\$ 55,256,149

The accompanying notes and independent auditors' report on supplementary information should be read with the supplementary schedules

Mid-Columbia Medical Center
Statements of Operations by Division
Year Ended December 31, 2013

	<u>Hospital</u>	<u>Clinics</u>	<u>Total</u>
Unrestricted revenue			
Patient service revenue - net of contractual allowances and discounts	\$ 86,408,608	\$ 14,845,138	\$ 101,253,746
Provision for bad debts	(4,981,685)	(287,321)	(5,269,006)
Net patient service revenue	81,426,923	14,557,817	95,984,740
Other revenue	5,070,784	552,720	5,623,504
Total unrestricted revenue	<u>86,497,707</u>	<u>15,110,537</u>	<u>101,608,244</u>
Expenses			
Salaries, wages, and employee benefits	49,227,633	16,190,080	65,417,713
Supplies	12,825,249	959,897	13,785,146
Medical professional fees	4,109,631	842,927	4,952,558
Depreciation	2,681,614	314,341	2,995,955
Interest	495,340	-	495,340
Purchased services and other	14,269,739	2,336,011	16,605,750
Total expenses	<u>83,609,206</u>	<u>20,643,256</u>	<u>104,252,462</u>
Operating Income (Loss)	2,888,501	(5,532,719)	(2,644,218)
Total other income	1,692,858	-	1,692,858
Excess (Deficit) of Revenue over Expenses	<u>\$ 4,581,359</u>	<u>\$ (5,532,719)</u>	<u>\$ (951,360)</u>

The accompanying notes and independent auditors' report on supplementary information should be read with the supplementary schedules

Mid-Columbia Medical Center
Statements of Operations by Division (Continued)
Year Ended December 31, 2012

	<u>Hospital</u>	<u>Clinics</u>	<u>Total</u>
Unrestricted revenue			
Patient service revenue - net of contractual allowances and discounts	\$ 84,544,478	\$ 14,779,430	\$ 99,323,908
Provision for bad debts	(4,954,062)	(170,807)	(5,124,869)
Net patient service revenue	79,590,416	14,608,623	94,199,039
Other revenue	4,774,446	298,462	5,072,908
Total unrestricted revenue	<u>84,364,862</u>	<u>14,907,085</u>	<u>99,271,947</u>
Expenses			
Salaries, wages, and employee benefits	47,583,665	13,644,567	61,228,232
Supplies	10,450,847	770,559	11,221,406
Medical professional fees	4,866,682	598,868	5,465,550
Depreciation	2,584,220	266,964	2,851,184
Interest	621,615	-	621,615
Purchased services and other	14,253,626	2,089,927	16,343,553
Total expenses	<u>80,360,655</u>	<u>17,370,885</u>	<u>97,731,540</u>
Operating Income (Loss)	4,004,207	(2,463,800)	1,540,407
Total other expenses - net	<u>(457,258)</u>	<u>-</u>	<u>(457,258)</u>
Excess (Deficit) of Revenue over Expenses	<u>\$ 3,546,949</u>	<u>\$ (2,463,800)</u>	<u>\$ 1,083,149</u>

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