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Form **990**  
 Department of the Treasury  
 Internal Revenue Service

# Return of Organization Exempt From Income Tax

OMB No 1545-0047

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

# 2013

**Open to Public Inspection**

Do not enter Social Security numbers on this form as it may be made public. By law, the IRS generally cannot redact the information on the form.  
 Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990)

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

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization PALO ALTO MEDICAL FOUNDATION  Doing Business As  Number and street (or P O box if mail is not delivered to street address) Room/suite 2350 EL CAMINO REAL Suite  City or town, state or province, country, and ZIP or foreign postal code MOUNTAIN VIEW, CA 94040	<b>D</b> Employer identification number  94-1156581  <b>E</b> Telephone number  (916) 286-6665  <b>G</b> Gross receipts \$ 1,661,152,093
<b>F</b> Name and address of principal officer RICHARD SLAVIN 2350 EL CAMINO REAL MOUNTAIN VIEW, CA 94040		<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)  <b>H(c)</b> Group exemption number ▶
<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
<b>J</b> Website: ▶ WWW.SUTTERHEALTH.ORG		
<b>K</b> Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation 1948 <b>M</b> State of legal domicile CA

**Part I Summary**

<b>1</b>	Briefly describe the organization's mission or most significant activities SEE SCHEDULE O				
<b>2</b>	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets				
<b>3</b>	Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>		28	
<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>		15	
<b>5</b>	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	<b>5</b>		5,959	
<b>6</b>	Total number of volunteers (estimate if necessary)	<b>6</b>		133	
<b>7a</b>	Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>		31,087	
<b>b</b>	Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>			
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>		<b>Current Year</b>	
	<b>9</b> Program service revenue (Part VIII, line 2g)	12,074,978		11,027,784	
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,530,255,241		1,635,838,754	
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	6,673,314		11,032,208	
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	833,807		719,301	
			1,549,837,340		1,658,618,047
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,157,053		1,179,803	
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	0		0	
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	364,869,488		415,419,182	
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	0		0	
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ 12,931,965				
	<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	992,055,790		1,046,944,460	
	<b>18</b> Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,358,082,331		1,463,543,445	
<b>19</b> Revenue less expenses Subtract line 18 from line 12	191,755,009		195,074,602		
<b>Net Assets or Fund Balances</b>		<b>Beginning of Current Year</b>		<b>End of Year</b>	
	<b>20</b> Total assets (Part X, line 16)	1,205,861,646		1,498,067,689	
	<b>21</b> Total liabilities (Part X, line 26)	433,091,329		820,386,039	
<b>22</b> Net assets or fund balances Subtract line 21 from line 20	772,770,317		677,681,650		

**Part II Signature Block**

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

<b>Sign Here</b>	Signature of officer	Date	2014-11-03
	Roger Larsen CFO		
	Type or print name and title		
<b>Paid Preparer Use Only</b>	Print/Type preparer's name DEBRA HEISKALA	Preparer's signature	Date
	Firm's name ▶ ERNST & YOUNG US LLP	Check <input type="checkbox"/> if self-employed	PTIN P00649485
	Firm's address ▶ 4370 LA JOLLA VILLAGE DR STE 500 SAN DIEGO, CA 92122	Firm's EIN ▶	Phone no (916) 286-6665

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

**Part III Statement of Program Service Accomplishments**

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

**1** Briefly describe the organization's mission  
SEE SCHEDULE O

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No  
If "Yes," describe these new services on Schedule O

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No  
If "Yes," describe these changes on Schedule O

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

**4a** (Code ) (Expenses \$ 1,260,296,938 including grants of \$ 1,179,803 ) (Revenue \$ 1,635,838,754 )  
SEE SCHEDULE O

**4b** (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

**4c** (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

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

**4e Total program service expenses** 1,260,296,938

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> <input checked="" type="checkbox"/>	Yes	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? <input checked="" type="checkbox"/>	Yes	
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		No
<b>4 Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		No
<b>5</b> 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? <i>If "Yes," complete Schedule C, Part III</i>		No
<b>6</b> 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? <i>If "Yes," complete Schedule D, Part I</i> <input checked="" type="checkbox"/>		No
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> <input checked="" type="checkbox"/>		No
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> <input checked="" type="checkbox"/>	Yes	
<b>9</b> 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? <i>If "Yes," complete Schedule D, Part IV</i> <input checked="" type="checkbox"/>		No
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> <input checked="" type="checkbox"/>	Yes	
<b>11</b> 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		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> <input checked="" type="checkbox"/>	Yes	
<b>b</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? <i>If "Yes," complete Schedule D, Part VII</i> <input checked="" type="checkbox"/>		No
<b>c</b> 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? <i>If "Yes," complete Schedule D, Part VIII</i> <input checked="" type="checkbox"/>		No
<b>d</b> 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? <i>If "Yes," complete Schedule D, Part IX</i> <input checked="" type="checkbox"/>		No
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> <input checked="" type="checkbox"/>	Yes	
<b>f</b> 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)? <i>If "Yes," complete Schedule D, Part X</i> <input checked="" type="checkbox"/>	Yes	
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> <input checked="" type="checkbox"/>		No
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> <input checked="" type="checkbox"/>	Yes	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		No
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?		No
<b>b</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? <i>If "Yes," complete Schedule F, Parts I and IV</i>		No
<b>15</b> 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? <i>If "Yes," complete Schedule F, Parts II and IV</i>		No
<b>16</b> 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? <i>If "Yes," complete Schedule F, Parts III and IV</i>		No
<b>17</b> 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? <i>If "Yes," complete Schedule G, Part I (see instructions)</i> <input checked="" type="checkbox"/>		No
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> <input checked="" type="checkbox"/>	Yes	
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> <input checked="" type="checkbox"/>		No
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		No
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		

**Part IV Checklist of Required Schedules** *(continued)*

<b>21</b>	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> . . . . .	<b>21</b>	Yes	
<b>22</b>	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> . . . . .	<b>22</b>	Yes	
<b>23</b>	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> . . . . .	<b>23</b>	Yes	
<b>24a</b>	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> . . . . .	<b>24a</b>	Yes	
<b>b</b>	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .	<b>24b</b>		No
<b>c</b>	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	<b>24c</b>		No
<b>d</b>	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .	<b>24d</b>		No
<b>25a</b>	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	<b>25a</b>		No
<b>b</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> . . . . .	<b>25b</b>		No
<b>26</b>	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> . . . . .	<b>26</b>		No
<b>27</b>	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> . . . . .	<b>27</b>		No
<b>28</b>	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)			
<b>a</b>	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	<b>28a</b>		No
<b>b</b>	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	<b>28b</b>	Yes	
<b>c</b>	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> . . . . .	<b>28c</b>	Yes	
<b>29</b>	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .	<b>29</b>	Yes	
<b>30</b>	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	<b>30</b>		No
<b>31</b>	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	<b>31</b>		No
<b>32</b>	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> . . . . .	<b>32</b>		No
<b>33</b>	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> . . . . .	<b>33</b>		No
<b>34</b>	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> . . . . .	<b>34</b>	Yes	
<b>35a</b>	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	<b>35a</b>	Yes	
<b>b</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> . . . . .	<b>35b</b>	Yes	
<b>36</b>	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	<b>36</b>		No
<b>37</b>	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> . . . . .	<b>37</b>		No
<b>38</b>	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	<b>38</b>	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
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable . . . . . <b>1a</b> 434		
<b>1b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable . . . . . <b>1b</b> 0		
<b>1c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? . . . . . <b>1c</b> Yes	Yes	
<b>2a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return . . . . . <b>2a</b> 5,959		
<b>2b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions) . . . . . <b>2b</b> Yes	Yes	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year? . . . . . <b>3a</b> Yes	Yes	
<b>3b</b>	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O . . . . . <b>3b</b> Yes	Yes	
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? . . . . . <b>4a</b>		No
<b>b</b>	If "Yes," enter the name of the foreign country <input type="text"/> See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts . . . . .		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . . . . <b>5a</b>		No
<b>5b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? . . . . . <b>5b</b>		No
<b>5c</b>	If "Yes," to line 5a or 5b, did the organization file Form 8886-T? . . . . . <b>5c</b>		
<b>6a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . . . . <b>6a</b>		No
<b>6b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . . <b>6b</b>		
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? . . . . . <b>7a</b>	Yes	
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided? . . . . . <b>7b</b>	Yes	
<b>7c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . . . . <b>7c</b>		No
<b>7d</b>	If "Yes," indicate the number of Forms 8282 filed during the year . . . . . <b>7d</b>		
<b>7e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . . <b>7e</b>		No
<b>7f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . . <b>7f</b>		No
<b>7g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? . . . . . <b>7g</b>		
<b>7h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? . . . . . <b>7h</b>		
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? . . . . . <b>8</b>		
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>9a</b>	Did the organization make any taxable distributions under section 4966? . . . . . <b>9a</b>		
<b>9b</b>	Did the organization make a distribution to a donor, donor advisor, or related person? . . . . . <b>9b</b>		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter		
<b>10a</b>	Initiation fees and capital contributions included on Part VIII, line 12 . . . . . <b>10a</b>		
<b>10b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities . . . . . <b>10b</b>		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter		
<b>11a</b>	Gross income from members or shareholders . . . . . <b>11a</b>		
<b>11b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) . . . . . <b>11b</b>		
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041? . . . . . <b>12a</b>		
<b>12b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year . . . . . <b>12b</b>		
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>13a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O . . . . . <b>13a</b>		
<b>13b</b>	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans . . . . . <b>13b</b>		
<b>13c</b>	Enter the amount of reserves on hand . . . . . <b>13c</b>		
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year? . . . . . <b>14a</b>		No
<b>14b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O . . . . . <b>14b</b>		

**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
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year . . . . .		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O		
<b>1b</b>	Enter the number of voting members included in line 1a, above, who are independent . . . . .		
<b>2</b>	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? . . . . .	Yes	
<b>3</b>	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? . . . . .		No
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .		No
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .		No
<b>6</b>	Did the organization have members or stockholders? . . . . .	Yes	
<b>7a</b>	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? . . . . .	Yes	
<b>7b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . .	Yes	
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
<b>8a</b>	The governing body? . . . . .	Yes	
<b>8b</b>	Each committee with authority to act on behalf of the governing body? . . . . .	Yes	
<b>9</b>	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 . . . . .		No

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

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

**Section C. Disclosure**

- 17** List the States with which a copy of this Form 990 is required to be filed  CA
- 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.  
 Own website  Another's website  Upon request  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  
 CHRIS BOUDREAUX 9100 FOOTHILLS BLVD  
 ROSEVILLE, CA 95747 (916) 297-8007





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

Table with 6 main columns: (A) Name and Title, (B) Average hours per week, (C) Position, (D) Reportable compensation from the organization, (E) Reportable compensation from related organizations, (F) Estimated amount of other compensation. Includes sub-totals and totals for lines 1b, 1c, and 1d.

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 822

Table with 3 columns: Question, Yes, No. Contains questions 3, 4, and 5 regarding compensation reporting and unrelated compensation.

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

Table with 3 columns: (A) Name and business address, (B) Description of services, (C) Compensation. Lists contractors like PALO ALTO FOUNDATION MEDICAL GROUP, MILLS PENINSULA MEDICAL GROUP INC, etc.

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 300

**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	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</b>	Federated campaigns . . . . . <b>1a</b>	12,296				
	<b>b</b>	Membership dues . . . . . <b>1b</b>					
	<b>c</b>	Fundraising events . . . . . <b>1c</b>	25,544				
	<b>d</b>	Related organizations . . . . . <b>1d</b>					
	<b>e</b>	Government grants (contributions) <b>1e</b>	3,176,718				
	<b>f</b>	All other contributions, gifts, grants, and similar amounts not included above <b>1f</b>	7,813,226				
	<b>g</b>	Noncash contributions included in lines 1a-1f \$	508,908				
	<b>h</b>	<b>Total.</b> Add lines 1a-1f . . . . .	11,027,784				
<b>Program Service Revenue</b>	<b>2a</b>	PATIENT SERVICE REVENUE	622110	1,634,691,436	1,634,691,436		
	<b>b</b>	ASC OPERATORS - SOUTH BAY, LLC	621990	1,147,318	1,147,318		
	<b>c</b>						
	<b>d</b>						
	<b>e</b>						
	<b>f</b>	All other program service revenue					
	<b>g</b>	<b>Total.</b> Add lines 2a-2f . . . . .		1,635,838,754			
	<b>Other Revenue</b>	<b>3</b>	Investment income (including dividends, interest, and other similar amounts) . . . . .		10,031,307		10,031,307
<b>4</b>		Income from investment of tax-exempt bond proceeds . . . . .		0			
<b>5</b>		Royalties . . . . .		0			
<b>6a</b>		Gross rents	(i) Real	779,685			
			(ii) Personal				
			<b>b</b> Less rental expenses	109,981			
			<b>c</b> Rental income or (loss)	669,704	0		
<b>d</b>		Net rental income or (loss) . . . . .		669,704		669,704	
<b>7a</b>		Gross amount from sales of assets other than inventory	(i) Securities				
			(ii) Other		3,378,495		
			<b>b</b> Less cost or other basis and sales expenses		2,377,594		
			<b>c</b> Gain or (loss)		1,000,901		
<b>d</b>		Net gain or (loss) . . . . .		1,000,901		1,000,901	
<b>8a</b>		Gross income from fundraising events (not including \$ 25,544 of contributions reported on line 1c) See Part IV, line 18 . . . . .	<b>a</b>	56,631			
<b>b</b>		Less direct expenses . . . . . <b>b</b>		43,135			
<b>c</b>	Net income or (loss) from fundraising events . . . . .		13,496		13,496		
<b>9a</b>	Gross income from gaming activities See Part IV, line 19 . . . . .	<b>a</b>	8,350				
		<b>b</b> Less direct expenses . . . . . <b>b</b>		3,336			
		<b>c</b> Net income or (loss) from gaming activities . . . . .		5,014		5,014	
<b>10a</b>	Gross sales of inventory, less returns and allowances . . . . .	<b>a</b>					
		<b>b</b> Less cost of goods sold . . . . . <b>b</b>					
		<b>c</b> Net income or (loss) from sales of inventory . . . . .		0			
Miscellaneous Revenue		Business Code					
<b>11a</b>	UBI - HEALTH MGMT RESOURCES	454110	31,087		31,087		
<b>b</b>							
<b>c</b>							
<b>d</b>	All other revenue . . . . .						
<b>e</b>	<b>Total.</b> Add lines 11a-11d . . . . .		31,087				
<b>12</b>	<b>Total revenue.</b> See Instructions . . . . .		1,658,618,047	1,635,838,754	31,087	11,720,422	

**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

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>		<b>(A)</b> Total expenses	<b>(B)</b> Program service expenses	<b>(C)</b> Management and general expenses	<b>(D)</b> Fundraising expenses
<b>1</b>	Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	1,097,344	1,097,344		
<b>2</b>	Grants and other assistance to individuals in the United States. See Part IV, line 22	82,459	82,459		
<b>3</b>	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0			
<b>4</b>	Benefits paid to or for members	0			
<b>5</b>	Compensation of current officers, directors, trustees, and key employees	8,731,108		8,731,108	
<b>6</b>	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	123,624	123,624		
<b>7</b>	Other salaries and wages	267,975,221	208,360,022	51,492,544	8,122,655
<b>8</b>	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	22,790,530	17,163,796	4,958,022	668,712
<b>9</b>	Other employee benefits	90,949,810	68,495,290	19,785,900	2,668,620
<b>10</b>	Payroll taxes	24,848,889	19,133,644	4,969,778	745,467
<b>11</b>	Fees for services (non-employees)				
<b>a</b>	Management	6,532,668		6,532,668	
<b>b</b>	Legal	1,607,875		1,607,875	
<b>c</b>	Accounting	29,693		29,693	
<b>d</b>	Lobbying	0			
<b>e</b>	Professional fundraising services. See Part IV, line 17	0			
<b>f</b>	Investment management fees	1,166,264		1,166,264	
<b>g</b>	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	545,579,911	537,644,569	7,935,342	
<b>12</b>	Advertising and promotion	2,594,071	1,067,461	1,526,296	314
<b>13</b>	Office expenses	15,638,159	10,351,593	5,136,543	150,023
<b>14</b>	Information technology	42,095,696	41,270,973	824,723	
<b>15</b>	Royalties	0			
<b>16</b>	Occupancy	33,227,023	30,468,778	2,758,245	
<b>17</b>	Travel	951,377	409,092	523,257	19,028
<b>18</b>	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
<b>19</b>	Conferences, conventions, and meetings	1,091,701	173,058	918,643	
<b>20</b>	Interest	17,200,485	17,200,485		
<b>21</b>	Payments to affiliates	0			
<b>22</b>	Depreciation, depletion, and amortization	63,818,948	46,577,692	17,241,256	
<b>23</b>	Insurance	11,745,359	11,745,359		
<b>24</b>	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)				
<b>a</b>	PURCHASED SERVICES	153,014,631	107,548,516	44,926,587	539,528
<b>b</b>	MEDICAL SUPPLIES	120,155,722	119,667,755	487,967	
<b>c</b>	REPAIRS AND MAINTENANCE	14,036,267	5,614,507	8,421,760	
<b>d</b>	SYSTEM/REGIONAL ALLOCATIONS	13,016,202	12,732,257	283,945	
<b>e</b>	All other expenses	3,442,408	3,368,664	56,126	17,618
<b>25</b>	<b>Total functional expenses.</b> Add lines 1 through 24e	1,463,543,445	1,260,296,938	190,314,542	12,931,965
<b>26</b>	<b>Joint costs.</b> 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
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .	0	<b>1</b>	0
	<b>2</b> Savings and temporary cash investments . . . . .	81,314,458	<b>2</b>	102,860,198
	<b>3</b> Pledges and grants receivable, net . . . . .	6,866,807	<b>3</b>	4,701,079
	<b>4</b> Accounts receivable, net . . . . .	112,875,841	<b>4</b>	112,934,071
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .	0	<b>5</b>	0
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L . . . . .	0	<b>6</b>	0
	<b>7</b> Notes and loans receivable, net . . . . .	0	<b>7</b>	0
	<b>8</b> Inventories for sale or use . . . . .	2,992,287	<b>8</b>	2,156,787
	<b>9</b> Prepaid expenses and deferred charges . . . . .	5,152,089	<b>9</b>	5,221,217
	<b>10a</b> Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	1,334,476,977		
	<b>b</b> Less accumulated depreciation . . . . .	374,399,515		
	<b>11</b> Investments—publicly traded securities . . . . .	844,248,622	<b>10c</b>	960,077,462
	<b>12</b> Investments—other securities See Part IV, line 11 . . . . .	116,529,307	<b>11</b>	260,733,371
	<b>13</b> Investments—program-related See Part IV, line 11 . . . . .	0	<b>12</b>	0
	<b>14</b> Intangible assets . . . . .	2,211,004	<b>13</b>	7,852,255
	<b>15</b> Other assets See Part IV, line 11 . . . . .	2,586,390	<b>14</b>	8,436,884
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	31,084,841	<b>15</b>	33,094,365	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	1,205,861,646	<b>16</b>	1,498,067,689
	<b>18</b> Grants payable . . . . .	134,707,374	<b>17</b>	143,529,824
	<b>19</b> Deferred revenue . . . . .	0	<b>18</b>	0
	<b>20</b> Tax-exempt bond liabilities . . . . .	0	<b>19</b>	0
	<b>21</b> Escrow or custodial account liability Complete Part IV of Schedule D . . . . .	263,358,893	<b>20</b>	647,613,801
	<b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .	0	<b>21</b>	0
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .	0	<b>22</b>	0
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .	0	<b>23</b>	0
	<b>25</b> 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 . . . . .	0	<b>24</b>	0
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 . . . . .	35,025,062	<b>25</b>	29,242,414
<b>Net Assets or Fund Balances</b>	<b>27</b> <b>Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>	433,091,329	<b>26</b>	820,386,039
	Unrestricted net assets . . . . .	734,323,206	<b>27</b>	634,946,855
	Temporarily restricted net assets . . . . .	28,228,764	<b>28</b>	32,292,903
	Permanently restricted net assets . . . . .	10,218,347	<b>29</b>	10,441,892
	<b>30</b> <b>Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	Capital stock or trust principal, or current funds . . . . .		<b>30</b>	
	Paid-in or capital surplus, or land, building or equipment fund . . . . .		<b>31</b>	
	Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>32</b>	
<b>33</b> Total net assets or fund balances . . . . .	772,770,317	<b>33</b>	677,681,650	
<b>34</b> Total liabilities and net assets/fund balances . . . . .	1,205,861,646	<b>34</b>	1,498,067,689	

**Part XI Reconciliation of Net Assets**

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

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	1,658,618,047
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	1,463,543,445
<b>3</b>	Revenue less expenses Subtract line 2 from line 1	<b>3</b>	195,074,602
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	772,770,317
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	-7,457,529
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	-282,705,740
<b>10</b>	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	677,681,650

**Part XII Financial Statements and Reporting**

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

		Yes	No
<b>1</b>	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		
<b>2a</b>	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
<b>2b</b>	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	Yes	
<b>2c</b>	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	
<b>3a</b>	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	Yes	
<b>3b</b>	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	Yes	



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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
RICHARD SLAVIN MD	40 0	X		X				0	1,250,443	178,047
DIVISION PRESIDENT PAMF	0 0									
MARGARET TAYLOR	1 0	X						0	0	0
TRUSTEE	0 0									
JANE VARNER MD	1 0	X						0	0	0
TRUSTEE	0 0									
KAREN HALL	40 0			X				0	478,447	75,181
VP & REG GENERAL COUNSEL, PC	0 0			X				0	603,215	120,242
ROGER LARSEN II CPA	40 0			X				0	776,297	124,140
REGIONAL VP FINANCE & CFO	0 0				X			0	332,578	33,633
LAWRENCE DEGHETALDI	40 0				X			0	248,582	42,609
DIVISION PRESIDENT, PAMF	0 0				X			0	1,145,306	148,723
MICHAEL ERICKSON	40 0				X			0	757,932	107,516
COO, PAMF (PART YEAR)	0 0				X			0	760,629	124,042
LI MIN J HU	40 0				X			0	499,831	84,530
DIV PRESIDENT, ALAMEDA PAMF	0 0				X			0	516,715	29,454
FRANCIS MARZONI	40 0				X			0	478,698	47,818
DIVISION PRESIDENT, PAMF	0 0				X			0	504,686	77,011
BRIAN C ROACH MD	40 0				X			0	635,598	40,349
DIV PRESIDENT SAN MATEO, PAMF	0 0				X			0	808,073	120,284
ELIZABETH VILARDO-MORGAN MD	40 0				X			0		
DIV PRESIDENT CAMINO, PAMF	0 0				X			0		
MARA A HOOK	40 0				X			0		
REGION VP PHILANTHROPY, PCR	0 0				X			0		
HAROLD LUFT	40 0				X			516,715	0	29,454
DIRECTOR RESEARCH INSTITUTE	0 0				X			0	478,698	47,818
CECILIA MONTALVO	40 0				X			0	504,686	77,011
VP STRATEGIC PLANNING, PAMF	0 0				X			0	635,598	40,349
MICHAEL REANDEAU	40 0				X			0	808,073	120,284
REG CIO, PENINSULA COASTAL	0 0				X			0		
PAUL TANG	40 0				X			635,598	0	40,349
CMO, PAMF	0 0				X			0		
PAUL DECHANT MD	0 0				X			0		
CEO, SGMF	40 0				X			0		

**SCHEDULE A**  
(Form 990 or 990EZ)

**Public Charity Status and Public Support**

OMB No 1545-0047

**2013**

**Open to Public Inspection**

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

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

Department of the Treasury  
Internal Revenue Service

Name of the organization  
PALO ALTO MEDICAL FOUNDATION

Employer identification number  
94-1156581

**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?

	Yes	No
<b>11g(i)</b>		
<b>11g(ii)</b>		
<b>11g(iii)</b>		

(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)

(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	
<b>Total</b>									



**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
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4 Total.</b> Add lines 1 through 3						
<b>5</b> 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)						
<b>6 Public support.</b> 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
<b>7</b> Amounts from line 4						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
<b>11 Total support</b> (Add lines 7 through 10)						
<b>12</b> Gross receipts from related activities, etc (see instructions)					<b>12</b>	
<b>13 First five years.</b> 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 <b>stop here</b> . . . . . <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

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

**Part III Support 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
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> 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						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</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						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support</b> (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
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						
<b>14 First five years.</b> 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 <b>stop here</b> <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	
<b>16</b> Public support percentage from 2012 Schedule A, Part III, line 15	<b>16</b>	

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for <b>2013</b> (line 10c, column (f) divided by line 13, column (f))	<b>17</b>	
<b>18</b> Investment income percentage from <b>2012</b> Schedule A, Part III, line 17	<b>18</b>	

- 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 PALO ALTO MEDICAL FOUNDATION

Employer identification number 94-1156581

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.

Table with 3 columns: Line number, (a) Donor advised funds, (b) Funds and other accounts. Includes rows for total number at end of year, aggregate contributions, aggregate grants, aggregate value, and questions about donor advisement and grant fund usage.

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

Form for Part II Conservation Easements. Includes checkboxes for various purposes (land for public use, natural habitat, open space, historic structure), a table for 'Held at the End of the Year' (2a-2d), and questions about monitoring, expenses, and reporting.

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.

Form for Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Includes questions about reporting works of art and historical treasures, and a table for revenues and assets.

**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
<b>1c</b> Beginning balance	
<b>1d</b> Additions during the year	
<b>1e</b> Distributions during the year	
<b>1f</b> Ending balance	

**2a** Did the organization include an amount on Form 990, Part X, line 21?  Yes  No

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
<b>1a</b> Beginning of year balance	17,272,952	12,880,771	29,798,661	28,386,314	22,798,516
<b>b</b> Contributions	94,443	143,100	746,138	569,017	2,079,571
<b>c</b> Net investment earnings, gains, and losses	1,920,423	1,411,176	-986,538	2,324,258	5,015,365
<b>d</b> Grants or scholarships			354,273		
<b>e</b> Other expenditures for facilities and programs	352,139	-2,837,905	16,323,217	1,316,985	1,339,118
<b>f</b> Administrative expenses				163,943	168,020
<b>g</b> End of year balance	18,935,679	17,272,952	12,880,771	29,798,661	28,386,314

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

- a** Board designated or quasi-endowment  18 550 %
  - b** Permanent endowment  55 140 %
  - c** Temporarily restricted endowment  26 310 %
- 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

	Yes	No
<b>(i)</b> unrelated organizations	<b>3a(i)</b>	No
<b>(ii)</b> related organizations	<b>3a(ii)</b>	No

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

**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
<b>1a</b> Land		176,607,770		176,607,770
<b>b</b> Buildings		565,317,860	149,567,842	415,750,018
<b>c</b> Leasehold improvements		70,833,944	27,907,060	42,926,884
<b>d</b> Equipment		281,139,849	195,451,893	85,687,956
<b>e</b> Other		240,577,554	1,472,720	239,104,834
<b>Total.</b> Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				960,077,462

**Part VII Investments—Other Securities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 12.)		

**Part VIII Investments—Program Related.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 13.)		

**Part IX Other Assets.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11d. See Form 990, Part X, line 15

(a) Description	(b) Book value
<b>Total.</b> (Column (b) must equal Form 990, Part X, col.(B) line 15.)	

**Part X Other Liabilities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	0
INSURANCE LIABILITIES	25,940,556
OTHER LIABILITIES	3,301,858
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 25.)	29,242,414

**2.** Liability for uncertain tax positions In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return** Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

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

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

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

**Part XIII Supplemental Information**

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

Return Reference	Explanation
PART III, LINE 4	ORGANIZATION HAS ARTWORK BEING DISPLAYED IN PUBLIC PLACES OF THE MEDICAL FACILITY FOR DECORATIVE PURPOSES
PART V, LINE 4	SHOCKLEY ENDOWMENT - UNRESTRICTED INVESTMENT INCOME (USE BY PAMF FOR GENERAL PURPOSES) IN TEMP UNTIL APPROPRIATED FOR EXPENDITURE REALIZED AND UNREALIZED GAIN/LOSS GOES BACK INTO THE ENDOWMENT CORPUS RICHARD BABBS ENDOWMENT - TO SUPPORT THE ADMINISTRATIVE TIME OF PHYSICIAN TO OVERSEE THE PAMF BREAST DIAGNOSTIC CENTER, TECHNOLOGISTS, RADIOLOGY ASSISTANTS, AND STAFF OF THE CENTER, AS WELL AS IMAGING EQUIPMENT AND SUPPLY NEEDS OF THE CENTER ELY ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT THE SALARY AND BENEFITS OF THE RESEARCH INSTITUTE DIRECTOR COMMUNITY HEALTH CARE ENDOWMENT - TEMP RESTRICTED EARNINGS TO HELP MEET THE NEEDS OF THE UNDERSERVED (MENTAL AND PHYSICAL) WITHIN THE PAMF SERVICE AREA GEORGE DICK ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT STUDYING THE AGING PROCESS OF ELDERLY INDIVIDUALS DOHRMANN FAMILY ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT RESEARCH HEALTH CARE ENDOWMENT - TEMP RESTRICTED EARNINGS TO FUND HEALTH CARE PROJECTS FOR THE PALO ALTO DIVISION AND MEET THE NEEDS OF THE UNDERSERVED WITHIN THE PALO ALTO DIVISION KILBANE ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT CANCER RESEARCH AND CANCER PROGRAMS IN RADIATION ONCOLOGY AND MEDICAL ONCOLOGY MILO FELLOWSHIP ENDOWMENT - TEMP RESTRICTED EARNINGS WILL BE USED BY THE FOUNDATION TO PROVIDE GRANTS IN AID AND SUPPORT PROMISING POST DOCTORAL SCIENTISTS ENGAGED IN RESEARCH RELATING TO THE CAUSE, DIAGNOSIS, TREATMENT AND CURE OF CANCER EACH GRANT SHALL BE KNOWN AS THE EDITH J MILO MEMORIAL FELLOWSHIP IN THE RESEARCH ON CANCER THOMAS R MITCHELL ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT THE ESTABLISHMENT AND MAINTENANCE OF THE COMPUTERIZED ONCOLOGY DATABASE ALLOWING PHYSICIANS MORE ACCESS FROM OFF-SITE LOCATIONS DOROTHY RHODES ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT CASH AWARDS AS PART OF THE BRAVO EMPLOYEE RECOGNITION PROGRAM RESEARCH INSTITUTE ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT RESEARCH PEDIATRIC ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT PEDIATRICS RUSSELL ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT PROGRAMS AND SERVICES OF THE CLARK-DAVIS PEDIATRIC CENTER SAIER ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT THE PURCHASE OF EQUIPMENT, SUPPLIES AND OTHER EXPENSES DIRECTLY RELATED TO SUPPORT OF THE MEDICAL RESEARCH MISSION OF THE RESEARCH INSTITUTE STEVENS MEMORIAL ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT STUDYING THE AGING PROCESS OF ELDERLY INDIVIDUALS NURSING SCHOLARSHIP ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT NURSING EDUCATION SCHOLARSHIPS THE BLAIR STRATFORD NURSING ENDOWMENT WAS ESTABLISHED BY BLAIR STRATFORD IN HONOR OF DR RICHARD BABB TO FUND NURSING EDUCATION THROUGH SCHOLARSHIPS FOR QUALIFIED PAMF CANDIDATES IN THE PALO ALTO, CAMINO, SANTA CRUZ, AND PALOMARES DIVISIONS (SEE SPECIAL PURPOSE FUND PROPOSAL AND APPROVAL FORM) DUSTERBERRY ENDOWMENT - TEMP RESTRICTED EARNINGS TO BENEFIT CHILDREN IN THE GEOGRAPHIC AREA OF THE TRI-CITIES AND THE FREMONT UNIFIED SCHOOL DISTRICT AND TO FUND SCHOOL CONFERENCES, NEW PROGRAMS, STUDENT TUITION, AND SCHOLARSHIPS PHYSICIAN ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT THE RECRUITMENT AND RETENTION OF PHYSICIANS BRIAN T PAASO SCHOLARSHIP ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT MEDICAL SCHOLARSHIPS
PART X, LINE 2	THIS ORGANIZATION WAS PART OF A CONSOLIDATED FINANCIAL SYSTEM AUDIT THE ASC 740 AUDIT FOOTNOTE DISCLOSURE FOR THE SUTTER SYSTEM IS AS FOLLOWS SUTTER HEALTH, THE LEGAL ENTITY, AND MOST AFFILIATES HAVE BEEN DETERMINED TO BE EXEMPT ORGANIZATIONS BY THE INTERNAL REVENUE SERVICE, (PURSUANT TO INTERNAL REVENUE CODE SECTION 501 (C) (3)), AND THE CALIFORNIA FRANCHISE TAX BOARD (PURSUANT TO CALIFORNIA REVENUE AND TAXATION CODE 23701(D)) AND, GENERALLY, ARE NOT SUBJECT TO TAXES ON INCOME CERTAIN ACTIVITIES OF SUTTER ARE SUBJECT TO INCOME TAXES, HOWEVER, SUCH ACTIVITIES ARE NOT SIGNIFICANT TO THE COMBINED FINANCIAL STATEMENTS WITH RESPECT TO ITS TAXABLE ACTIVITIES, SUTTER RECORDS INCOME TAXES USING THE LIABILITY METHOD, UNDER WHICH DEFERRED TAX ASSETS AND LIABILITIES ARE DETERMINED BASED ON THE DIFFERENCES BETWEEN THE FINANCIAL ACCOUNTING AND TAX BASIS OF ASSETS AND LIABILITIES DEFERRED TAX ASSETS OR LIABILITIES AT THE END OF EACH PERIOD ARE DETERMINED USING THE CURRENTLY ENACTED TAX RATE EXPECTED TO APPLY TO TAXABLE INCOME IN THE PERIODS THAT THE DEFERRED TAX ASSET OR LIABILITY IS EXPECTED TO BE REALIZED OR SETTLED SUTTER RECOGNIZES THE TAX BENEFIT FROM UNCERTAIN TAX POSITIONS ONLY IF IT IS MORE LIKELY THAN NOT THAT THE TAX POSITIONS WILL BE SUSTAINED ON EXAMINATION BY THE TAX AUTHORITIES, BASED ON THE TECHNICAL MERITS OF THE POSITION THE TAX BENEFIT IS MEASURED BASED ON THE LARGEST BENEFIT THAT HAS A GREATER THAN 50% LIKELIHOOD OF BEING REALIZED UPON ULTIMATE SETTLEMENT SUTTER RECOGNIZES INTEREST AND PENALTIES RELATED TO INCOME TAX MATTERS IN OPERATING EXPENSES AT DECEMBER 31, 2013 AND 2012, THERE WERE NO SUCH UNCERTAIN TAX POSITIONS





SCHEDULE G (Form 990 or 990-EZ)

Supplemental Information Regarding Fundraising or Gaming Activities

OMB No 1545-0047

2013

Open to Public Inspection

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

Attach to Form 990 or Form 990-EZ. See separate instructions.

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

Department of the Treasury Internal Revenue Service

Name of the organization PALO ALTO MEDICAL FOUNDATION

Employer identification number

94-1156581

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a Mail solicitations, b Internet and email solicitations, c Phone solicitations, d In-person solicitations, e Solicitation of non-government grants, f Solicitation of government grants, g Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? Yes No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization

Table with 6 columns: (i) Name and address of individual or entity (fundraiser), (ii) Activity, (iii) Did fundraiser have custody or control of contributions?, (iv) Gross receipts from activity, (v) Amount paid to (or retained by) fundraiser listed in col (i), (vi) Amount paid to (or retained by) organization. Includes rows 1-10 and a Total row.

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing

**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
		<b>TOAST OF TOWN</b> (event type)	(event type)	<b>0</b> (total number)	(add col (a) through col (c))
<b>Revenue</b>	<b>1</b> Gross receipts . . . . .	82,175			82,175
	<b>2</b> Less Contributions . . . . .	25,544			25,544
	<b>3</b> Gross income (line 1 minus line 2) . . . . .	56,631			56,631
<b>Direct Expenses</b>	<b>4</b> Cash prizes . . . . .				
	<b>5</b> Noncash prizes . . . . .				
	<b>6</b> Rent/facility costs . . . . .	1,933			1,933
	<b>7</b> Food and beverages . . . . .	12,256			12,256
	<b>8</b> Entertainment . . . . .	1,270			1,270
	<b>9</b> Other direct expenses . . . . .	27,676			27,676
	<b>10</b> Direct expense summary Add lines 4 through 9 in column (d) . . . . . ▶				(43,135)
<b>11</b> Net income summary Subtract line 10 from line 3, column (d) . . . . . ▶				13,496	

**Part III Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
		<b>1</b> Gross revenue . . . . .			
<b>Direct Expenses</b>	<b>2</b> Cash prizes . . . . .				
	<b>3</b> Non-cash prizes . . . . .				
	<b>4</b> Rent/facility costs . . . . .				
	<b>5</b> Other direct expenses . . . . .				
	<b>6</b> Volunteer labor . . . . .	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
<b>7</b> Direct expense summary Add lines 2 through 5 in column (d) . . . . . ▶					
<b>8</b> Net gaming income summary Subtract line 7 from line 1, column (d) . . . . . ▶					

**9** Enter the state(s) in which the organization operates gaming activities \_\_\_\_\_

**a** Is the organization licensed to operate gaming activities in each of these states? . . . . .  Yes  No

**b** If "No," explain \_\_\_\_\_

.....

**10a** Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? . . . . .  Yes  No

**b** If "Yes," explain \_\_\_\_\_

.....

Does the organization operate gaming activities with nonmembers?  Yes  No

**12** Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?  Yes  No

**13** Indicate the percentage of gaming activity operated in

<b>a</b> The organization's facility	<b>13a</b>	%
<b>b</b> An outside facility	<b>13b</b>	%

**14** Enter the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶ .....

Address ▶ .....

**15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue?  Yes  No

**b** If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ▶ \$ \_\_\_\_\_

**c** If "Yes," enter name and address of the third party

Name ▶ .....

Address ▶ .....

**16** Gaming manager information

Name ▶ .....

Gaming manager compensation ▶ \$ .....

Description of services provided ▶ .....

Director/officer       Employee       Independent contractor

**17** Mandatory distributions

**a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?  Yes  No

**b** Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

**Part IV Supplemental Information.** Provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Return Reference	Explanation
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Schedule I (Form 990)

OMB No 1545-0047

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

2013

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

Attach to Form 990

Open to Public Inspection

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

Department of the Treasury Internal Revenue Service

Name of the organization PALO ALTO MEDICAL FOUNDATION

Employer identification number 94-1156581

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?
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.

Table with 8 columns: (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. Row 1 contains 'See Additional Data Table'.

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

**Part III Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22.

Part III can be duplicated if additional space is needed.

<b>(a)</b> Type of grant or assistance	<b>(b)</b> Number of recipients	<b>(c)</b> Amount of cash grant	<b>(d)</b> Amount of non-cash assistance	<b>(e)</b> Method of valuation (book, FMV, appraisal, other)	<b>(f)</b> Description of non-cash assistance
(1) PATIENT ASSISTANCE - PARI	12	11,070			
(2) PRE-MED/NURSING SCHOLARSHIPS	18	71,388			

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

<b>Return Reference</b>	<b>Explanation</b>
PART I, LINE 2	<p>THE HEALTH CARE ENDOWMENT COMMITTEE (HCEC) (CURRENT/PAST TRUSTEES AND PHYSICIANS) APPROVE THE GRANTS THE OUTSIDE FIRM OF KRAMER, BLUM AND ASSOCIATES IS RETAINED AND IT SENDS OUT THE REQUESTS FOR PROPOSALS (RFP'S) TO THE AGENCIES THAT ARE INVITED TO APPLY THE FIRM DOES THE DUE DILIGENCE TO DETERMINE IF THE AGENCIES ARE QUALIFIED, AND WORTHY OF A HCEC GRANT THE FIRM PROVIDES THE ENDOWMENT COMMITTEE WITH A DOCKET AND ITS RECOMMENDATIONS PRIOR TO THE MEETING TO APPROVE OR NOT APPROVE THE PROPOSALS GRANTS TO THE COMMUNITY ARE OVERSEEN BY THE PAMF COMMUNITY HEALTH CARE ENDOWMENT COMMITTEE MADE UP OF PHYSICIANS, STAFF, BOARD MEMBERS, AND COMMUNITY MEMBERS THEY NOMINATE AND VOTE ON QUALIFIED RECIPIENTS FROM EACH SERVICE AREA OF PALO ALTO MEDICAL FOUNDATION INCLUDING PALO ALTO, ALAMEDA, MOUNTAIN VIEW/SUNNYVALE, AND SANTA CRUZ MINUTES FROM EACH OF THE MEETINGS ARE KEPT FOR RECORDS THE MEDICAL SCHOLARSHIPS ARE SELECTED BY PHYSICIANS AND COMMUNITY MEMBERS RECIPIENTS ARE ELIGIBLE BASED ON ACADEMIC RESULTS</p>

**Additional Data**

**Software ID:**  
**Software Version:**  
**EIN:** 94-1156581  
**Name:** PALO ALTO MEDICAL FOUNDATION

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
COMMUNITY FOUNDATION OF SANTA CRUZ COUNTY 7807 SOQUEL DR APTOS, CA 95003	94-2808039	501(c)(3)	156,250				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
EL CAMINO HOSPITAL 2500 GRANT RD MOUNTAIN VIEW, CA 94040	94-3167314	501(c)(3)	111,932				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
AMERICAN CANCER SOCIETY 1720 SO AMPHLETT BLVD STE 220 SAN MATEO, CA 94402	94-1170350	501(c)(3)	61,875				GENERAL SUPPORT



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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
HEALTH TRUST 2105 SO BASCOM AVE STE 220 CAMPBELL, CA 95008	94-6050231	501(c)(3)	33,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
PENINSULA HEALTHCARE CONNECTION INC 33 ENCINA AVE STE 103 PALO ALTO, CA 94301	20-2886131	501(c)(3)	32,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
SANTA CLARA FAMILY HEALTH FOUNDATION INC 210 E HACIENDA AVE CAMPBELL, CA 95008	77-0545774	501(c)(3)	25,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
HEALTH IMPROVEMENT PARTNERSHIP OF SANTA CRUZ COUNT 1800 GREEN HILLS RD STE 100 SCOTT'S VALLEY, CA 95066	10-0826156	501(c)(3)	23,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
AMERICAN MEDICAL GROUP FOUNDATION ONE PRINCE ST ALEXANDRIA, VA 22314	54-6059304	501(c)(3)	20,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
BCE FOUNDATION PO BOX 117730 BURLINGAME, CA 94010	94-2722072	501(c)(3)	20,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
SAN FRANCISCO BANGALORE SISTER CITY CMTE 1137 FIFE AVE PALO ALTO, CA 94301	26-3534830	501(c)(3)	20,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
ACTERRA ACTION FOR A SUSTAINABLE EARTH 3921 E BAYSHORE RD PALO ALTO, CA 94303	23-7064937	501(c)(3)	15,000				GENERAL SUPPORT



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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
PATHWAYS HOME HEALTH AND HOSPICE CORP 201 SAN ANTONIO CIR STE 135 MOUNTAIN VIEW, CA 94040	94-2823240	501(c)(3)	15,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
ABODE SERVICES 40849 FREMONT BLVD FREMONT, CA 94538	94-3087060	501(c)(3)	12,500				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
EHC LIFEBUILDERS 507 VALLEY WY MILPITAS, CA 95035	94-2684272	501(c)(3)	11,250				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
AMERICAN RED CROSS SILICON VALLEY CHAPTER 2731 NO FIRST ST SAN JOSE, CA 951342029	94-1156472	501(c)(3)	10,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
CABRILLO COLLEGE 6500 SOQUEL DR APTOS, CA 95003	77-0385111	501(c)(3)	10,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
CALIFORNIA AMBULATORY SURGERY ASSOCIATION PO BOX 276043 SACRAMENTO, CA 958276043	68-0196732	501(c)(3)	10,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
SAN FRANCISCO FORTY NINERS FOUNDATION 4949 MARIE P DEBARTOLO WY SANTA CLARA, CA 95054	77-0287514	501(c)(3)	10,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
SILICON VALLEY COUNCIL OF NONPROFITS 1400 PARKMOOR AVE STE 130 SAN JOSE, CA 95126	77-0524747	501(c)(3)	10,000				GENERAL SUPPORT



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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
SUNNYVALE COMMUNITY SERVICES 725 KIFER RD SUNNYVALE, CA 94086	94-1713897	501(c)(3)	10,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
WEST VALLEY COMMUNITY SERVICES OF SANTA CLARA CNTY 10104 VISTA DR CUPERTINO, CA 95014	94-2211685	501(c)(3)	10,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
YWCA OF SILICON VALLEY 375 SO 3RD ST SAN JOSE, CA 95112	94-1186196	501(c)(3)	10,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
VMC FOUNDATION 2400 MOORPARK AVE STE 207 SAN JOSE, CA 95128	77-0187890	501(c)(3)	8,500				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
SEASCAPE GOLF CLUB 610 CLUBHOUSE DR APTOS, CA 95003	86-1076897	501(c)(3)	8,080				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
KOLIWAD SUNEIL K MD 1640 MCDONALD WY BURLINGAME, CA 94010	55-2719615	501(c)(3)	7,100				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
REGENTS OF THE UNIV OF CA 250 SPROUL HALL STE 1960 BERKELEY, CA 947201960	94-3067788	GOVT	6,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
UNITED WAY SANTA CRUZ PO BOX 1458 CAPITOLA, CA 95010	94-1422471	501(c)(3)	5,500				GENERAL SUPPORT



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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
PALO ALTO FAMILY YMCA 3412 ROSS RD PALO ALTO, CA 94303	94-1156318	501(c)(3)	5,500				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
ALL ABOUT BOOKS PO BOX 266 CANANDAIGUA, NY 14424	02-0660094	501(c)(3)	5,422				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
MEDSHARE INTERNATIONAL 3240 CLIFTON SPRINGS RD DECATUR, GA 30034	58-2433968	501(c)(3)	5,400				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
COMMUNITY BRIDGES 236 SANTA CRUZ AVENUE APTOS, CA 95003	94-2460211	GOVT	10,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
INDIAN HEALTH CENTER OF SANTA CLARA VALLEY 1333 MERIDIAN AVE SAN JOSE, CA 95125	94-2476242	GOVT	55,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
INNVISION SHELTER NETWORK 1450 CHAPIN AV BURLINGAME, CA 94010	77-0160469	GOVT	10,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
NATIONAL ALLIANCE ON MENTAL ILLNESS PO BOX 360 SANTA CRUZ, CA 95061	77-0002878	GOVT	15,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
CHINESE AMERICAN COALITION 4070 CACTUS RD SHINGLE SPRINGS, CA 95682	26-0895114	GOVT	120,000				GENERAL SUPPORT



**Schedule J**  
(Form 990)

**Compensation Information**

OMB No 1545-0047

**2013**

**Open to Public Inspection**

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

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

▶ Attach to Form 990. ▶ See separate instructions.

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

Department of the Treasury  
Internal Revenue Service

Name of the organization  
PALO ALTO MEDICAL FOUNDATION

Employer identification number

94-1156581

**Part I Questions Regarding Compensation**

- 1a** 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.
- |   |  |
|---|--|
| <input type="checkbox"/> First-class or charter travel                        | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                                | <input type="checkbox"/> Payments for business use of personal residence |
| <input checked="" type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account                       | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

**b** 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

**2** 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?

**3** 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

- |  |  |
|--|--|
| <input type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                     |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations     | <input type="checkbox"/> Approval by the board or compensation committee |

**4** 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

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

**Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.**

**5** 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

- a** The organization?
- b** Any related organization?
- If "Yes," to line 5a or 5b, describe in Part III

**6** 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

- a** The organization?
- b** Any related organization?
- If "Yes," to line 6a or 6b, describe in Part III

**7** 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

**8** 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

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
<b>1b</b>	Yes	
<b>2</b>	Yes	
<b>4a</b>		No
<b>4b</b>	Yes	
<b>4c</b>		No
<b>5a</b>		No
<b>5b</b>		No
<b>6a</b>		No
<b>6b</b>		No
<b>7</b>	Yes	
<b>8</b>		No
<b>9</b>		

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

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

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

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

**Part III Supplemental Information**

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II

Also complete this part for any additional information

Return Reference	Explanation
PART I, LINE 1A	TAX INDEMNIFICATION STANDARD POLICY FOR ALL SUTTER HEALTH EMPLOYEES IS THAT NON-CASH GIFTS AND AWARDS ARE GROSSED-UP FOR TAX PURPOSES THE AMOUNT OF THE GROSS-UP IS ADDED TO THE EMPLOYEE'S WAGES AND TAXED ACCORDINGLY
PART I, LINE 3	THE CEO OF THE ORGANIZATION IS AN EMPLOYEE OF SUTTER HEALTH, A RELATED TAX-EXEMPT ORGANIZATION THE COMPENSATION COMMITTEE OF THE SUTTER HEALTH BOARD OF DIRECTORS RETAINS ULTIMATE DISCRETIONARY AUTHORITY OVER ALL ELEMENTS OF COMPENSATION TO ENSURE THAT ORGANIZATIONAL PURPOSES ARE APPROPRIATELY BEING SERVED THE COMPENSATION COMMITTEE USES CREDIBLE DATA SOURCES AND MAINTAINS AN OBJECTIVE "ARMS LENGTH" DECISION-MAKING PROCESS, ENSURING THE INTEGRITY OF SUTTER'S EXECUTIVE PROGRAMS AND CONSISTENCY WITH THE ORGANIZATION'S OVERALL MISSION SEE SCHEDULE O NARRATIVE PART VI, LINE 15 FOR A FULL DESCRIPTION OF THE COMPENSATION APPROVAL PROCESS COMPLETED BY SUTTER HEALTH
PART I, LINE 4B	THE PURPOSE OF THE NONQUALIFIED RETIREMENT PLAN IS TO PROVIDE SUTTER HEALTH EXECUTIVES WITH A COMPETITIVE RETIREMENT BENEFIT CONSISTENT WITH SUTTER HEALTH'S OVERALL COMPENSATION PHILOSOPHY FOR ALL EMPLOYEES CONTRIBUTIONS ARE DESIGNED TAKING INTO CONSIDERATION LOST RETIREMENT BENEFITS THAT WOULD OTHERWISE BE OBTAINED THROUGH THE QUALIFIED PENSION PLAN SUTTER'S PLANS ARE DESIGNED CONSISTENT WITH COMPETITIVE INDUSTRY PRACTICES THE RETIREMENT PLAN FOR SUTTER HEALTH EMPLOYEES IS A COMBINATION OF SOCIAL SECURITY, 403B EMPLOYER MATCH CONTRIBUTIONS AND QUALIFIED PLAN BENEFITS SUTTER HEALTH EXECUTIVES ARE GENERALLY INELIGIBLE FOR EMPLOYER MATCH CONTRIBUTIONS ADDITIONALLY, QUALIFIED PLAN BENEFITS CAPS HAVE THE EFFECT OF SUBSTANTIALLY REDUCING RETIREMENT BENEFITS THAT ARE OTHERWISE PROVIDED TO ALL EMPLOYEES THE EFFECT IS THAT EXECUTIVES OFTEN DO NOT RECEIVE THE SAME LEVEL OF RETIREMENT BENEFIT ON AN INCOME REPLACEMENT BASIS AS OTHER EMPLOYEES TO ENSURE A COMPETITIVE RETIREMENT BENEFIT AND TO ADDRESS THE SHORTFALLS DESCRIBED ABOVE, SUTTER HEALTH MAKES AN ANNUAL CONTRIBUTION TO A NON-QUALIFIED 457(F) PLAN FOR ITS EXECUTIVES THE FORMULA HAS TWO PARTS (1) 4% TO 7% OF BASE SALARY (COMMENSURATE WITH MANAGEMENT LEVEL), PLUS (2) A CONTRIBUTION STARTING AT 5% (BASED UPON TENURE) FOR EARNINGS BEYOND THE PENSION PAY CAP THE LATTER OF WHICH IS DESIGNED TO HELP RESTORE LOST PENSION BENEFITS FORFEITED UNDER THE QUALIFIED PLAN FOR EARNINGS OVER THE PENSION PAY CAP LIMIT CONTRIBUTIONS ARE ALSO MADE FOR A SMALL GROUP OF SENIOR LEVEL EXECUTIVES WHOSE ESTIMATED RETIREMENT BENEFIT (SOCIAL SECURITY PLUS QUALIFIED PLAN BENEFITS PLUS 457F) FALLS BELOW 50% - 65% OF FINAL 4-YEAR AVERAGE BASE SALARY WHEN RETIRING AT AGE 65 TARGET BENEFIT LEVELS VARY BY YEARS OF SERVICE UNLIKE SUTTER HEALTH'S QUALIFIED PLAN WHERE EMPLOYEE BENEFITS ARE GUARANTEED (I E , A DEFINED BENEFIT), SUTTER'S NON-QUALIFIED PLAN BENEFITS ARE NOT GUARANTEED BY SUTTER HEALTH INVESTMENT RISK IS BORNE BY PARTICIPANTS AND BENEFITS ARE NOT PROTECTED SHOULD SUTTER HEALTH BECOME INSOLVENT
PART I, LINE 7	SPOT AWARDS ARE INFREQUENTLY USED TO REWARD EMPLOYEES THERE ARE NO SPECIFIC GUIDELINES FOR THE AMOUNT OF THE SPOT AWARD BUT THE AMOUNT TENDS TO NOT EXCEED 5% OF GROSS PAY ANNUAL INCENTIVE PLAN (AIP) THE PURPOSE OF THE PLAN IS TO FOCUS EXECUTIVES ON SPECIFIC, SHORTER-TERM GOALS THAT ARE CRITICAL TO THE ACHIEVEMENT OF AFFILIATE, REGION, AND SYSTEM-WIDE OBJECTIVES THAT DRIVE OVERALL ORGANIZATION PERFORMANCE A PORTION OF THE PLAN AWARD IS DISCRETIONARY IN THAT THE SUPERVISOR MAY ADD +/- 5% TO THE AWARD PROVIDED THE TOTAL AWARD (FORMULA PORTION PLUS DISCRETIONARY) DOES NOT EXCEED THE MAXIMUM ESTABLISHED FOR ANY GIVEN EXECUTIVE LONG TERM PERFORMANCE PLANS SUTTER HEALTH ALSO EMPLOYS LONG TERM PERFORMANCE PLANS WHICH ARE DESIGNED TO FOCUS ON LONGER TERM STRATEGIC OBJECTIVES OF THE ORGANIZATION SUTTER'S LONG TERM PERFORMANCE PLAN APPROACH IS A COMBINATION OF BOTH LONGER TERM MEASURES OF ORGANIZATION SUCCESS AND KEY ORGANIZATION STRATEGIES WHICH REQUIRE THE COMBINED EFFORT OF ALL LEADERSHIP TO ACHIEVE SUCCESS SUTTER USES A COMMON FATE APPROACH IN THAT ALL PLAN PARTICIPANTS ARE MEASURED AGAINST THE SAME, ORGANIZATION-WIDE CRITERIA VS INDIVIDUAL EFFORTS THIS FOSTERS A COMMON PURPOSE ACROSS LEADERSHIP AND A SHARED SENSE OF ACCOUNTABILITY FOR THE OVERALL SUCCESS OF SUTTER HEALTH TO ENSURE THAT EXTRAORDINARY EFFORTS BY INDIVIDUALS CAN BE RECOGNIZED AND THAT ACTIONS OF LEADERSHIP ARE CONSISTENT WITH SUPPORTING SUTTER HEALTH'S OVERALL MISSION, VISION, AND VALUES, SUTTER'S LONG TERM INCENTIVE PLAN APPROACH ALSO INCORPORATES A COMBINATION OF CEO AND SUTTER HEALTH COMPENSATION COMMITTEE DISCRETION IN SOME CASES, THE SUTTER HEALTH COMPENSATION COMMITTEE HAS DELEGATED AUTHORITY TO THE PRESIDENT & CEO TO MODIFY INDIVIDUAL AWARDS WITHIN LIMITS THAT HAVE BEEN PRE-APPROVED BY THE SUTTER HEALTH COMPENSATION COMMITTEE THIS INCLUDES BOTH THE REDUCTION AND INCREASE OF AWARD AMOUNTS SUCH MODIFICATIONS GENERALLY DO NOT EXCEED +/- 20% AND ARE EMPLOYED JUDICIOUSLY IN ALL CASES, THE COMPENSATION COMMITTEE OF THE BOARD DETERMINES ACHIEVEMENT OF ORGANIZATION GOALS AND MAKES FINAL AWARD DETERMINATION WHICH MAY RESULT IN A REDUCTION OF AWARD IF APPROPRIATE ALL SENIOR EXECUTIVE AWARDS ARE REVIEWED FOR COMPENSATION REASONABLENESS AND APPROVED PRIOR TO PAYMENT BY THE COMPENSATION COMMITTEE

**Additional Data**

**Software ID:**  
**Software Version:**  
**EIN:** 94-1156581  
**Name:** PALO ALTO MEDICAL FOUNDATION

**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 DECHANT MD CEO, SGMF	(i) (ii)	0 459,888	0 265,638	0 82,547	0 97,380	0 22,904	0 928,357	0 307,170
LAWRENCE DEGHETALDI DIVISION PRESIDENT, PAMF	(i) (ii)	0 443,744	0 284,556	0 47,997	0 101,080	0 23,060	0 900,437	0 331,238
MICHAEL ERICKSON COO, PAMF (PART YEAR)	(i) (ii)	0 239,742	0 25,105	0 67,731	0 24,344	0 9,289	0 366,211	0 0
PATRICK FRY PRESIDENT & CEO, SUTTER HEALTH	(i) (ii)	0 1,568,936	0 1,958,195	0 462,231	0 1,986,744	0 34,082	0 6,010,188	0 2,310,942
JEFF GERARD REG PRES PENINSULA COASTAL	(i) (ii)	0 689,121	0 573,949	0 91,184	0 231,431	0 19,806	0 1,605,491	0 658,070
KAREN HALL VP & REG GENERAL COUNSEL, PC	(i) (ii)	0 334,177	0 129,969	0 14,301	0 56,286	0 18,895	0 553,628	0 143,524
MARA A HOOK REGION VP PHILANTHROPY, PCR	(i) (ii)	0 347,467	0 130,623	0 21,741	0 72,683	0 11,847	0 584,361	0 146,323
LI MIN J HU DIV PRESIDENT, ALAMEDA PAMF	(i) (ii)	0 244,944	0 0	0 3,638	0 31,435	0 11,174	0 291,191	0 0
SARAH KREVANS COO, SUTTER HEALTH	(i) (ii)	0 909,010	0 875,587	0 479,602	0 348,316	0 24,557	0 2,637,072	0 1,312,940
ROGER LARSEN II CPA REGIONAL VP FINANCE & CFO	(i) (ii)	0 464,065	0 112,500	0 26,650	0 100,580	0 19,662	0 723,457	0 112,500
HAROLD LUFT DIRECTOR RESEARCH INSTITUTE	(i) (ii)	0 453,179	0 52,665	0 10,871	0 12,750	0 16,704	0 546,169	0 0
FRANCIS MARZONI DIVISION PRESIDENT, PAMF	(i) (ii)	0 743,570	0 327,248	0 74,488	0 130,265	0 18,458	0 1,294,029	0 377,123
ROBERT MERWIN TRUSTEE/CEO, MPHS	(i) (ii)	0 522,869	0 314,511	0 88,576	0 153,927	0 24,126	0 1,104,009	0 381,387
CECILIA MONTALVO VP STRATEGIC PLANNING, PAMF	(i) (ii)	0 281,116	0 153,625	0 43,957	0 33,899	0 13,919	0 526,516	0 173,551
MICHAEL REANDEAU REG CIO, PENINSULA COASTAL	(i) (ii)	0 326,763	0 145,738	0 32,185	0 69,483	0 7,528	0 581,697	0 158,232
BRIAN C ROACH MD DIV PRESIDENT SAN MATEO, PAMF	(i) (ii)	0 397,998	0 271,700	0 88,234	0 91,665	0 15,851	0 865,448	0 358,020
RICHARD SLAVIN MD DIVISION PRESIDENT PAMF	(i) (ii)	0 741,774	0 413,120	0 95,549	0 157,327	0 20,720	0 1,428,490	0 458,270
PAUL TANG CMO, PAMF	(i) (ii)	0 572,495	0 25,500	0 37,603	0 17,850	0 22,499	0 675,947	0 0
ELIZABETH VILARDO- MORGAN MD DIV PRESIDENT CAMINO, PAMF	(i) (ii)	0 509,184	0 245,977	0 5,468	0 101,880	0 22,162	0 884,671	0 245,977

**Schedule K  
(Form 990)**

**Supplemental Information on Tax Exempt Bonds**

OMB No 1545-0047

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.

▶ Attach to Form 990. ▶ See separate instructions.

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

**2013**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization  
PALO ALTO MEDICAL FOUNDATION

Employer identification number  
94-1156581

**Part I Bond Issues**

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
<b>A</b>	CSCDA 2005A	68-0164610	130911U24	10-19-2005	276,217,522	CONSTRUCTION & REFUNDING		X		X		X
<b>B</b>	CSCDA 2005BC	68-0164610	130795EG8	05-01-2007	49,994,066	CONSTRUCTION & REFUNDING		X		X		X
<b>C</b>	CSCDA 2008BC	68-0164610	130795TD9	05-14-2008	291,999,417	CONSTRUCT & EQUIP FACILITY		X		X		X
<b>D</b>	CHFFA 2013A	52-1643828	13033LW52	04-24-2013	487,683,000	CONSTRUCT & EQUIP FACILITY		X		X		X

**Part II Proceeds**

		A	B	C	D				
<b>1</b>	Amount of bonds retired	0	0	0	0				
<b>2</b>	Amount of bonds legally defeased	0	0	0	0				
<b>3</b>	Total proceeds of issue	286,119,410	52,440,606	307,344,038	489,226,568				
<b>4</b>	Gross proceeds in reserve funds	20,579,128	3,436,269	0	0				
<b>5</b>	Capitalized interest from proceeds	0	0	31,655,776	0				
<b>6</b>	Proceeds in refunding escrows	0	0	0	0				
<b>7</b>	Issuance costs from proceeds	0	0	0	0				
<b>8</b>	Credit enhancement from proceeds	0	0	0	0				
<b>9</b>	Working capital expenditures from proceeds	0	0	0	0				
<b>10</b>	Capital expenditures from proceeds	189,282,478	0	262,891,121	372,937,981				
<b>11</b>	Other spent proceeds	76,257,804	49,004,337	12,797,141	0				
<b>12</b>	Other unspent proceeds	0	0	0	116,288,587				
<b>13</b>	Year of substantial completion	2008							
		Yes	No	Yes	No	Yes	No	Yes	No
<b>14</b>	Were the bonds issued as part of a current refunding issue?	X		X			X		X
<b>15</b>	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
<b>16</b>	Has the final allocation of proceeds been made?	X		X		X		X	
<b>17</b>	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

**Part III Private Business Use**

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

**Part III Private Business Use (Continued)**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts that may result in private business use of bond-financed property?	X		X		X			X
<b>b</b> If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X		X			X
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property?	X		X		X			X
<b>d</b> If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?	X		X		X			X
<b>4</b> Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government		0 220 %		0 220 %		0 370 %		0 %
<b>5</b> Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government		0 020 %				0 020 %		
<b>6</b> Total of lines 4 and 5		0 220 %		0 220 %		0 390 %		
<b>7</b> Does the bond issue meet the private security or payment test?		X		X		X		X
<b>8a</b> Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		X
<b>b</b> If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
<b>c</b> If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?		X		X		X		X
<b>9</b> Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X		X		X	

**Part IV Arbitrage**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has the issuer filed Form 8038-T?		X	X			X		X
<b>2</b> If "No" to line 1, did the following apply?								
<b>a</b> Rebate not due yet?		X			X		X	
<b>b</b> Exception to rebate?		X				X		X
<b>c</b> No rebate due?	X					X		X
If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
<b>3</b> Is the bond issue a variable rate issue?		X		X		X		X
<b>4a</b> Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		X
<b>b</b> Name of provider	0		0		0			
<b>c</b> Term of hedge								
<b>d</b> Was the hedge superintegrated?								
<b>e</b> Was the hedge terminated?								

**Part IV Arbitrage (Continued)**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>5a</b> Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		X
<b>b</b> Name of provider	0		0		0		0	
<b>c</b> Term of GIC								
<b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
<b>6</b> Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
<b>7</b> Has the organization established written procedures to monitor the requirements of section 148?	X		X		X		X	

**Part V Procedures To Undertake Corrective Action**

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

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

Return Reference	Explanation
GLOBAL DISCLOSURE	PART I, COLUMN (E) THE ORGANIZATION'S SOLE CORPORATE MEMBER IS A CONDUIT BORROWER OF TAX-EXEMPT BOND ISSUES THAT ALLOCATES PORTIONS OF EACH ISSUE TO CERTAIN SUBSIDIARY ORGANIZATIONS, INCLUDING THE ORGANIZATION THE OUTSTANDING BOND LIABILITY ALLOCATED TO THIS ORGANIZATION IS REPORTED ON FORM 990, PART X, BALANCE SHEET AND PART VI HEREIN WITH THE EXCEPTION OF THIS PORTION OF PART VI, THE SCHEDULE K FOR THIS ORGANIZATION IS REPORTING INFORMATION FOR THE ENTIRE BOND ISSUE PART II, LINE 7 ISSUANCE COSTS WERE FUNDED THROUGH EQUITY CONTRIBUTIONS
PAMF SPECIFIC	PART I, COLUMN (E) THE FILING ORGANIZATION RECEIVED BOND PROCEEDS IN THE AMOUNTS OF \$148,293,125 FROM THE 2005A ISSUE, \$31,866,092 FROM THE 2005BC ISSUE, \$94,769,437 FROM THE 2008BC ISSUE AND \$300,000,000 FROM THE 2013A ISSUE PART I, LINE B, COLUMN (F) THE INITIAL BONDS ISSUED IN 2005 WERE "NEW MONEY" BONDS THAT WERE RETIRED AND REISSUED ON MAY 1, 2007 ACCORDINGLY, WHERE APPROPRIATE, SCHEDULE K REFLECTS THE CURRENT REFUNDING BONDS THAT WERE TREATED AS REISSUED RATHER THAN REFLECTING THE ORIGINAL "NEW MONEY" BONDS PART III THE CHFFA 2013A BONDS ARE "NEW MONEY" BONDS FOR CONSTRUCTION NOT YET COMPLETED PART IV, LINE 2C, COLUMN (A) REBATE COMPUTATION WAS CALCULATED BY BLX GROUP ON 10/19/10

Schedule L (Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2013

Open to Public Inspection

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.

Department of the Treasury Internal Revenue Service

Name of the organization PALO ALTO MEDICAL FOUNDATION

Employer identification number

94-1156581

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

Table with 4 main columns: (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

Table with 9 main columns: (a) Name of interested person, (b) Relationship with organization, (c) Purpose of loan, (d) Loan to or from the organization (To/From), (e) Original principal amount, (f) Balance due, (g) In default? (Yes/No), (h) Approved by board or committee? (Yes/No), (i) Written agreement? (Yes/No)

Part III Grants or Assistance Benefitting Interested Persons.

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

Table with 5 main columns: (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) PALO ALTO FOUNDATION MEDICAL GROUP	SEE PART V	430,983,876	SEE PART V		No
(2) VARIAN MEDICAL SYSTEMS	SEE PART V	225,731	SEE PART V		No
(3) PAULA J STANFIELD	SEE PART V	123,624	SEE PART V		No

**Part V Supplemental Information**

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

Return Reference	Explanation
SCHEDULE L, PART IV	JOHN CUNNIFF, MD, RICHARD CARY HILL, MD, JOSEPH R LACY, MD, HEATHER LINEBARGER, MD, RAJAN PERKASH, MD, ELIZABETH NEWSOM, MD, AND JANE VARNER, MD ARE TRUSTEES OF PALO ALTO MEDICAL FOUNDATION (PAMF) THEY ALSO SIT ON THE BOARD OF DIRECTORS FOR PALO ALTO FOUNDATION MEDICAL GROUP (PAFMG) PAFMG PROVIDED CONTRACTED PROFESSIONAL SERVICES TO PAMF PATIENTS VIA THE PROFESSIONAL SERVICES AGREEMENT WITH PAMF RICHARD LEVY, PHD, IS A TRUSTEE OF PAMF AND PART OWNER AND DIRECTOR OF VARIAN MEDICAL SYSTEMS DURING THE YEAR PAMF PAID VARIAN FOR MEDICAL EQUIPMENT VIA AN ARMS LENGTH AGREEMENT ELIZABETH NEWSOM, MD, TRUSTEE OF PAMF HAS A RELATIVE WHO WORKS FOR PAMF AS A REGISTERED NURSE

SCHEDULE M (Form 990)

Noncash Contributions

OMB No 1545-0047

2013

Open to Public Inspection

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

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

Department of the Treasury Internal Revenue Service

Name of the organization PALO ALTO MEDICAL FOUNDATION

Employer identification number

94-1156581

Part I Types of Property

Table with 4 columns: (a) Check if applicable, (b) Number of contributions or items contributed, (c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g, (d) Method of determining noncash contribution amounts. Rows include Art, Books, Cars, Securities, etc.

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

Summary table with columns Yes/No for questions 30a, 31, 32a, 33 regarding property reporting and policies.

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

Return Reference	Explanation
PART I, COLUMN (B)	COLUMN (B) REPRESENTS THE NUMBER OF CONTRIBUTIONS RECEIVED

**Schedule M (Form 990) (2013)**

**SCHEDULE O**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

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

**▶ Attach to Form 990 or 990-EZ.**

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

**2013**

**Open to Public Inspection**

Name of the organization  
PALO ALTO MEDICAL FOUNDATION

**Employer identification number**

94-1156581

Return Reference	Explanation
FORM 990, PART I, LINE 1 AND PART III, LINE 1	WE ENHANCE THE WELL-BEING OF THE PEOPLE IN OUR COMMUNITIES THROUGH COMPASSION, EXCELLENCE AND INNOVATION IN HEALTH CARE SERVICE, RESEARCH AND EDUCATION

Return Reference	Explanation	
FORM 990, PART III, LINE 4A		<p>THE PALO ALTO MEDICAL FOUNDATION THE PALO ALTO MEDICAL FOUNDATION FOR HEALTH CARE, RESEARCH AND EDUCATION (PAMF) IS A NOT-FOR-PROFIT HEALTH CARE ORGANIZATION THAT IS A PIONEER IN BOTH MULTISPECIALTY GROUP PRACTICE OF MEDICINE AND OUTPATIENT MEDICINE. IN 1993, PAMF AFFILIATED WITH SUTTER HEALTH, A FAMILY OF NOT-FOR-PROFIT HOSPITALS AND PHYSICIAN ORGANIZATIONS THAT SHARE RESOURCES AND EXPERTISE TO ADVANCE HEALTH CARE QUALITY. IN 2009, PAMF, MILLS-PENINSULA HEALTH SERVICES (MPHS), SUTTER MATERNITY AND SURGERY CENTER AND MENLO PARK SURGICAL HOSPITAL CAME TOGETHER TO FORM SUTTER HEALTH'S PENINSULA COASTAL REGION, SERVING COMMUNITIES THROUGHOUT NORTHERN CALIFORNIA. SUTTER HEALTH IS A REGIONAL LEADER IN CARDIAC CARE AS WELL AS CARE OF WOMEN AND CHILDREN, AND IS A PIONEER IN ADVANCED PATIENT SAFETY TECHNOLOGY. IN 2008, THE PHYSICIANS OF THE FORMER CAMINO MEDICAL GROUP, PALO ALTO MEDICAL CLINIC AND SANTA CRUZ MEDICAL CLINIC MERGED INTO A SINGLE PHYSICIAN GROUP CALLED THE PALO ALTO FOUNDATION MEDICAL GROUP (PAFMG) TO CONTRACT WITH PAMF TO PROVIDE PHYSICIAN SERVICES AND IN 2010, A NEW MULTISPECIALTY PHYSICIAN GROUP, PENINSULA MEDICAL CLINIC (PMC), WAS FORMED. NOW, PAMF'S 1,200 AFFILIATED PHYSICIANS AND 5,350 EMPLOYEES SERVE NEARLY 800,000 PATIENTS AT 45 SITES THROUGHOUT THE BAY AREA. PAMF'S MISSION IS TO ENHANCE THE WELL-BEING OF THE PEOPLE IN OUR COMMUNITIES THROUGH COMPASSION, EXCELLENCE AND INNOVATION IN HEALTH CARE SERVICES, RESEARCH AND EDUCATION. PAMF HAS THREE DIVISIONS: 1. HEALTH CARE, 2. EDUCATION, 3. RESEARCH. HEALTH CARE DIVISION: PAMF'S HEALTH CARE DIVISION CONSISTS OF FIVE DIVISIONS: 1. PALO ALTO, SERVING ALAMEDA, SAN MATEO AND SANTA CLARA COUNTIES; 2. CAMINO, SERVING SANTA CLARA COUNTY; 3. SANTA CRUZ, SERVING SANTA CRUZ COUNTY; 4. MILLS-PENINSULA, SERVING SAN MATEO COUNTY; 5. ALAMEDA, SERVING ALAMEDA COUNTY. THESE DIVISIONS OFFER MORE THAN 45 MEDICAL SPECIALTIES, A FULL RANGE OF MEDICAL SERVICES, AND STATE-OF-THE-ART TECHNOLOGY. THIS TECHNOLOGY INCLUDES THE MOST ADVANCED DIAGNOSTIC IMAGING AND TREATMENT DEVICES, AN ELECTRONIC HEALTH RECORD SYSTEM, THREE LICENSED ACUTE CARE FACILITIES, AND ONE ACCREDITED HOME HEALTH AGENCY. PAMF'S ADVANCED CAPABILITIES AND EMPHASIS ON OUTPATIENT CARE ALLOW PHYSICIANS AND STAFF TO MINIMIZE HOSPITALIZATION OF PATIENTS, REDUCING THE OVERALL COST OF MEDICAL CARE SIGNIFICANTLY WHILE MAINTAINING THE HIGHEST QUALITY OF CARE FOR PATIENTS. AS PART OF ITS COMMITMENT TO SERVING ITS COMMUNITY, PAMF PROVIDES CARE TO MEDICALLY INDIGENT PATIENTS AND THOSE ENROLLED IN MEDICARE, MEDICAL, AND OTHER GOVERNMENT PROGRAMS WHOSE REIMBURSEMENTS FALL SHORT OF COVERING THE COST OF PROVIDING CARE. RECENT ACHIEVEMENTS: * FOR THE NINTH CONSECUTIVE YEAR, THE INTEGRATED HEALTHCARE ASSOCIATION (IHA) NAMED PAMF AS ONE OF THE MOST OUTSTANDING PHYSICIAN GROUPS IN CALIFORNIA BASED ON ITS PAY-FOR-PERFORMANCE (P4P) PROGRAM. IN OVERALL PERFORMANCE, PAMF RANKED AS A "TOP PERFORMER" IN PATIENT EXPERIENCE, INFORMATION TECHNOLOGY AND CLINICAL QUALITY, SUCH AS CANCER SCREENINGS, IMMUNIZATIONS AND DIABETES CARE. * PAMF RECEIVED THE HIGHEST RECOGNITION - ELITE STATUS OF FOUR STARS - FROM THE CALIFORNIA ASSOCIATION OF PHYSICIAN GROUPS (CAPG) IN ITS ANNUAL STANDARDS OF EXCELLENCE SURVEY IN JUNE 2013. THE VOLUNTARY SURVEY ASSESSES HOW WELL CALIFORNIA MEDICAL GROUPS MEET THE EXPECTATIONS OF HEALTH CARE PURCHASERS AND PATIENTS. IT FOCUSES ON TOOLS AND PROCESSES THAT IMPROVE AFFORDABILITY AND PATIENT EXPERIENCE. * PAMF IS CURRENTLY RATED FOUR OUT OF FOUR STARS FOR PATIENT EXPERIENCE BY THE CALIFORNIA OFFICE OF THE PATIENT ADVOCATE (OPA) IN A STATEWIDE ASSESSMENT OF ALL MEDICAL GROUPS. MEDICAL GROUPS ARE RANKED IN TWO CATEGORIES: MEETING NATIONAL STANDARDS OF CARE AND PATIENT RATINGS. THE OPA, AN INDEPENDENT STATE OFFICE IN CONJUNCTION WITH THE DEPARTMENT OF MANAGED HEALTH CARE, WAS CREATED TO REPRESENT THE INTERESTS OF HEALTH PLAN MEMBERS TO GET THE CARE THEY DESERVE AND TO PROMOTE TRANSPARENCY AND QUALITY HEALTH CARE BY PUBLISHING AN ANNUAL QUALITY OF CARE REPORT CARD. * PAMF RECEIVED A THREE-YEAR ACCREDITATION FROM THE INSTITUTE OF MEDICAL QUALITY (IMQ) IN 2013. RECOGNIZED BY THE MEDICAL BOARD OF CALIFORNIA, MANY LIABILITY CARRIERS, WORKERS' COMPENSATION AND INSURERS, IMQ'S AMBULATORY PROGRAM WAS DESIGNED TO PROMOTE QUALITY CARE AND ASSURE COMPLIANCE WITH GOVERNMENT REGULATIONS. * PETER P. YU, M.D., DIRECTOR OF CANCER RESEARCH AT PAMF, WAS ELECTED PRESIDENT OF THE AMERICAN SOCIETY OF CLINICAL ONCOLOGY (ASCO), FOR A ONE-YEAR TERM BEGINNING IN JUNE 2014. * PAMF'S VASCULAR CARE DEPARTMENT REACHED A SIGNIFICANT PROGRAM MILESTONE WITH THEIR PARTICIPATION IN THE VASCULAR QUALITY INITIATIVE (VQI) OF THE SOCIETY FOR VASCULAR SURGERY (SVS), A NATIONAL REGISTRY AND OUTCOMES REPORTING SYSTEM DESIGNED TO IMPROVE VASCULAR HEALTH CARE. * AROUND 85 PERCENT OF PAMF'S ADULT PATIENTS ARE NOW USING MY HEALTH ONLINE. IN 2012 ACCESS WAS ENHANCED WITH THE CREATION AND IMPLEMENTATION OF THE MY HEALTH ONLINE MOBILE FORMATS VIA THE MY CHART APP ON BOTH A</p>

Return Reference	Explanation	
FORM 990, PART III, LINE 4A		<p> ANDROID AND APPLE DEVICES * PAMF'S DAVID DRUKER CENTER FOR HEALTH SYSTEMS INNOVATION LAUNCHED ITS LINKAGES TIMEBANK PILOT IN MOUNTAIN VIEW PAMF'S LINKAGES INITIATIVE IS PIONEERING NEW WAYS TO SUPPORT SENIORS IN THE COMMUNITY TO LIVE A MEANINGFUL LIFE AND TO AGE IN PLACE * IN JUNE 2012, CIGNA AND PAMF LAUNCHED A COLLABORATIVE ACCOUNTABLE CARE INITIATIVE TO EXPAND PATIENT ACCESS TO HEALTH CARE, IMPROVE CARE COORDINATION, AND ACHIEVE THE "TRIPLE AIM" OF IMPROVED HEALTH OUTCOMES (QUALITY), LOWER TOTAL MEDICAL COSTS AND INCREASED PATIENT SATISFACTION THIS PATIENT-CENTERED COLLABORATION WAS CIGNA'S FIRST ACCOUNTABLE CARE INITIATIVE IN CALIFORNIA * IN 2012 - 2013, PAMF SERVED AS THE OFFICIAL MEDICAL PROVIDER FOR THREE DISTINGUISHED SPORTING EVENTS THE 2012 U S OLYMPIC GYMNASTICS TRIALS, THE SAP OPEN TENNIS TOURNAMENT, AND THE 2012 PRUDENTIAL U S FIGURE SKATING CHAMPIONSHIPS RICHARD GAYL E, M.D., A SPORTS MEDICINE AND ORTHOPEDICS EXPERT, WAS LEAD PHYSICIAN AND OVERSAW PHYSICIAN COVERAGE AND COORDINATION CARE OF THE ATHLETES MORE THAN 20 OTHER PAMF PHYSICIANS ALSO VOLUNTEERED THEIR TIME AT THESE EVENTS </p>

Return Reference	Explanation	
FORM 990, PART III, LINE 4A		<p>RESEARCH DIVISION PAMF'S RESEARCH PROGRAMS ARE NATIONALLY KNOWN AND HAVE MADE NUMEROUS DISCOVERIES LEADING TO IMPROVEMENT OF CARE FOR THE ENTIRE COMMUNITY. RECENT EXAMPLES ARE AS FOLLOWS:</p> <ul style="list-style-type: none"> <li>* IN A QUALITATIVE STUDY OF BREAST CANCER SURVIVORS, RESEARCHERS AT PAMF RESEARCH INSTITUTE (PAMFRI) AND STANFORD FOUND THREE WAYS IN WHICH FUNDAMENTAL CULTURAL AND STRUCTURAL CHARACTERISTICS OF THE CANCER CARE SYSTEM IN THE US MAY PREVENT BREAST CANCER SURVIVORS FROM ADDRESSING THEIR SEXUAL HEALTH CONCERNS. FINDINGS AND RECOMMENDATIONS WERE PUBLISHED IN CULTURE, HEALTH, AND SEXUALITY.</li> <li>* PAMFRI RESEARCHERS FOUND THAT UNIVERSAL SCREENING AMONG INDIVIDUALS AGED 35 YEARS COULD GREATLY REDUCE THE NATIONAL PREVALENCE OF UNDIAGNOSED PRE-DIABETES OR DIABETES AT RELATIVELY LOW COST. FINDINGS WERE PUBLISHED IN THE AMERICAN JOURNAL OF PREVENTIVE MEDICINE.</li> <li>* DR. MING TAI-SEALE AND COLLEAGUES AT STANFORD, USING THOUSANDS OF ELECTRONIC HEALTH RECORDS, FOUND THAT IT IS POSSIBLE TO PREDICT A DIAGNOSIS AND LEVEL OF DEPRESSION UP TO 12 MONTHS IN ADVANCE. ASSEMBLING PATIENT GROUPS WITH SIMILAR SEVERITY FROM MANY SITES CAN HELP DEFINE WHAT HELPS TREATMENT RESPONSE. FINDINGS WERE PUBLISHED IN THE JOURNAL OF THE AMERICAN MEDICAL INFORMATICS ASSOCIATION.</li> <li>* RESEARCHERS AT PAMFRI AND OTHERS FOUND THROUGH ANALYSIS OF ELECTRONIC HEALTH RECORDS THAT APPROPRIATE TREATMENT (MEDICATION, EDUCATION/COUNSELING) OF NEWLY DIAGNOSED DIABETES OCCURRED ONLY HALF THE TIME. RECOMMENDATIONS TO HELP TREATMENT INITIATION ARE MADE IN AN ARTICLE PUBLISHED IN PRIMARY CARE DIABETES.</li> <li>* DR. LENNY LESSER, A PHYSICIAN RESEARCHER AT PAMFRI PUBLISHED AN ARTICLE IN AMERICAN JOURNAL OF PREVENTIVE MEDICINE THAT RECOMMENDS ALTERNATIVES TO MONETARY INCENTIVES FOR EMPLOYEE WEIGHT LOSS.</li> <li>* IN EXAMINING SHARED MEDICAL APPOINTMENTS (SMAS), PAMFRI RESEARCHERS IN A QUALITATIVE STUDY FOUND FACTORS THAT FACILITATED OR CREATED BARRIERS TO ADOPTING SMAS. FINDINGS WERE PUBLISHED IN POPULATION HEALTH MANAGEMENT.</li> </ul> <p>THREE MAJOR GRANTS AWARDED TO PAMFRI RECENTLY:</p> <ul style="list-style-type: none"> <li>PROJECT TITLE: RESEARCH AIMED AT IMPROVING BOTH MOOD AND WEIGHT (RAINBOW). FUNDER: NATIONAL HEART, LUNG AND BLOOD INSTITUTE, \$3.7 MILLION OVER 5 YEARS. PRINCIPAL INVESTIGATOR: JUN MA, M.D., PH.D.</li> <li>PROJECT TITLE: CULTURALLY-ADAPTED DIABETES PREVENTION PROGRAM INTERVENTION FOR MEXICAN AMERICANS IN PRIMARY CARE. A RANDOMIZED CONTROLLED TRIAL. FUNDER: AGENCY FOR HEALTHCARE RESEARCH AND QUALITY, \$1.2 MILLION OVER 5 YEARS. PRINCIPAL INVESTIGATOR: JUN MA, M.D., PH.D.</li> <li>PROJECT TITLE: MEASUREMENT OF QUALITY OF LIFE AND PERCEIVED DISEASE IMPACT ON QUALITY OF LIFE IN ASTHMA. FUNDER: NATIONAL HEART, LUNG AND BLOOD INSTITUTE, \$1.7 MILLION OVER 3 YEARS. PRINCIPAL INVESTIGATOR: SANDRA WILSON, PH.D.</li> </ul> <p>IN 2013, 48 CLINICAL RESEARCH STUDIES RECEIVED FUNDING. THE RESEARCH INSTITUTE FUNDING SOURCES IN CLUDED: FEDERAL (48%), INTERNAL (39%), PRIVATE FOUNDATIONS (10%), AND INDUSTRY (3%).</p> <p>EDUCATION DIVISION PAMF'S EDUCATION DIVISION PROVIDES HEALTH EDUCATION THROUGH HEALTH PROMOTION CLASSES, SUPPORT GROUPS AND COMMUNITY OUTREACH. IT PROVIDES FINANCIAL SUPPORT TO COMMUNITY ORGANIZATIONS, PROJECTS RELATED TO HEALTH CARE, IN-KIND ASSISTANCE THROUGH DONATIONS OF MEDICAL EQUIPMENT, AND HEALTH FAIRS AND PROGRAMS. PAMF'S HEALTH EDUCATION PROGRAMS FOCUS ON WELLNESS, PRENATAL/POSTPARTUM CARE AND DISEASE MANAGEMENT. PAMF ALSO OFFERS NEED-BASED SCHOLARSHIPS FOR EDUCATION CLASSES. IN ADDITION, THE EDUCATION DIVISION OFFERS FREE COMMUNITY LECTURES, HEALTH RESOURCE CENTERS, SUPPORT GROUPS, AND PROVIDES RELIABLE HEALTH INFORMATION TO THE PUBLIC THROUGH PAMF'S WEBSITE, PAMF.ORG. SEPARATE WEB SITES FOR PRETEENS, TEENS AND PARENTS OFFER MEDICALLY ACCURATE AND AGE-APPROPRIATE INFORMATION FOR THOSE IN THE COMMUNITY AND AROUND THE WORLD. THE TEEN AND PRE-TEEN SITES HAVE RECEIVED MILLIONS OF VISITS EACH FROM AROUND THE WORLD SINCE IT LAUNCHED IN 2001 AND 2004, RESPECTIVELY. PAMF IS COMMITTED TO BEING AN ACTIVE MEMBER OF THE COMMUNITIES IT SERVES, AND SUPPORTS VARIOUS COMMUNITY PROGRAMS AND SERVICES SUCH AS PROJECTS AND EDUCATIONAL ACTIVITIES WITH LOCAL SCHOOL DISTRICTS, AND PARTNERSHIPS WITH COMMUNITY ORGANIZATIONS, INCLUDING CLOSE PARTNERSHIPS WITH COMMUNITY CLINICS IN UNDERSERVED AREAS. PAMF'S PHYSICIANS AND STAFF MEMBERS ALSO DONATE HUNDREDS OF HOURS TO COMMUNITY SERVICE. COMMUNITY BENEFIT IN 2013, THE TOTAL AMOUNT OF COMMUNITY BENEFIT PROVIDED TO THE COMMUNITIES PAMF SERVES WAS \$25,561,000 IN SERVICES FOR THE POOR AND UNDERSERVED AND \$14,677,000 IN COMMUNITY SUPPORT. THIS INCLUDES \$4,897,000 IN CHARITY CARE. PAMF'S COMMUNITY BENEFIT EFFORTS INCLUDE MYRIAD PROGRAMS AND BENEFITS FOR THE BROADER COMMUNITY, INCLUDING BUT NOT LIMITED TO:</p> <ul style="list-style-type: none"> <li>* MONETARY DONATIONS AND IN-KIND SUPPORT TO LOCAL COMMUNITY GROUPS AND ORGANIZATIONS.</li> <li>* HEALTH EDUCATION CLASSES, LECTURES AND PRESENTATION TO THE COMMUNITY.</li> <li>* ON-SITE CLINICAL EDUCATION PROGRAMS AND PRECEPTORSHIPS FOR MEDICAL STUDENTS, MEDICAL RESIDENTS, MEDICAL FELLOWS, NURSING STUDENTS, LABORATORY TECHNOLOGISTS, RADIOLOGY TECHNOLOGISTS, PHARMACY STUDENTS.</li> <li>* COMMU</li> </ul>

Return Reference	Explanation	
FORM 990, PART III, LINE 4A		NITY ORGANIZATION BOARD MEMBERSHIPS * SCHOOL-BASED HEALTH AND WELLNESS PROGRAMS * CHILDHOOD OBESITY PROGRAMS * HEALTH EDUCATION PRESENTATIONS IN LOCAL ORGANIZATIONS WITH AT-RISK POPULATIONS, ETHNICALLY DIVERSE POPULATIONS, AGE-FOCUSED HEALTH AND WELLNESS * DISEASE SPECIFIC PROGRAMS FOR REQUESTING COMMUNITY ORGANIZATIONS AND ON-SITE PROGRAMS WHICH ARE FREE AND OPEN TO ALL COMMUNITY MEMBERS * SENIOR FAIRS * TEEN MENTAL HEALTH OUTREACH AND COLLABORATIONS * FREE MAMMOGRAPHY PROJECT WITH RAVENSWOOD FAMILY HEALTH CENTER (PROVIDING HUNDREDS OF FREE MAMMOGRAPHIES AND BREAST HEALTH COUNSELING TO LOW INCOME WOMEN) * FREE HIGH SCHOOL SPORTS PHYSICALS * PHYSICIANS STAFFING MOUNTAIN VIEW ROTACARE FREE CLINIC AND PROVIDING SPECIALTY CARE AT PAMF'S MOUNTAIN VIEW CENTER * FUNDING OF TWO CLINICAL STAFF POSITIONS AT ROTACARE * SUPPORT OF THE HEALTHY KIDS PROGRAMS IN SANTA CRUZ AND SANTA CLARA COUNTIES



Return Reference	Explanation
FORM 990, PART VI, LINE 2	JOHN CUNNIFF, MD, RICHARD CARY HILL, MD, JOSEPH R LACY, MD, HEATHER LINEBARGER, MD, RAJAN PERKASH, MD, ELIZABETH NEWSOM, MD, AND JANE VARNER, MD HAVE A BUSINESS RELATIONSHIP

Return Reference	Explanation
FORM 990, PART VI, LINES 6 & 7A	THIS CORPORATION IS AN AFFILIATE OF SUTTER HEALTH, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION. SUTTER HEALTH IS THE SOLE MEMBER WITH THE RIGHT TO ELECT AT LEAST A MAJORITY OF THE MEMBERS OF THE BOARD OF DIRECTORS.

Return Reference	Explanation
FORM 990, PART VI, LINE 7B	<p>SUTTER HEALTH AS THE SOLE MEMBER OF THE ORGANIZATION IS ENTITLED TO EXERCISE FULLY ALL RIGHTS AND PRIVILEGES OF MEMBERS OF NONPROFIT CORPORATIONS UNDER THE CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION LAW, AND ALL OTHER APPLICABLE LAWS THE MEMBER HAS THE RIGHTS AND POWERS TO APPOINT (AND REMOVE) MEMBERS OF THE CORPORATION'S BOARD OF DIRECTORS, SUBJECT TO THE PROVISIONS OF THE BYLAWS IN ADDITION, THE MEMBER HAS THE RIGHT TO APPROVE THE FOLLOWING ACTIONS OF THE CORPORATION'S BOARD OF DIRECTORS (A) MERGER, CONSOLIDATION, REORGANIZATION OR DISSOLUTION OF THE CORPORATION (B) AMENDMENT OR RESTATEMENT OF THE ARTICLES OF INCORPORATION OR THE BYLAWS OF THE CORPORATION (C) ADOPTION OF OPERATING BUDGETS AND CAPITAL BUDGETS (ALTHOUGH THE BOARD IS EMPOWERED TO DEVELOP ITS OWN BUDGETS WITHIN THE GUIDELINES AND OBJECTIVES SET BY THE GENERAL MEMBER) (D) EXPENDITURES BEYOND APPROVED BUDGETS AND IN EXCESS OF A DOLLAR AMOUNT, NOT LESS THAN \$200,000, TO BE SET BY THE GENERAL MEMBER (E) BORROWING IN EXCESS OF A DOLLAR AMOUNT, NOT LESS THAN \$200,000, TO BE SET BY THE GENERAL MEMBER (FOR THE PURPOSE OF THIS SECTION 14 1, "BORROWING" INCLUDES, BUT IS NOT LIMITED TO, LEASE AGREEMENTS AND INSTALLMENT CONTRACTS) (F) PURCHASE, SALE, LEASE, DISPOSITION, HYPOTHECATION, EXCHANGE, GIFT, PLEDGE OR ENCUMBRANCE OF ANY ASSET, REAL OR PERSONAL, WITH A VALUE IN EXCESS OF A DOLLAR AMOUNT, NOT LESS THAN \$200,000, TO BE SET BY THE GENERAL MEMBER AND NOT PREVIOUSLY INCLUDED IN THE CAPITAL BUDGET (G) APPOINTMENT OF AN INDEPENDENT AUDITOR AND CORPORATE COUNSEL (H) APPROVAL OF TRANSACTIONS OF THIS CORPORATION IN WHICH A TRUSTEE OR OFFICER OF THIS CORPORATION HAS A MATERIAL FINANCIAL INTEREST (I) APPROVAL OF SELECTION OF THE CHIEF EXECUTIVE OFFICER (J) ADOPTION OF QUALITY IMPROVEMENT PROCEDURES OR STANDARDS THAT DO NOT MEET OR EXCEED GUIDELINES OR PROCEDURES ESTABLISHED BY THE GENERAL MEMBER (NOTWITHSTANDING THE FOREGOING, IT IS UNDERSTOOD AND AGREED THAT THE GENERAL MEMBER WILL NOT IMPOSE GUIDELINES OR PROCEDURES THAT MAY HAVE A MATERIAL ADVERSE EFFECT ON THE CORPORATION, WITHOUT THE PRIOR APPROVAL OF THIS CORPORATION ) (K) THE CREATION OF ANY SUBSIDIARY ORGANIZATION</p>

<b>Return Reference</b>	<b>Explanation</b>
FORM 990, PART VI, LINE 11B	SUTTER HEALTH, A RELATED TAX-EXEMPT ORGANIZATION, HAS A CENTRALIZED TAX DEPARTMENT RESPONSIBLE FOR THE PREPARATION OF THE FORM 990 ANNUALLY THE TAX DEPARTMENT PROVIDES TRAINING AND EDUCATION TO AFFILIATE PERSONNEL WHO ASSIST THE TAX DEPARTMENT IN COLLECTING AND REVIEWING DATA TO BE REPORTED ON THE FORM 990 THE PREPARATION MATERIAL IS REVIEWED BY VARIOUS DEPARTMENTS INCLUDING TAX, FINANCE, LEGAL, AND HUMAN RESOURCES A NATIONAL ACCOUNTING FIRM PREPARES AND/OR REVIEWS THE RETURN A COMPLETED RETURN IS THEN REVIEWED BY THE TAX DEPARTMENT, THE AFFILIATE, AND THE CFO BEFORE THE RETURN IS FILED

<b>Return Reference</b>	<b>Explanation</b>
FORM 990, PART VI, LINE 12	<p>EMPLOYEES ARE EDUCATED ON THE CONFLICT OF INTEREST POLICY AND THE NEED TO MAKE DISCLOSURE AS PART OF ANNUAL COMPLIANCE EDUCATION. IN ADDITION, ANNUALLY A DISCLOSURE STATEMENT IS COMPLETED BY ALL DIRECTORS AND OFFICERS THAT INCLUDES AN ACKNOWLEDGEMENT THAT THEY HAVE READ THE CONFLICT OF INTEREST POLICY. ON THIS STATEMENT THE INDIVIDUAL WILL LIST A WIDE RANGE OF INFORMATION WHICH INCLUDES BUSINESS RELATIONSHIPS, EMPLOYMENT RELATIONSHIPS, PROPERTY INTERESTS, AND THOSE OF RELATED PARTIES. THE CEO AND BOARD CHAIR WILL REVIEW THE STATEMENTS AND MONITOR SITUATIONS THAT MAY POSE A POTENTIAL CONFLICT OF INTEREST. THE CEO AND BOARD CHAIR MAY CONSULT WITH THE OFFICE OF THE GENERAL COUNSEL AS NECESSARY. IF THERE IS A POTENTIAL CONFLICT OF INTEREST RELATED TO A PARTICULAR TRANSACTION, THE INTERESTED INDIVIDUAL MUST DISCLOSE THE EXISTENCE AND NATURE OF THE RELATIONSHIP. THE BOARD CHAIR MAY APPOINT A DISINTERESTED PERSON OR COMMITTEE TO INVESTIGATE THE CONFLICT. UNTIL THE POTENTIAL CONFLICT IS RESOLVED, THE BOARD CHAIR MAY REQUEST THE INDIVIDUAL TO NOT PARTICIPATE DURING RELATED PRESENTATIONS AND DISCUSSIONS. IN ALL CIRCUMSTANCES INVOLVING AN ACTUAL CONFLICT, THE INTERESTED INDIVIDUAL SHALL REFRAIN FROM VOTING ON ANY MATTER RELATED TO THE TRANSACTION.</p>

Return Reference	Explanation
FORM 990, PART VI, LINE 15	<p>THE COMPENSATION COMMITTEE OF THE SUTTER HEALTH BOARD OF DIRECTORS RETAINS ULTIMATE DISCRETIONARY AUTHORITY OVER ALL ELEMENTS OF COMPENSATION TO ENSURE THAT ORGANIZATIONAL PURPOSES ARE APPROPRIATELY BEING SERVED. THE COMPENSATION COMMITTEE USES CREDIBLE DATA SOURCES AND MAINTAINS AN OBJECTIVE "ARMS LENGTH" DECISION-MAKING PROCESS, ENSURING THE INTEGRITY OF SUTTER'S EXECUTIVE PROGRAMS AND CONSISTENCY WITH THE ORGANIZATION'S OVERALL MISSION. IN ORDER TO ENSURE EXTERNAL COMPETITIVENESS, NATIONAL, CALIFORNIA AND LOCAL MARKET AREA COMPENSATION DATA COMPARISONS ARE REVIEWED. COMPETITIVE ANALYSIS INCLUDES (A) BASE SALARY, (B) TOTAL CASH (BASE SALARY + ANNUAL INCENTIVE) AND (C) TOTAL REMUNERATION (BASE SALARY + ANNUAL INCENTIVE + BENEFITS AND LONG TERM INCENTIVE). THIS ANALYSIS INCLUDES COMPARABLE ORGANIZATIONS AND GEOGRAPHIC CONSIDERATIONS. FOR THE MOST SENIOR EXECUTIVE POSITIONS, NATIONAL COMPARISONS FOR ORGANIZATIONS SIMILAR IN SIZE, SCOPE AND COMPLEXITY AS SUTTER HEALTH ARE MOST APPROPRIATE SINCE IT IS A NATIONAL MARKETPLACE IN WHICH SUTTER COMPETES FOR EXECUTIVE TALENT. ON THE OTHER HAND, BECAUSE CALIFORNIA'S UNDERLYING COMPENSATION STRUCTURE IS HIGHER THAN NATIONAL DATA (ESPECIALLY IN THE BAY AREA), REGIONAL PAY COMPARISONS AND ADJUSTMENTS ARE MADE. OFFICERS AND KEY EMPLOYEES OF THIS ORGANIZATION WHO ARE SUTTER HEALTH EMPLOYEES UNDERGO A REVIEW AND COMPENSATION COMMITTEE APPROVAL, AND SUCH APPROVAL IS RECORDED IN THE MINUTES.</p>

Return Reference	Explanation
FORM 990, PART VI, LINE 19	THE SUTTER HEALTH SYSTEM POSTS ITS CURRENT AND PAST AUDITED FINANCIAL STATEMENTS AT SUTTERHEALTH.ORG OTHER DOCUMENTS ARE ALSO LOCATED AT THIS WEBSITE INCLUDING THE ANNUAL REPORT, MISSION STATEMENT, HISTORY, AND LINKS TO AFFILIATE WEBSITES. THE GOVERNING DOCUMENTS ARE NOT AVAILABLE TO THE PUBLIC AT THIS TIME.

Return Reference	Explanation
FORM 990, PART IX, LINE 11G	MEDICAL GROUP COMPENSATION \$536,905,278 CONSTRUCTION SEVICES 7,935,342 PROFESSIONAL FEES PHY SICIAN 304,877 THERAPIST AND OTHER MEDICAL 360,855 NURSE REGISTRY 73,559 ----- TOTAL \$545,579,911 =====



Return Reference	Explanation
FORM 990, PART XI, LINE 9	EQUITY TRANSFERS (NET) \$(282,451,134) INTEREST INCOME FROM K-1 (847) RENTAL INCOME FROM K-1 (53,099) ORDINARY INCOME FROM K-1 (1,147,318) 1231 INCOME FROM K-1 (3,449) PARTNERSHIP INCOME ON BOOKS 1,061,836 ANNUITY TRUE-UP (134,904) CHANGE IN SPLIT INTEREST 22,977 OTHER CHANGE 198 ----- TOTAL \$ (282,705,740) =====

**SCHEDULE R  
(Form 990)**

**Related Organizations and Unrelated Partnerships**

OMB No 1545-0047

**2013**

**Open to Public  
Inspection**

- ▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.**
- ▶ **Attach to Form 990.** ▶ **See separate instructions.**
- ▶ **Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

Department of the Treasury  
Internal Revenue Service

Name of the organization  
PALO ALTO MEDICAL FOUNDATION

**Employer identification number**

94-1156581

**Part I Identification of Disregarded Entities** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

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

**Part II Identification of Related Tax-Exempt Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
See Additional Data Table							

**Part III Identification of Related Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
See Additional Data Table												

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
<b>(1)</b> HEALTH VENTURES INC 350 HAWTHORNE ST OAKLAND, CA 94609 94-2918780	HEALTH SERVIC	CA	NA	C CORP				Yes	
<b>(2)</b> CHARITABLE REMAINDER TRUSTS (25)	CRT	CA	N/A	TRUST				Yes	

**Part V Transactions With Related Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

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

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

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)
  
- f** Dividends from related organization(s)
- g** Sale of assets to related organization(s)
- h** Purchase of assets from related organization(s)
- i** Exchange of assets with related organization(s)
- j** Lease of facilities, equipment, or other assets to related organization(s)
  
- k** Lease of facilities, equipment, or other assets from related organization(s)
- l** Performance of services or membership or fundraising solicitations for related organization(s)
- m** Performance of services or membership or fundraising solicitations by related organization(s)
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o** Sharing of paid employees with related organization(s)
  
- p** Reimbursement paid to related organization(s) for expenses
- q** Reimbursement paid by related organization(s) for expenses
  
- r** Other transfer of cash or property to related organization(s)
- s** Other transfer of cash or property from related organization(s)

	Yes	No
<b>1a</b>		No
<b>1b</b>		No
<b>1c</b>	Yes	
<b>1d</b>		No
<b>1e</b>		No
<b>1f</b>		
<b>1g</b>		No
<b>1h</b>		No
<b>1i</b>		No
<b>1j</b>	Yes	
<b>1k</b>		No
<b>1l</b>		No
<b>1m</b>		No
<b>1n</b>		No
<b>1o</b>		No
<b>1p</b>	Yes	
<b>1q</b>		No
<b>1r</b>	Yes	
<b>1s</b>	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
<b>(1)</b> SUTTER VISITING NURSE ASSOCIATION	J	121,162	FMV
<b>(2)</b> SUTTER INSURANCE SERVICES CORPORATION	P	1,739,351	FMV
<b>(3)</b> SUTTER HEALTH (MOORE GRANT)	C	659,486	FMV

**Part VI Unrelated Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

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.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate 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		Yes	No	

**Part VII** **Supplemental Information**

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

**Return Reference****Explanation**

**Additional Data**

**Software ID:**  
**Software Version:**  
**EIN:** 94-1156581  
**Name:** PALO ALTO MEDICAL FOUNDATION

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity?	
						Yes	No
(1) ADOLESCENT TREATMENT CENTERS INC 390 40TH STREET OAKLAND, CA 94609 68-0088443	HEALTHCARE	CA	501(C)(3)	3	SUTTER EBH	Yes	
(1) ALTA BATES SUMMIT FOUNDATION 3012 SUMMIT STREET 3RD FLOOR OAKLAND, CA 94609 51-0160184	FUNDRAISING	CA	501(C)(3)	7	SUTTER EBH	Yes	
(2) CALIFORNIA PACIFIC MEDICAL CTR FOUND 2015 STEINER STREET 2ND FLOOR SAN FRANCISCO, CA 94115 94-2728423	FUNDRAISING	CA	501(C)(3)	7	SUTTER WBH	Yes	
(3) DELTA MEMORIAL HOSPITAL FOUNDATION 3901 LONE TREE WAY ANTIOCH, CA 94509 94-2417022	FUNDRAISING	CA	501(C)(3)	11a - I	SUTTER EBH	Yes	
(4) EAST BAY PERINATAL CENTER 3012 SUMMIT STREET 3RD FLOOR OAKLAND, CA 94609 51-0172285	HEALTHCARE	CA	501(C)(3)	3	SUTTER EBH	Yes	
(5) EDEN MEDICAL CENTER 20103 LAKE CHABOT ROAD CASTRO VALLEY, CA 94546 94-2948100	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	Yes	
(6) MEMORIAL HOSPITAL FOUNDATION 1800 COFFEE ROAD SUITE 76 MODESTO, CA 95355 94-2290244	FUNDRAISING	CA	501(C)(3)	11a - I	SUTTER CVH	Yes	
(7) MILLS-PENINSULA HEALTH SERVICES 1501 TROUSDALE DRIVE BURLINGAME, CA 94010 94-1156265	HOSPITAL	CA	501(C)(3)	3	PAMF	Yes	
(8) MILLS-PENINSULA HOSPITAL FOUNDATION 1501 TROUSDALE DRIVE BURLINGAME, CA 94010 23-7288765	FUNDRAISING	CA	501(C)(3)	7	MPHS	Yes	
(9) SAMUEL MERRITT UNIVERSITY 450 30TH STREET 2840 OAKLAND, CA 94609 94-2992642	UNIVERSITY	CA	501(C)(3)	2	SUTTER EBH	Yes	
(10) SUTTER AUBURN FAITH HOSPITAL FOUNDATION 11815 EDUCATION ST AUBURN, CA 95602 94-2594966	FUNDRAISING	CA	501(C)(3)	7	SUTTER SSR	Yes	
(11) SUTTER CENTRAL VALLEY HOSPITALS 1800 COFFEE ROAD SUITE 76 MODESTO, CA 95355 94-1080917	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	Yes	
(12) SUTTER COAST HOSPITAL 800 E WASHINGTON BLVD CRESCENT CITY, CA 95531 94-2988520	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	Yes	
(13) SUTTER DAVIS HOSPITAL FOUNDATION PO BOX 1617 DAVIS, CA 95617 68-0217870	FUNDRAISING	CA	501(C)(3)	7	SUTTER SSR	Yes	
(14) SUTTER EAST BAY HOSPITALS 3012 SUMMIT STREET 3RD FLOOR OAKLAND, CA 94609 94-1196176	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	Yes	
(15) SUTTER EAST BAY MEDICAL FOUNDATION 3687 MT DIABLO BLVD 200 LAFAYETTE, CA 94549 94-2690415	HEALTHCARE	CA	501(C)(3)	3	SUTTER HLTH	Yes	
(16) SUTTER GOULD MEDICAL FOUNDATION 600 COFFEE ROAD MODESTO, CA 95355 94-1682256	HEALTHCARE	CA	501(C)(3)	3	SUTTER HLTH	Yes	
(17) SUTTER HEALTH 2200 RIVER PLAZA DRIVE SACRAMENTO, CA 95833 94-2788907	SUPPORTING OR	CA	501(C)(3)	11c III-FI	NA		No
(18) SUTTER HEALTH PACIFIC 91-2301 FT WEAVER RD EWA BEACH, HI 96706 99-0298651	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	Yes	
(19) SUTTER HEALTH PLAN 2200 RIVER PLAZA DRIVE SACRAMENTO, CA 95833 46-1183948	HEALTH PLAN	CA	PENDING	PENDING	SUTTER HLTH	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c) (3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity?	
						Yes	No
(21) SUTTER HEALTH SACRAMENTO SIERRA REGION  PO BOX 160727 SACRAMENTO, CA 95816 94-1156621	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	Yes	
(1) SUTTER INSURANCE SERVICES CORPORATION  745 FORT STREET SUITE 800 HONOLULU, HI 96813 99-0289310	INSURANCE SER	HI	501(C)(3)	11b - II	SUTTER HLTH	Yes	
(2) SUTTER MEDICAL CENTER FOUNDATION  PO BOX 160727 SACRAMENTO, CA 95816 94-2788906	FUNDRAISING	CA	501(C)(3)	7	SUTTER SSR	Yes	
(3) SUTTER MEDICAL CENTER CASTRO VALLEY  2200 RIVER PLAZA DRIVE SACRAMENTO, CA 95833 77-0146047	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	Yes	
(4) SUTTER MEDICAL FOUNDATION  2800 L STREET 7TH FLOOR SACRAMENTO, CA 95816 68-0273974	HEALTHCARE	CA	501(C)(3)	11b - II	SUTTER HLTH	Yes	
(5) SUTTER ROSEVILLE MEDICAL CTR FOUNDATION  ONE MEDICAL PLAZA ROSEVILLE, CA 95661 68-0040113	FUNDRAISING	CA	501(C)(3)	7	SUTTER SSR	Yes	
(6) SUTTER SOLANO CHARITABLE FOUNDATION  300 HOSPITAL DRIVE VALLEJO, CA 94589 94-2668262	FUNDRAISING	CA	501(C)(3)	7	SUTTER SSR	Yes	
(7) SUTTER VISITING NURSE ASSOC AND HOSPICE  1900 POWELL ST 300 EMERYVILLE, CA 94608 94-6068843	HEALTHCARE	CA	501(C)(3)	9	SUTTER HLTH	Yes	
(8) SUTTER WEST BAY HOSPITALS  2333 BUCHANAN STREET SAN FRANCISCO, CA 94115 94-0562680	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	Yes	
(9) SUTTER WEST BAY MEDICAL FOUNDATION  2015 STEINER STREET 1ST FLOOR SAN FRANCISCO, CA 94115 94-2948131	HEALTHCARE	CA	501(C)(3)	3	SUTTER HLTH	Yes	
(10) TRACY HOSPITAL FOUNDATION  1420 N TRACY BLVD TRACY, CA 95376 68-0318845	FUNDRAISING	CA	501(C)(3)	11a - I	SUTTER CVH	Yes	



