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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

▶ Information about Form 990 and its instructions is at www.IRS.gov/form990

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 07-01-2013 , 2013, and ending 06-30-2014

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
GENESIS HEALTH SYSTEM

Doing Business As

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

City or town, state or province, country, and ZIP or foreign postal code
SILVIS, IL 61282

D Employer identification number
36-3616314

E Telephone number
(563)421-6508

G Gross receipts $ 82,516,449

F Name and address of principal officer
MARK G ROGERS
801 ILLINI DRIVE
SILVIS,IL 61282

H(a) Is this a group return for subordinates? ☐ Yes ☑ No

H(b) Are all subordinates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ GENESISHEALTH COM

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1988

M State of legal domicile IL

Part I Summary

1 Briefly describe the organization's mission or most significant activities
GENESIS HEALTH SYSTEM (GHS ILLINOIS) EXISTS TO PROVIDE COMPASSIONATE, QUALITY HEALTH SERVICES TO ALL THOSE IN NEED

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	18
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	8
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	888
6	Total number of volunteers (estimate if necessary)	**6**	128
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	289,885
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	57,946

		Prior Year	Current Year
Revenue **8**	Contributions and grants (Part VIII, line 1h)	2,606,710	574,958
9	Program service revenue (Part VIII, line 2g)	81,456,912	80,777,010
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	318,326	309,423
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,563,707	749,953
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	86,945,655	82,411,344
Expenses **13**	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	315,210	155,966
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	33,765,893	34,167,857
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	48,501,568	48,415,828
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	82,582,671	82,739,651
19	Revenue less expenses Subtract line 18 from line 12	4,362,984	-328,307

		Beginning of Current Year	End of Year
Net Assets or Fund Balances **20**	Total assets (Part X, line 16)	84,731,764	83,061,113
21	Total liabilities (Part X, line 26)	19,453,206	18,069,095
22	Net assets or fund balances Subtract line 21 from line 20	65,278,558	64,992,018

Part II Signature Block

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

Sign Here

****** | 2015-05-12
Signature of officer | Date

MARK G ROGERS VP FINANCE/CFO GHS & ASST TREAS
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
JOHN J ROMANO				P00227323

Firm's name ▶ MCGLADREY LLP | Firm's EIN ▶ 42-0714325

Firm's address ▶ 201 N HARRISON STREET SUITE 300
DAVENPORT, IA 528011999 | Phone no (563) 888-4000

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

GENESIS HEALTH SYSTEM (GHS ILLINOIS) EXISTS TO PROVIDE COMPASSIONATE, QUALITY HEALTH SERVICES TO ALL THOSE IN NEED

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 $ 55,058,237 including grants of $ 155,966) (Revenue $ 71,376,733)

GENESIS MEDICAL CENTER - SILVIS HEALTH CARE DELIVERY AND MANAGEMENT, GENERAL/OTHER GENESIS MEDICAL CENTER - SILVIS, A NOT-FOR-PROFIT ORGANIZATION, IS LICENSED AS A 149-BED ACUTE CARE HOSPITAL AND PROVIDES RELATED HEALTHCARE INPATIENT, EMERGENCY, AND OUTPATIENT ANCILLARY SERVICES (13,188 PATIENT DAYS, 112,943 OUTPATIENT VISITS)

4b (Code) (Expenses $ 8,312,746 including grants of $) (Revenue $ 9,816,932)

ILLINI HOSPITAL NURSING HOME HEALTH CARE FOR A 83-BED LICENSED NURSING FACILITY AND REHABILITATIVE AND PERSONAL CARE FOR A 37-BED FACILITY (38,164 PATIENT DAYS) WITH ASSISTED LIVING SERVICES CONSISTING OF 76 APARTMENTS AND 2 GUESTROOMS FOR THE ELDERLY (481 RESIDENT MONTHS)

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 ▶ 63,370,983

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	0		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	888		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)		2b	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O*		3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O		13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*		14b		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a**	18		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	8		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**			No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**			No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**			No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

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

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶ IL

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

▶ MARK G ROGERS 1227 EAST RUSHOLME STREET
DAVENPORT,IA 52803 (563)421-6508

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

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

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								140,910	5,768,374	969,388

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 ▶ 28

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
EMERGENCY CARE AND HEALTH ORGANIZATION 1S443 SUMMIT AVE SUITE 302 OAKBROOK TERRACE IL 60181	24/HR ER PHYSICIAN SERVICES FOR GMC-SILV	2,800,000
CARDIOVASCULAR MEDICINE PC 1236 EAST RUSHOLME ST SUITE 305 DAVENPORT IA 52803	CARDIOLOGY PROGRAM PHYSICIAN MEDICAL SER	276,276
MEDICA EMS 1204 EAST HIGH ST DAVENPORT IA 52803	AMBULANCE DISPATCH SERVICES	237,421
SUNG SOO KANG MDSC 801 ILLINI DRIVE SILVIS IL 61282	PHYSICIAN MEDICAL SERVICES	193,200
ORTHOPAEDIC & RHEUMATOLOGY ASSOCIATES PC 520 VALLEY VIEW DRIVE MOLINE IL 61265	PHYSICIAN MEDICAL SERVICES - TRAUMA	115,496

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 ▶ 5

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations . . .	1d				
	e	Government grants (contributions)	1e	566,266			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	8,692			
	g	Noncash contributions included in lines 1a-1f $		8,692			
	h	**Total.** Add lines 1a-1f . . . . . ▶		574,958			
Program Service Revenue			Business Code				
	2a	PROFESSIONAL SERVICES	900099	166,521,107	166,521,107		
	b	I/P ANCILLARY SERVICES	621500	26,158,110	25,868,225	289,885	
	c	NURSING SERVICES	900099	22,707,265	22,707,265		
	d	RESIDENT REVENUE	623000	867,242	867,242		
	e	RENTAL INCOME (HEALTHCARE RELATED	900099	628,721	628,721		
	f	All other program service revenue		-136,105,435	-136,105,435		
	g	**Total.** Add lines 2a–2f . . . . . ▶		80,777,010			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		314,356			314,356
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real	(ii) Personal			
	6a	Gross rents					
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss) . . . . . ▶					
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		1,005			
	b	Less cost or other basis and sales expenses		5,938			
	c	Gain or (loss)		-4,933			
	d	Net gain or (loss) . . . . . ▶		-4,933			-4,933
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . .	a				
	b	Less direct expenses . . .	b				
	c	Net income or (loss) from fundraising events . . ▶					
	9a	Gross income from gaming activities See Part IV, line 19 . . .	a				
	b	Less direct expenses . . .	b				
	c	Net income or (loss) from gaming activities . . ▶					
	10a	Gross sales of inventory, less returns and allowances .	a	142,580			
	b	Less cost of goods sold . .	b	99,167			
	c	Net income or (loss) from sales of inventory . . ▶		43,413			43,413
		Miscellaneous Revenue	Business Code				
	11a	AMBULANCE	621910	1,108,370	1,108,370		
	b	OTHER SERVICES	900099	728,188	728,188		
	c	EDUCATION	624100	50,074	50,074		
	d	All other revenue		-1,180,092	-1,180,092		
	e	**Total.** Add lines 11a–11d . . . . . ▶		706,540			
	12	**Total revenue.** See Instructions . . . . . ▶		82,411,344	81,193,665	289,885	352,836

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21	155,966	155,966		
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	165,549		165,549	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	27,915,999	27,426,771	489,228	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	696,225	683,806	12,419	
9 Other employee benefits	3,336,171	3,276,100	60,071	
10 Payroll taxes	2,053,913	2,010,186	43,727	
11 Fees for services (non-employees)				
a Management	5,065,007	4,812,261	252,746	
b Legal				
c Accounting				
d Lobbying	37,078		37,078	
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	2,325,607	2,077,491	248,116	
12 Advertising and promotion	23,801	23,551	250	
13 Office expenses	8,895,178	8,772,682	122,496	
14 Information technology	4,475,167	90,555	4,384,612	
15 Royalties . .				
16 Occupancy	4,220,642	4,165,684	54,958	
17 Travel	407,448	399,386	8,062	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	50,830	45,495	5,335	
20 Interest	66	66		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	4,394,042	4,394,042		
23 Insurance	1,218,758	206,749	1,012,009	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a CORPORATE OVERHEAD ALLO	8,813,243		8,813,243	
b PATIENT CHARGEABLE SUPP	4,730,725	4,730,725		
c MISCELLANEOUS EXPENSE	3,758,236	99,467	3,658,769	
d				
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	82,739,651	63,370,983	19,368,668	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ 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) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		4,535	1	4,225
	2	Savings and temporary cash investments		17,782,302	2	14,520,187
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		18,508,776	4	14,519,147
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		2,189,345	8	2,185,370
	9	Prepaid expenses and deferred charges		534,037	9	449,978
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 114,741,337			
	b	Less accumulated depreciation	10b 71,760,101	41,052,306	10c	42,981,236
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11		1,908,909	12	7,294,575
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		2,751,554	15	1,106,395
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		84,731,764	16	83,061,113
Liabilities	17	Accounts payable and accrued expenses		9,669,751	17	8,109,694
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		7,070,000	23	6,375,000
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		2,713,455	25	3,584,401
	26	**Total liabilities.** Add lines 17 through 25		19,453,206	26	18,069,095
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		65,017,141	27	64,709,283
	28	Temporarily restricted net assets		261,417	28	282,735
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		65,278,558	33	64,992,018
	34	Total liabilities and net assets/fund balances		84,731,764	34	83,061,113

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	82,411,344
2	Total expenses (must equal Part IX, column (A), line 25)	2	82,739,651
3	Revenue less expenses Subtract line 2 from line 1	3	-328,307
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	65,278,558
5	Net unrealized gains (losses) on investments	5	29,141
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	12,626
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	64,992,018

Part XII Financial Statements and Reporting

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

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
	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 ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b		No
	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 ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
c	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?	2c		
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
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	3b		

Additional Data

Software ID:
Software Version:
EIN: 36-3616314
Name: GENESIS HEALTH SYSTEM

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			
STEVEN C BAHLS DIRECTOR	4 00	X						0	0	0
MARK D BAWDEN CHAIRPERSON	10 00	X		X				0	0	0
GREGORY J BUSH TREASURER	4 00	X		X				0	0	0
CHRISTOPHER J COX DIRECTOR	4 00	X						0	0	0
EDMUND P COYNE JR MD DIRECTOR	4 00	X						0	0	0
DOUGLAS P CROPPER PRESIDENT/CEO GHS	44 00	X		X				0	969,272	149,873
THOMAS A GILDEHAUS FORMER DIRECTOR	4 00	X						0	0	0
ROGER J HILL SECRETARY	4 00	X		X				0	0	0
MARK C KILMER DIRECTOR	4 00	X						0	0	0
JAMES W KOEHLER DIRECTOR	4 00	X						0	0	0
GEORGE J KONTOS JR MD DIRECTOR	40 00	X						0	530,019	29,764
DAVID C LARSON DIRECTOR	4 00	X						0	0	0
CHARLENE E MAASKE DIRECTOR	4 00	X						0	0	0
EDWIN V MOTTO MD DIRECTOR	10 00	X						0	0	0
EDWARD J ROGALSKI PHD DIRECTOR	10 00	X						0	0	0
G CHRISTOPHER WAHLIG VICE CHAIRPERSON	8 00	X		X				0	0	0
C DANA WATERMAN III DIRECTOR	4 00	X						0	0	0
CAROL A WATSON PHD RN CENP FAAN DIRECTOR	4 00	X						0	0	0
DALE D ZUDE DIRECTOR	4 00	X						0	0	0
MARK G ROGERS V P FINANCE/CFO GHS/ASST TREASURER	40 00			X				0	516,595	76,548
JACQUELINE K ANHALT V P PATIENT SERVICES	40 00				X			0	212,125	78,177
WAYNE A DIEWALD CHIEF OPERATING OFFICER	40 00				X			0	522,062	155,674
ROBERT W FRIEDEN V P INFORMATION SERVICES	40 00				X			0	402,514	30,291
JOSEPH L LOHMULLER MD CHIEF MEDICAL OFFICER	40 00				X			0	289,026	93,236
FLORENCE L SPYROW SENIOR VICE PRESIDENT	40 00				X			140,910	530,092	61,440

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			
KEVIN L YOUMANS V P OUTPATIENT SERVICES	40 00				X			0	158,647	45,612
KENNETH R CROKEN V P CORPORATE COMMUNICATI	40 00					X		0	363,136	59,441
HEIDI S KAHLY-MCMAHON V P HUMAN RESOURCES	40 00					X		0	357,277	49,300
JAMES A LEHMAN MD V P QUALITY	40 00					X		0	335,162	51,071
JUDITH A MONDELLO V P LEGAL AFFAIRS	40 00					X		0	203,706	27,249
MIKE L SHARP V P SUPPORT SERVICES	40 00					X		0	251,653	61,712
ROBERT M NELSON MD FORMER V P CLINICAL SERVICES	40 00						X	0	127,088	0

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
GENESIS HEALTH SYSTEM

Employer identification number
36-3616314

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?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	**11g(i)**	
(ii) A family member of a person described in (i) above?	**11g(ii)**	
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	**11g(iii)**	

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**	
Total									

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

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (see instructions) **12**

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** . . . . . ▶☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2012 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2013.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2012.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2013.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶☐

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

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

19a **33 1/3% support tests—2013.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶☐

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

Facts And Circumstances Test		
Return Reference	Explanation	

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
GENESIS HEALTH SYSTEM	36-3616314

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

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

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

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

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

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

	For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?	Yes		0
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		2,000
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		3,009
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		35,022
j	Total Add lines 1c through 1i			40,031
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Return Reference	Explanation
PART II-B, LINE 1	PART II-B, LINE 1B, PAID STAFF OR MANAGEMENT GENESIS HEALTH SYSTEM (GHS ILLINOIS) HAD TWO STAFF MEMBERS INVOLVED IN LOBBYING ACTIVITIES ON A PART TIME BASIS THEIR LOBBYING ACTIVITIES WERE FOCUSED ON SENDING LETTERS OR PUBLICATIONS TO GOVERNMENT OFFICIALS OR LEGISLATORS AND MEETING WITH OR CALLING GOVERNMENT OFFICIALS OR LEGISLATORS ON HEALTHCARE RELATED MATTERS PART II-B, LINE 1D, MAILINGS TO MEMBERS, LEGISLATORS, OR THE PUBLIC EMPLOYEES OF GENESIS HEALTH SYSTEM (GHS ILLINOIS) ARE ENCOURAGED TO PARTICIPATE IN THE ILLINOIS HOSPITAL ASSOCIATION'S "IHA ACTION ALERTS " THE EMPLOYEES PARTICIPATE BY RESPONDING TO E-MAIL ALERTS WHICH ALLOWS THEM TO VOICE THEIR OPINIONS TO THEIR STATE REPRESENTATIVES ON HEALTHCARE RELATED MATTERS (NOT CANDIDATE-SPECIFIC) THERE IS NO DIRECT COST TO GHS ILLINOIS REGARDING THIS ACTIVITY PART II-B, LINE 1F, GRANTS TO OTHER ORGANIZATIONS FOR LOBBYING PURPOSES GENESIS HEALTH SYSTEM (GHS ILLINOIS) CONTRIBUTED TO ONE ORGANIZATION 1) QUAD CITIES CHAMBER - ILLINOIS LEGISLATIVE FORUM, 2014, $2,000 PART II-B, LINE 1G, DIRECT CONTACT WITH LEGISLATORS, THEIR STAFFS, GOVERNMENT OFFICIALS, OR A LEGISLATIVE BODY GENESIS HEALTH SYSTEM (GHS ILLINOIS) HAD TWO STAFF MEMBERS INVOLVED IN LOBBYING ACTIVITIES ON A PART TIME BASIS THEIR LOBBYING ACTIVITIES WERE FOCUSED ON SENDING LETTERS OR PUBLICATIONS TO GOVERNMENT OFFICIALS OR LEGISLATORS AND MEETING WITH OR CALLING GOVERNMENT OFFICIALS OR LEGISLATORS ON HEALTHCARE RELATED MATTERS THE DIRECT COSTS INCLUDED SALARIES - $2,953, AND MILEAGE/TRAVEL EXPENSES - $57 PART II-B, LINE 1I, OTHER LOBBYING ACTIVITIES LOBBYING EXPENDITURES RELATED TO MEMBERSHIP DUES INCLUDED 39% OF MEMBERSHIP DUES TO THE ILLINOIS HOSPITAL ASSOCIATION, OR $29,124, 24% OF MEMBERSHIP DUES TO THE AMERICAN HOSPITAL ASSOCIATION, OR $5,821, AND 7% OF MEMBERSHIP DUES TO THE AMERICAN ACADEMY OF SLEEP MEDICINE, OR $77

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
GENESIS HEALTH SYSTEM

Employer identification number
36-3616314

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

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

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

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

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

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

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

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

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

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

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

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

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

(ii) Assets included in Form 990, Part X ▶ $ _____

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

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

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
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

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

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

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

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	7,838,024	7,633,243	5,519,844	5,040,857	5,010,740
b	Contributions	374,838	2,101	2,014,051	16,614	28,352
c	Net investment earnings, gains, and losses	910,619	561,816	99,448	465,988	297,861
d	Grants or scholarships		359,136			296,096
e	Other expenditures for facilities and programs					
f	Administrative expenses			100	3,616	
g	End of year balance	9,123,481	7,838,024	7,633,243	5,519,844	5,040,857

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

- a Board designated or quasi-endowment ▶ 55 600 %
- b Permanent endowment ▶ 44 400 %
- c Temporarily restricted endowment ▶ 0 %

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
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)	Yes	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	Yes	

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		2,374,122		2,374,122
b Buildings		57,078,678	34,233,851	22,844,827
c Leasehold improvements		16,771	10,946	5,825
d Equipment		45,000,085	35,854,805	9,145,280
e Other		10,271,681	1,660,499	8,611,182
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				42,981,236

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		
(3) Other		
(A) INVESTMENT IN LARSON CENTER PARTNERSHIP	1,812,517	F
(B) OTHER INVESTMENTS	32,058	F
(C) NOTE RECEIVABLE	437,947	F
(D) LT NOTE RECEIVABLE	5,012,053	F
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	7,294,575	

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
Total. *(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
Total. *(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	
THIRD PARTY PAYOR SETTLEMENTS	3,584,401
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	3,584,401

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.

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

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

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

Part XIII Supplemental Information

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

Return Reference	Explanation
PART V, LINE 4	GENESIS HEALTH SERVICES FOUNDATION, A RELATED ORGANIZATION, HOLDS THE ENDOWMENT FUNDS THE INTENDED USE OF THE FOUNDATION'S ENDOWMENT FUNDS ARE AS FOLLOWS SCHOLARSHIPS FOR EDUCATION IN THE MEDICAL FIELD, CHARITY CARE FOR THE INDIGENT AND VISITING NURSE, HOSPICE HOUSE, DIABETIC CARE, EMPLOYEE ASSISTANCE, AND PEDIATRIC HOSPICE SERVICES
PART X, LINE 2	GENESIS HEALTH SYSTEM (GHS IOWA), GENESIS HEALTH SYSTEM (GHS ILLINOIS), GENESIS SENIOR LIVING, ALEDO (GSL, ALEDO), GENESIS MEDICAL CENTER, ALEDO (GMC, ALEDO), GENESIS HEALTH SERVICES FOUNDATION (GENESIS FOUNDATION), GENESIS PHILANTHROPY (PHILANTHROPY) AND GENESIS HEALTH SYSTEM WORKERS' COMPENSATION PLAN AND TRUST (WORKERS' COMPENSATION TRUST) ALL FILE A FORM 990 (RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX) ANNUALLY WHEN THESE RETURNS ARE FILED, IT IS HIGHLY CERTAIN THAT SOME POSITIONS TAKEN WOULD BE SUSTAINED UPON EXAMINATION BY THE TAXING AUTHORITIES, WHILE OTHERS ARE SUBJECT TO UNCERTAINTY ABOUT THE MERITS OF THE POSITION TAKEN OR THE AMOUNT OF THE POSITION THAT WOULD ULTIMATELY BE SUSTAINED EXAMPLES OF TAX POSITIONS COMMON TO HEALTH SYSTEMS INCLUDE SUCH MATTERS AS THE FOLLOWING THE TAX EXEMPT STATUS OF EACH ENTITY, THE NATURE, CHARACTERIZATION AND TAXABILITY OF JOINT VENTURE INCOME AND VARIOUS POSITIONS RELATIVE TO POTENTIAL SOURCES OF UNRELATED BUSINESS TAXABLE INCOME UNRELATED BUSINESS TAXABLE INCOME IS REPORTED ON FORM 990T, AS APPROPRIATE THE BENEFIT OF A TAX POSITION IS RECOGNIZED IN THE CONSOLIDATED FINANCIAL STATEMENTS IN THE PERIOD DURING WHICH, BASED ON ALL AVAILABLE EVIDENCE, MANAGEMENT BELIEVES THAT IT IS MORE LIKELY THAN NOT THAT THE POSITION WILL BE SUSTAINED UPON EXAMINATION, INCLUDING THE RESOLUTION OF APPEALS OR LITIGATION PROCESSES, IF ANY TAX POSITIONS ARE NOT OFFSET OR AGGREGATED WITH OTHER POSITIONS TAX POSITIONS THAT MEET THE "MORE LIKELY THAN NOT" RECOGNITION THRESHOLD ARE MEASURED AS THE LARGEST AMOUNT OF TAX BENEFIT THAT IS MORE THAN 50% LIKELY TO BE REALIZED ON SETTLEMENT WITH THE APPLICABLE TAXING AUTHORITY THE PORTION OF THE BENEFITS ASSOCIATED WITH TAX POSITIONS TAKEN THAT EXCEEDS THE AMOUNT MEASURED AS DESCRIBED ABOVE IS REFLECTED AS A LIABILITY FOR UNCERTAIN TAX BENEFITS IN THE ACCOMPANYING CONSOLIDATED BALANCE SHEETS ALONG WITH ANY ASSOCIATED INTEREST AND PENALTIES THAT WOULD BE PAYABLE TO THE TAXING AUTHORITIES UPON EXAMINATION FORMS 990 AND 990T FILED BY GHS IOWA, GHS ILLINOIS, GSL, ALEDO, GMC, ALEDO, GENESIS FOUNDATION, PHILANTHROPY AND WORKERS' COMPENSATION TRUST ARE SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE (IRS) UP TO THREE YEARS FROM THE EXTENDED DUE DATE OF EACH RETURN FORMS 990 AND 990T FILED BY GHS IOWA, GHS ILLINOIS, GENESIS FOUNDATION AND WORKERS' COMPENSATION TRUST ARE NO LONGER SUBJECT TO EXAMINATION FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND PRIOR GENVENTURES, INC (GENVENTURES) IS A TAXABLE ORGANIZATION AND CURRENTLY FILES INCOME TAX RETURNS IN THE U S FEDERAL JURISDICTION AND VARIOUS STATE JURISDICTIONS GENVENTURES IS NO LONGER SUBJECT TO INCOME TAX EXAMINATIONS FOR YEARS JUNE 30, 2010 AND PRIOR THERE WERE NO UNCERTAIN TAX POSITIONS AS OF JUNE 30, 2014 AND 2013

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493134061105

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
GENESIS HEALTH SYSTEM

Employer identification number
36-3616314

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			2,351,817		2,351,817	2 840 %
b Medicaid (from Worksheet 3, column a)			16,702,335	14,998,690	1,703,645	2 060 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			19,054,152	14,998,690	4,055,462	4 900 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			12,180		12,180	0 010 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			449,954	374,776	75,178	0 090 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			37,290		37,290	0 050 %
j **Total.** Other Benefits			499,424	374,776	124,648	0 150 %
k **Total.** Add lines 7d and 7j			19,553,576	15,373,466	4,180,110	5 050 %

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development			3,060		3,060	0 %
9 Other						
10 **Total**			3,060		3,060	

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes		
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	7,377,444		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3	0		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	27,281,684
6	Enter Medicare allowable costs of care relating to payments on line 5	6	27,312,205
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-30,521
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☐ Cost to charge ratio ☑ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	Yes		
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes		

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1	1 LARSON CENTER PARTNERSHIP	PROPERTY MANAGEMENT	75 600 %	0 %	22 730 %
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

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

	Name, address, primary website address, and state license number	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
	See Additional Data Table										

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group GENESIS MEDICAL CENTER - SILVIS

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 1

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

Part V Facility Information *(continued)*

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

Part V Facility Information *(continued)*

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

- **a** ☑ Notified individuals of the financial assistance policy on admission
- **b** ☑ Notified individuals of the financial assistance policy prior to discharge
- **c** ☑ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- **d** ☑ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

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

Form and Line Reference	Explanation
See Additional Data Table	

Part V Facility Information *(continued)*

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

How many non-hospital health care facilities did the organization operate during the tax year? **8**

	Name and address	Type of Facility (describe)
1	ILLINI LARSON CENTER 855 ILLINI DRIVE SILVIS,IL 61282	I/P PHARMACY & O/P LAB
2	ILLINI RESTORATIVE CARE 1455 ILLINI DRIVE SILVIS,IL 61282	L-T INTERMEDIATE, NSG, & SHELTERED CARE
3	ILLINI AMBULANCE SERVICE 730 AVENUE OF THE CITIES EAST MOLINE,IL 61244	AMBULANCE SERVICES
4	GENESIS SENIOR LIVING ALEDO 409 NW NINTH AVENUE ALEDO,IL 61231	LONG-TERM CARE FACILITY
5	ILLINI - BUILDING #3 1414 10TH STREET SILVIS,IL 61282	OUTPATIENT DIAGNOSTIC CLINIC
6	PHYSICAL THERAPY CLINIC MOLINE 3900 28TH AVENUE MOLINE,IL 61265	OUTPATIENT PHYSICAL THERAPY CLINIC
7	CROSSTOWN SQUARE 900 CROSSTOWN SQUARE SILVIS,IL 61282	INDEPENDENT LIVING FACILITY
8	ILLINI - BUILDING #4 - WOUND CENTER 1314 10TH STREET SILVIS,IL 61282	OUTPATIENT WOUND CLINIC
9		
10		

Part VI Supplemental Information

Provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Form and Line Reference	Explanation
PART I, LINE 3C	NOT APPLICABLE

Form and Line Reference	Explanation
PART I, LINE 6A	NOT APPLICABLE

Form and Line Reference	Explanation
PART I, LINE 7	GENESIS HEALTH SYSTEM (GHS ILLINOIS) UTILIZED WORKSHEET 2 TO CALCULATE ITS COST-TO-CHARGE RATIO THE CALCULATED COST-TO-CHARGE RATIO WAS USED TO CALCULATE THE COST OF CHARITY CARE AND UNREIMBURSED MEDICAID COSTS OF THE "OTHER BENEFITS" REPORTED IN 7E -7I WERE COMPILED THROUGHOUT THE YEAR IN THE COMMUNITY BENEFIT DATABASE (I E , CBISA) THAT GHS ILLINOIS UTILIZES

Form and Line Reference	Explanation
PART I, LINE 7G	NO COSTS ASSOCIATED WITH A PHYSICIAN CLINIC WERE REPORTED IN SUBSIDIZED HEALTH SERVICES

Form and Line Reference	Explanation
PART I, LN 7 COL(F)	NO BAD DEBT EXPENSE WAS INCLUDED IN THE DENOMINATOR BECAUSE BAD DEBT WAS REPORTED IN LINE 2F OF PART VIII, STATEMENT OF REVENUE THE ORGANIZATION'S TOTAL COMMUNITY BENEFIT EXPENSE AS A PERCENTAGE OF TOTAL EXPENSES IS 23 63%, AND THE PERCENTAGE INCREASES TO 56 64% IF MEDICARE COST REPORT ALLOWABLE COSTS ARE INCLUDED IN TOTAL COMMUNITY BENEFIT EXPENSE

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	WORKFORCE DEVELOPMENT (F8) GHS ILLINOIS AND UNITED TOWNSHIP HIGH SCHOOL CO-OPERATE A PROGRAM THAT TEACHES LIFE AND JOB SKILLS TO THE MENTALLY DISABLED

Form and Line Reference	Explanation
PART III, LINE 2	IN ACCORDANCE WITH HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION STATEMENT NO 15, BAD DEBT IS REPORTED AT THE FULL-ESTABLISHED CHARGE FROM THE MOST RECENT AUDITED FINANCIAL REPORT PAYMENTS RECEIVED AFTER AN ACCOUNT HAD BEEN WRITTEN OFF TO BAD DEBT WERE CREDITED TO A BAD DEBT RECOVERY ACCOUNT DISCOUNTS ON PATIENT ACCOUNTS PROVIDED BY THIRD-PARTY PAYERS WERE WRITTEN OFF TO A CONTRACTUAL ALLOWANCE ACCOUNT

Form and Line Reference	Explanation
PART III, LINE 3	GENESIS HEALTH SYSTEM (GHS ILLINOIS) USES AVADYNE HEALTH TO PROCESS AGING PATIENT ACCOUNTS AVADYNE HEALTH'S COLLECTION PROCESS UTILIZES PUBLICLY AVAILABLE INFORMATION TO ENSURE ALL AGING PATIENT ACCOUNTS RECEIVE FINANCIAL ASSISTANCE IN ACCORDANCE TO GHS ILLINOIS POLICY BEFORE BEING DEEMED BAD DEBT GHS ILLINOIS REPORTED ZERO DOLLARS FOR THE ESTIMATED AMOUNT OF THE ORGANIZATION'S BAD DEBT ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY

Form and Line Reference	Explanation
PART III, LINE 4	PATIENT RECEIVABLES DUE DIRECTLY FROM THE PATIENTS ARE CARRIED AT THE ORIGINAL CHARGE FOR THE SERVICE PROVIDED LESS AMOUNTS COVERED BY THIRD-PARTY PAYORS AND LESS AN ESTIMATED ALLOWANCE FOR DOUBTFUL RECEIVABLES BASED ON A REVIEW OF ALL OUTSTANDING AMOUNTS ON A MONTHLY BASIS RECEIVABLES DUE FROM MEDICAL OFFICE BUILDING TENANTS AND FROM COMMERCIAL LAUNDRY CUSTOMERS ARE CARRIED AT THE ORIGINAL INVOICE AMOUNT LESS AN ESTIMATE MADE FOR DOUBTFUL ACCOUNTS MANAGEMENT DETERMINES THE ALLOWANCE FOR DOUBTFUL ACCOUNTS BY IDENTIFYING TROUBLED ACCOUNTS, BY HISTORICAL EXPERIENCE APPLIED TO AN AGING OF ACCOUNTS, AND BY CONSIDERING THE PATIENT'S FINANCIAL HISTORY, CREDIT HISTORY AND CURRENT ECONOMIC CONDITIONS GENESIS HEALTH SYSTEM (GHS ILLINOIS) DOES NOT CHARGE INTEREST ON PATIENT RECEIVABLES RECEIVABLES ARE WRITTEN OFF AS BAD DEBTS WHEN DEEMED UNCOLLECTIBLE RECOVERIES OF RECEIVABLES PREVIOUSLY WRITTEN OFF ARE RECORDED AS A REDUCTION OF BAD DEBT EXPENSE WHEN RECEIVED

Form and Line Reference	Explanation
PART III, LINE 8	THE MEDICARE COST REPORT WAS USED TO DETERMINE THE AMOUNT REPORTED IN PART III, LINES 5, 6, AND 7 FOR THE HOSPITAL NO MEDICARE SHORTFALLS WERE INCLUDED IN COMMUNITY BENEFIT THE MEDICARE COST REPORT SHORTFALL REPRESENTS THE DIFFERENCE BETWEEN THE TOTAL REVENUE RECEIVED FROM MEDICARE BASED ON MEDICARE COST REPORT REIMBURSEMENT RATES AND THE COSTS INCURRED BY GHS ILLINOIS IN PROVIDING HEALTHCARE SERVICES TO THE ELDERLY THE TOTAL MEDICARE SHORTFALL, WHICH INCLUDES FEE SCREEN SERVICES, WAS $30,521 IN 2010, THE PERCENT OF PERSONS 65 YEARS AND OVER IN ROCK ISLAND AND SCOTT COUNTIES WAS 18 6% IN ACCORDANCE WITH GHS ILLINOIS' MISSION STATEMENT, "TO PROVIDE COMPASSIONATE, QUALITY HEALTH SERVICES TO ALL THOSE IN NEED," THE ELDERLY WERE SERVED DESPITE THE TOTAL MEDICARE LOSS OF $30,521 GHS ILLINOIS HAS A CLEAR MISSION TO SERVE ALL THOSE IN NEED AND TO IMPROVE THE HEALTH OF THE COMMUNITY INCLUDING THE ELDERLY FURTHERMORE, THERE ARE NO FOR-PROFIT HOSPITALS IN THE COMMUNITY, AND THEREFORE GHS ILLINOIS IS ONE OF TWO TAX-EXEMPT HEALTHCARE ORGANIZATIONS IN THE COMMUNITY WHO PROVIDE ACCESS TO HEALTHCARE FOR MEDICARE PATIENTS ACCORDINGLY, IT IS GHS ILLINOIS' POSITION FOR THE REASONS STATED ABOVE THAT THE TOTAL MEDICARE SHORTFALL OF $30,521 REPRESENTS A COMMUNITY BENEFIT PURSUANT TO THE INSTRUCTIONS TO THE FORM 990, SCHEDULE H, THE MEDICARE SHORTFALL IS NOT INCLUDED IN PART I, LINE 7 IF THE TOTAL MEDICARE SHORTFALL WAS INCLUDED IN PART I, LINE 7, THEN PART I, LINE 7K, COLUMN F WOULD BE 5 09%

Form and Line Reference	Explanation
PART III, LINE 9B	EVERY EFFORT IS MADE TO DETERMINE A PATIENT'S ELIGIBILITY FOR FINANCIAL ASSISTANCE IF ELIGIBLE, PAYMENT PLANS ARE MADE AVAILABLE BASED ON THEIR RESOURCES AND INCOME ALL BALANCES OWING AFTER FINANCIAL ASSISTANCE ALLOWANCES HAVE BEEN TAKEN ARE PAYABLE IN MONTHLY PAYMENTS IN ACCORDANCE WITH THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY

Form and Line Reference	Explanation
PART VI, LINE 2	GENESIS HEALTH SYSTEM (GHS ILLINOIS) UTILIZES THE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) CONDUCTED BY PROFESSIONAL RESEARCH CONSULTANTS, INC (PRC) IN 2012 THE CHNA WAS FUNDED BY GHS ILLINOIS AND TRINITY REGIONAL HEALTH SYSTEM AND SPONSORED BY COMMUNITY HEALTH CARE, GHS ILLINOIS, QUAD CITY HEALTH INITIATIVE (QCHI), ROCK ISLAND COUNTY HEALTH DEPARTMENT, SCOTT COUNTY HEALTH DEPARTMENT, AND TRINITY REGIONAL HEALTH SYSTEM QCHI WAS FORMED BY GENESIS HEALTH SYSTEM (GHS IOWA) AND GHS ILLINOIS, WHICH HAS HEADQUARTERS IN BOTH SCOTT COUNTY, IOWA, AND ROCK ISLAND COUNTY, ILLINOIS, AND TRINITY HEALTH SYSTEM, WHICH IS HEADQUARTERED IN ROCK ISLAND COUNTY, ILLINOIS QCHI IS NOW A COMMUNITY PARTNERSHIP OF OVER 100 ORGANIZATIONS CONSISTING OF 500 ACTIVE INDIVIDUALS PURSUING INITIATIVES TO CREATE A HEALTHIER COMMUNITY, SERVING AS A CATALYST FOR IMPROVING THE HEALTH AND OVERALL QUALITY OF LIFE WITHIN THE QUAD CITIES

Form and Line Reference	Explanation
PART VI, LINE 3	INFORMATION ON THE AVAILABILITY OF FINANCIAL ASSISTANCE IS POSTED IN VISIBLE LOCATIONS IN THE ADMISSION DEPARTMENTS OF THE HOSPITALS IN ADDITION, THE HOSPITAL REGISTRATION STAFF MAKE AVAILABLE INFORMATIVE BROCHURES FOR PATIENTS IN THE EMERGENCY ROOM REGISTRATION AREA EXPLAINING THEIR ELIGIBILITY FOR ASSISTANCE GENESIS HEALTH SYSTEM (GHS ILLINOIS) PROVIDES PATIENT FINANCIAL COUNSELORS ON EACH HOSPITAL CAMPUS TO DISCUSS OPTIONS WITH THE PATIENTS SHARED BUSINESS SERVICES PREPARES AND PROVIDES A LETTER TO EACH PATIENT, EXPLAINING THEIR CURRENT BALANCE AND ADVISING THEM OF THEIR OPTIONS A PHONE NUMBER IS PROVIDED WITH THE LETTER ENCOURAGING THE PATIENT TO CALL IF NEEDED

Form and Line Reference	Explanation
PART VI, LINE 4	GENESIS HEALTH SYSTEM'S (GHS ILLINOIS) MISSION IS TO PROVIDE QUALITY, COMPASSIONATE CARE FOR ALL THOSE IN NEED GHS ILLINOIS LIVES ITS MISSION EACH DAY BY SERVING A 10-COUNTY REGION OF EASTERN IOWA AND WESTERN ILLINOIS, INCLUDING BOTH URBAN AND RURAL AREAS THE REGION SERVED BY GHS ILLINOIS (DAVENPORT-MOLINE-ROCK ISLAND, IA - IL METROPOLITIAN STATISTICAL AREA - HENRY COUNTY, IL , MERCER COUNTY, IL, ROCK ISLAND, IL , AND SCOTT COUNTY, IA) HAS A POPULATION OF 379,690 ACCORDING TO THE 2010 CENSUS, WHITES MADE UP 88 4% OF THE MSA POPULATION WITH 8 3% BLACK OR AFRICAN-AMERICAN AND 7 6% HISPANIC OR LATINO ORIGIN MEDIAN AGE OF THE POPULATION OF THE REGION IS 40 6 YEARS MORE THAN 30% OF THE POPULATION OF THE REGION IS GREATER THAN 50 YEARS OLD, WHICH WILL CREATE A CONTINUED AND EXPANDED NEED FOR HEALTH CARE SERVICES IN THE NEXT 20 YEARS THE PERCENT OF PERSONS 65 YEARS AND OVER WAS 18 6% IN ROCK ISLAND AND SCOTT COUNTIES ACCORDING TO ESTIMATES FROM THE AMERICAN COMMUNITY SURVEY (ACS), 11 9% OF QUAD CITIES AREA RESIDENTS (SCOTT AND ROCK ISLAND COUNTIES) LIVE BELOW THE FEDERAL POVERTY IN 2012, 2 0% OF QUAD CITIES AREA ADULTS REPORTED THAT THERE WAS A TIME IN THE PAST TWO YEARS WHEN THEY WERE LIVING ON THE STREET, IN A CAR, OR IN A TEMPORARY SHELTER THE AVERAGE UNEMPLOYMENT RATE IN 2009 WAS 9 2% FOR ROCK ISLAND COUNTY, ILLINOIS AND 6 6% IN SCOTT COUNTY, IOWA LACK OF HEALTH INSURANCE IS REPORTED BY 12% OF SCOTT COUNTY, IA RESIDENTS AND 13% OF ROCK ISLAND COUNTY, IL RESIDENTS THE QUAD CITIES AREA PERCENTAGE OF ADULTS WHO CURRENTLY SMOKED IN 2012 WAS 19 4% THE PERCENTAGE OF ADULTS WHO WERE OBESE IN 2012 WAS 33 4% IN ROCK ISLAND COUNTY, ILLINOIS AND 33 6% IN SCOTT COUNTY, IOWA OBESITY RATES IN BOTH SCOTT COUNTY, IA AND ROCK ISLAND COUNTY, IL ARE HIGHER THAN NATIONAL BENCHMARKS

Form and Line Reference	Explanation
PART VI, LINE 5	GENESIS HEALTH SYSTEM'S BOARD OF DIRECTORS IS A DIVERSE REPRESENTATION OF PERSONS WHO RESIDE IN THE PRIMARY SERVICE AREA THAT GENESIS HEALTH SYSTEM SERVES GENESIS HEALTH SYSTEM EXECUTIVES AND EMPLOYEES SERVE ON DOZENS OF VOLUNTEER BOARDS THROUGHOUT THE REGION ON IMPORTANT PROJECTS AND INITIATIVES, SUCH AS HOMELESS SHELTERS, MENTAL HEALTH, DOWNTOWN REDEVELOPMENT AND EVENTS AND FESTIVALS GENESIS HEALTH SYSTEM EMPLOYEES SERVE THE COMMUNITIES WHERE THEY LIVE BY SERVING IN ELECTED OFFICES IN CITY AND COUNTY GOVERNMENT GENESIS HEALTH SYSTEM EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN ITS COMMUNITIES GENESIS HEALTH SYSTEM HAS ENDEAVORED TO IMPROVE ACCESS TO HEALTH CARE FOR THE COMMUNITIES IT SERVES BY PARTICIPATING IN APPROPRIATE JOINT VENTURES THAT OFFER NEEDED HEALTH CARE SERVICES TO UNDER-SERVED AREAS GENESIS HEALTH SYSTEM SCHEDULES DOZENS OF HEALTH SCREENINGS AND IMMUNIZATIONS THROUGHOUT THE YEAR AT A REDUCED COST THESE INCLUDE SCREENINGS FOR DIABETES, STROKE AND HEART DISEASE AND PUBLIC FLU IMMUNIZATION CLINICS GENESIS HEALTH SYSTEM EMPLOYEES MAKE MEDICAL MISSION TRIPS EACH YEAR TO AREAS OF NEED ALL OVER THE WORLD GENESIS HEALTH SYSTEM EMPLOYEES, HAVE PROVIDED RELIEF TO HAITI AFTER THE EARTHQUAKE AND DURING THE CHOLERA OUTBREAK AND TO TRADITIONALLY IMPOVERISHED COUNTRIES, INCLUDING PERU, ECUADOR, THE DOMINICAN REPUBLIC, HAITI AND TO AFRICAN NATIONS GENESIS HEALTH SYSTEM EMPLOYEES SUPPORT COMMUNITY OUTREACH PROGRAMS THROUGH A PROGRAM CALLED "TAKIN IT TO THE STREETS" PROJECTS HAVE INCLUDED PRIMARY SPONSORSHIP OF A HABITAT FOR HUMANITY HOUSE (292 VOLUNTEERS), COLLECTION OF ITEMS FOR DOMESTIC VIOLENCE SHELTERS AND HUMILITY OF MARY HOMELESS SHELTER, X-STREAM CLEANUP (94 VOLUNTEERS), A CLEANUP PROJECT OF RIVERS AND STREAMS, AND ADOPT A HIGHWAY EMPLOYEES HAVE USED THEIR COLLECTIVE IMPACT AND GENEROSITY TO SECURE DONATIONS FOR FOOD PANTRIES EACH YEAR, GENESIS HEALTH SYSTEM PROVIDES THE COMMUNITY WITH DOZENS OF CLASSES AND EVENTS PROMOTING HEALTH AND HEALTH EDUCATION HUNDREDS OF RESIDENTS IN THE REGION SERVED BY GENESIS HEALTH SYSTEM LEARN CPR, FIRST AID, PARENTING SKILLS AND NEWBORN CARE BY ENROLLING IN CLASSES GENESIS HEALTH SYSTEM SPONSORS GENESIS ADVENTURES IN NURSING (GAIN), A CAMP FOR CHILDREN INTERESTED IN HEALTH CARE CAREERS GENESIS HEALTH SYSTEM EMPLOYEES SERVE AS MENTORS AND INSTRUCTORS DURING CAMP WEEK GENESIS HEALTH SYSTEM HAS LAUNCHED GENESIS DINEWELL, A HEALTHY EATING PLAN FOR ITS OWN CAFETERIAS AND FOR RESTAURANTS IN THE REGION GENESIS DINEWELL WILL WORK WITH LOCAL RESTAURANTS TO MAKE INFORMATION PUBLIC ABOUT HEALTHY RECIPES AND MENU ITEMS THE IDEA IS THAT THE PUBLIC WILL BE BETTER ABLE TO MAKE INFORMED DECISIONS ABOUT THEIR FOOD CHOICES GENESIS HEALTH SYSTEM DIETITIANS WILL COMPILE HEALTH RECIPES TO PROVIDE TO THE PUBLIC THERE WILL ALSO BE AN "ASK THE DIETITIAN" FEATURE AVAILABLE AT WWW GENESISHEALTH COM GENESIS HEALTH SYSTEM HAS REDUCED ITS ENVIRONMENTAL FOOTPRINT ON THE COMMUNITIES IT SERVES BY IMPLEMENTING BULK WASTE RECYCLING, POLYSTYRENE RECYCLING, REDUCING SHARPS DISPOSAL, IMPLEMENTING WATER RUNOFF MEASURES, AND REDUCING WATER AND CHEMICAL USAGE IN THE MEDICAL LAUNDRY GENESIS HEALTH SYSTEM IS INVOLVED IN A CO-OP WITH A LOCAL HIGH SCHOOL WORKING WITH THE SPECIAL EDUCATION DEPARTMENT STUDENTS WITH THE FOOD AND NUTRITION DEPARTMENT TO LEARN SOME LIFE SKILLS BY WORKING IN THE CAFE, DISH ROOM AND PREPARING FOOD GENESIS HEALTH SYSTEM MAINTAINS AN ACTIVE EFFORT TO ADVOCATE FOR ACCESS TO HEALTH CARE IN IOWA AND ILLINOIS STATE GOVERNMENT AND IN WASHINGTON D C GENESIS HEALTH SYSTEM EMPLOYEES ALSO PARTICIPATE IN A VOTER VOICE INITIATIVE TO ADVOCATE ON IMPORTANT HEALTH ISSUES WITH CITY, COUNTY, STATE AND NATIONAL ELECTED OFFICIALS SURPLUS FUNDS RESULTING FROM EFFICIENT OPERATIONS AND COST-CONTAINMENT MEASURES ARE RE-INVESTED IN THE HEALTHCARE OPERATIONS OF GENESIS HEALTH SYSTEM TO IMPROVE THE HEALTHCARE SERVICES THAT GENESIS HEALTH SYSTEM PROVIDES ADVANCES IN MEDICAL EQUIPMENT AND TECHNOLOGY, STAFF EDUCATION, AND NEW MEDICAL SERVICES ARE EXAMPLES OF OPERATIONAL INVESTMENTS THAT ULTIMATELY IMPROVE THE HEALTH OF THE COMMUNITIES THAT GENESIS HEALTH SYSTEM SERVES

Form and Line Reference	Explanation
PART VI, LINE 6	GENESIS HEALTH SYSTEM (GHS IOWA) AN IOWA NONPROFIT CORPORATION, AND GENESIS HEALTH SYSTEM (GHS ILLINOIS), AN ILLINOIS NOT-FOR-PROFIT CORPORATION, HAVE IDENTICAL GOVERNING BOARDS, M ANAGEMENT AND BYLAWS AND CAN ACT JOINTLY GHS IOWA IS ALSO THE SOLE MEMBER OF GENESIS HEAL TH SERVICES FOUNDATION, GENESIS HEALTH SYSTEM WORKERS' COMPENSATION PLAN AND TRUST AND GEN ESIS PHILANTHROPY, THE SOLE STOCKHOLDER OF GENVENTURES, INC , A MEMBER OF MISERICORDIA ASS URANCE COMPANY, LTD AND A PARTNER IN GENGASTRO, LLC GHS ILLINOIS IS THE SOLE MEMBER OF G ENESIS MEDICAL CENTER, ALEDO AND GENESIS SENIOR LIVING, ALEDO AND IS A PARTNER IN THE LARS ON CENTER PARTNERSHIP GHS IOWA, GHS ILLINOIS, GMC, ALEDO AND GSL, ALEDO COLLECTIVELY REPR ESENT THE OBLIGATED GROUP ON CERTAIN COMPONENTS OF THE OBLIGATED GROUP'S LONG-TERM DEBT G HS IOWA AND GHS ILLINOIS OPERATE THE FOLLOWING BUSINESS UNITS GENESIS HEALTH SYSTEM PROVI DES ADMINISTRATIVE, MANAGEMENT, INFORMATION TECHNOLOGY AND OTHER SUPPORT SERVICES TO ITS A FFILIATES GENESIS CLINICAL SERVICES OPERATES PHYSICIAN MEDICAL PRACTICES, CONVENIENT CARE PRACTICES AND AN OCCUPATIONAL MEDICINE CLINIC AND PROVIDES BEHAVIORAL HEALTH SERVICES TO THE RESIDENTS OF EASTERN IOWA AND WESTERN ILLINOIS GENESIS MEDICAL CENTER - DAVENPORT (GM C - DAVENPORT) IS LICENSED AS A 502-BED ACUTE CARE HOSPITAL WHICH PROVIDES SERVICES FROM T WO HOSPITAL FACILITIES LOCATED IN DAVENPORT, IOWA GENESIS FAMILY MEDICAL CENTER (GFMC) IS A FAMILY PRACTICE RESIDENCY TRAINING PROGRAM THAT OPERATES CLINICS IN DAVENPORT AND BLUE GRASS, IOWA TO PROVIDE A CLINICAL SETTING FOR THE RESIDENTS TO TREAT PATIENTS GENESIS MED ICAL CENTER - DEWITT (GMC - DEWITT) IS CERTIFIED AS A CRITICAL ACCESS HOSPITAL, WHICH HAS 13-ACUTE CARE AND SWING BEDS, AND HAS A 77-BED LONG-TERM CARE FACILITY, WHICH PROVIDES SER VICES FROM ITS FACILITY IN DEWITT, IOWA GENESIS VISITING NURSE ASSOCIATION AND HOSPICE (VN A) PROVIDES HOME HEALTH CARE, COMMUNITY NURSING SERVICES AND HOSPICE SERVICES TO PATIENTS IN EASTERN IOWA AND WESTERN ILLINOIS GENESIS MEDICAL CENTER - SILVIS (GMC - SILVIS) IS LI CENSED AS A 149-BED ACUTE CARE HOSPITAL WHICH PROVIDES SERVICES FROM ITS FACILITY IN SILVI S, ILLINOIS ILLINI HOSPITAL NURSING HOME (INH) OPERATES ILLINI RESTORATIVE CARE CENTER AN D CROSSTOWN SQUARE ILLINI RESTORATIVE CARE CENTER IS A 120-BED LICENSED NURSING FACILITY, CONSISTING OF 75 SKILLED CARE BEDS AND 45 SHELTERED CARE BEDS TWENTY-TWO OF THE SKILLED CARE BEDS ARE DESIGNATED AS HOSPITAL-BASED MEDICARE CERTIFIED BEDS THE SHELTERED CARE UNI T PROVIDES REHABILITATIVE AND PERSONAL CARE IN A FAMILY-ORIENTED SETTING CROSSTOWN SQUARE IS AN INDEPENDENT LIVING FACILITY CONTAINING 76 RENTABLE APARTMENTS AND TWO GUEST ROOMS T HAT OFFERS SERVICES DESIGNED TO MEET THE NEEDS OF SENIOR ADULTS GHS IOWA AND GHS ILLINOIS HAVE A CONTROLLING OWNERSHIP INTEREST OR MEMBERSHIP IN THE FOLLOWING ORGANIZATIONS GENES IS MEDICAL CENTER - ALEDO (GMC - ALEDO) IS CERTIFIED AS A CRITICAL ACCESS HOSPITAL, WHICH HAS 22-ACUTE CARE AND SWING BEDS, AS WELL AS A PHYSICIAN CLINIC, WHICH PROVIDES SERVICES F ROM ITS FACILITY IN ALEDO, ILLINOIS GENESIS SENIOR LIVING - ALEDO (GSL - ALEDO) IS CERTIF IED AS A NURSING FACILITY, WHICH HAS A 92-BED LONG-TERM CARE FACILITY, WHICH PROVIDES SERV ICES FROM ITS FACILITY IN ALEDO, ILLINOIS GENESIS HEALTH SERVICES FOUNDATION (GENESIS FOU NDATION) IS AN ORGANIZATION WHOSE MISSION IS TO DEVELOP, MANAGE AND GRANT CHARITABLE SUPPO RT TO MEET THE HEALTH-RELATED NEEDS OF THE COMMUNITIES SERVED BY GENESIS HEALTH SYSTEM TH E GENESIS FOUNDATION IS REFERRED TO AS THE FOUNDATION GENGASTRO, LLC (D/B/A THE CENTER FO R DIGESTIVE HEALTH) IS A LIMITED LIABILITY COMPANY, WHICH OPERATES A SINGLE-SPECIALTY GAST ROENTEROLOGY AMBULATORY SURGERY CENTER LOCATED IN BETTENDORF, IOWA UPON OBTAINING A CONTR OLLING INTEREST, THE SYSTEM CONSOLIDATED THE ACCOUNTS OF GENGASTRO, LLC IN ITS CONSOLIDATE D FINANCIAL STATEMENTS IN JANUARY 2011 GENESIS HEALTH SYSTEM (GHS-IA) MAINTAINS A 75% OWN ERSHIP INTEREST AS OF JUNE 30, 2014 AND 2013 THE LARSON CENTER PARTNERSHIP (LCP) IS A FOR -PROFIT REAL ESTATE PARTNERSHIP WHICH OWNS A MEDICAL OFFICE BUILDING ADJACENT TO GMC - SIL VIS AND LEASES SPACE FOR CLINICS, LABORATORY, PHARMACY AND OFFICES TO GMC - SILVIS AND OTH ER THIRD-PARTY ORGANIZATIONS GHS ILLINOIS IS A GENERAL PARTNER AND OWNS APPROXIMATELY 75 6% OF LCP GENVENTURES, INC (GENVENTURES) IS A WHOLLY-OWNED FOR-PROFIT CORPORATION WHICH O PERATES THE FOLLOWING DIVISIONS, PRIMARILY IN THE QUAD CITIES GENESIS AT HOME, CONTINUING CARE SELLS AND LEASES HOME MEDICAL EQUIPMENT, PROVIDES INTRAVENOUS THERAPY SERVICES, INCL UDING SALES OF RELATED SOLUTIONS AND SUPPLIES TO PATIENTS, AND PROVIDES RETAIL PHARMACEUTI CAL AND OVER-THE-COUNTER PRODUCTS TO PATIENTS AND EMPLOYEES OF THE SYSTEM GENPROPERTIES O WNS, LEASES AND/OR MANAGES OFFICE SPACE IN 15 MEDICAL OFFICE BUILDINGS LOCATED IN BETTENDO RF, CLINTON, DAVENPORT, ELDRIDGE, LE CLAIRE AND MUSCATINE, IOWA CRESCENT LAUNDRY PROVIDES COMMERCIAL LAUNDRY SERVICES TO HEALTH CARE FACILI

Form and Line Reference	Explanation
PART VI, LINE 6	TIES IN EASTERN IOWA AND IN NORTH-CENTRAL ILLINOIS GENESIS ACCOUNTABLE CARE ORGANIZATION, LLC (GENESIS ACO) IS AN IOWA LIMITED LIABILITY COMPANY FORMED IN DECEMBER 2011 ITS PURPO SE IS TO ENGAGE IN ANY LAWFUL BUSINESS AND ANY BUSINESS RELATED TO CREATION AND ORGANIZATI ON OF A "PHYSICIAN-DRIVEN" NETWORK TO ACT AS, AND/OR PARTICIPATE IN, AN ACCOUNTABLE CARE O RGANIZATION WITHIN THE MEANING OF THE FEDERAL PATIENT PROTECTION AND AFFORDABLE CARE ACT THE COMPANY IS ALSO ORGANIZED TO DEVELOP A CLINICALLY INTEGRATED NETWORK OF PROVIDERS INCL UDING PHYSICIANS, HEALTH PROFESSIONALS, HOSPITALS AND ANCILLARY PROVIDERS WORKING TOGETHER TO PROMOTE HIGH QUALITY, COORDINATED AND EFFICIENT CARE TO PATIENTS INCLUDING MEMBERS OF VARIOUS MANAGED CARE PAYORS AND THE COMMUNITY AT LARGE GENESIS HEALTH SYSTEM WORKERS' COM PENSATION PLAN AND TRUST (WORKERS' COMPENSATION TRUST) PROVIDES A FUND WHICH CAN BE USED T O PAY WORKERS' COMPENSATION CLAIMS AND COSTS FOR THE BENEFIT OF GHS ILLINOIS MISERICORDIA ASSURANCE COMPANY, LTD (MISERICORDIA) IS A WHOLLY-OWNED CAYMAN BASED CAPTIVE INSURANCE C OMPANY WHICH UNDERWRITES THE GENERAL AND PROFESSIONAL LIABILITY RISKS OF GHS IOWA AND AFFI LIATES GENESIS PHILANTHROPY IS A WHOLLY-OWNED TAX-EXEMPT ENTITY FORMED IN 2013, WHICH PAR TNERS WITH OTHER HOSPITAL FOUNDATIONS TO FORM A REGIONAL NETWORK TO ATTRACT DONORS TO HELP FUND SPECIFIC HEALTH-RELATED CAUSES AND PROMOTE WELLNESS IN THE REGION

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

Additional Data

Software ID:
Software Version:
EIN: 36-3616314
Name: GENESIS HEALTH SYSTEM

990 Schedule H, Supplemental Information

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

Form and Line Reference	Explanation
GENESIS MEDICAL CENTER - SILVIS	
GENESIS MEDICAL CENTER - SILVIS	PART V, SECTION B, LINE 4 TRINITY REGIONAL HEALTH SYSTEM
PART V, LINE 5A	HTTPS //WWW GENESISHEALTH COM/NEWS/2012/QC-HEALTH-ASSESSMENT

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990**

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
GENESIS HEALTH SYSTEM

Employer identification number
36-3616314

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

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

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) GENESIS HEALTH SYSTEM WORKERS' COMPENSATION PLAN & TRUST 1227 E RUSHOLME STREET DAVENPORT,IA 52803	39-1905171	501(C)(3)	133,310				CLAIM PAYMENTS
(2) GENESIS HEALTH SYSTEM (GHS IOWA) 1227 E RUSHOLME STREET DAVENPORT,IA 52803	42-1418847	501(C)(3)	6,720				DEDUCTIONS BY MEDICAL STAFF, DIRECTED TOWARDS MEDICAL EDUCATION PURPOSES AND THE PERLMUTTER LIBRARY AT THE GENESIS MEDICAL CENTER - SILVIS

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

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶ 0

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

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

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

Return Reference	Explanation
PART I, LINE 2	THE GENESIS HEALTH SYSTEM (GHS ILLINOIS) STAFF REQUIRES RECEIPTS AND OTHER DOCUMENTATION PRIOR TO RELEASING FUNDS FOR PROJECTS AND SERVICES WITHIN THE SCOPE OF THE ORGANIZATION'S MISSION PROPER AUTHORIZATION OF GRANT REQUESTS IS ALSO REQUIRED STAFF FOLLOWS THE ORGANIZATION'S FUNDING ADMINISTRATIVE POLICY TO ENSURE THAT GRANTS ARE BEING APPROVED AND UTILIZED CORRECTLY

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**
▶ **Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
GENESIS HEALTH SYSTEM

Employer identification number
36-3616314

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate 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			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☑ Travel for companions	☐ Payments for business use of personal residence		
	☑ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ 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	**1b**	Yes	
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?	**2**	Yes	
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			
	☐ Compensation committee	☐ Written employment contract		
	☐ Independent compensation consultant	☐ Compensation survey or study		
	☐ Form 990 of other organizations	☐ 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?	**4a**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	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?	**5a**		No
b	Any related organization?	**5b**		No
	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?	**6a**		No
b	Any related organization?	**6b**		No
	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	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured 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	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
PART I, LINE 1A	GENESIS HEALTH SYSTEM (GHS ILLINOIS) PROVIDES THE FOLLOWING TO INDIVIDUALS REPORTED IN PART VII, SECTION A, LINE 1A TRAVEL FOR COMPANIONS IN TAX YEAR 2013, THE FOLLOWING TYPES OF LISTED INDIVIDUALS REPORTED IN PART VII RECEIVED THE TRAVEL FOR COMPANIONS BENEFIT 9 DIRECTORS, 4 OFFICERS, AND 2 KEY EMPLOYEES ALL INDIVIDUALS REIMBURSED GHS ILLINOIS IN FULL AND NONE OF THE BENEFIT WAS LISTED AS TAXABLE COMPENSATION GROSS-UP PAYMENTS THIS BENEFIT IS OFFERED TO QUALIFYING EXECUTIVES WHO HAD CONTRIBUTIONS MADE ON THEIR BEHALF IN THE SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN CONTRIBUTIONS TO THE PLAN ARE INCLUDED WITH REPORTABLE COMPENSATION FOR INDIVIDUALS WITH VESTED CONTRIBUTIONS JAMES A LEHMAN RECEIVED THIS BENEFIT IN 2013 SEE ADDITIONAL INFORMATION PROVIDED BELOW
PART I, LINES 4A-B	THE FOLLOWING INDIVIDUAL RECEIVED A SEVERANCE OR CHANGE OF CONTROL PAYMENT IN 2013 FROM GENESIS HEALTH SYSTEM (GHS IOWA), A RELATED ORGANIZATION ROBERT M NELSON, M D - $107,588 THIS INFORMATION IS INCLUDED IN REPORTABLE COMPENSATION ON THE FORM 990, PART VII AND SCHEDULE J, PART II THE FOLLOWING INDIVIDUAL PARTICIPATED IN A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN IN 2013 SPONSORED BY GENESIS HEALTH SYSTEM (GHS IOWA), A RELATED ORGANIZATION JAMES A LEHMAN, M D - $72,451 THE DOLLAR AMOUNT REPRESENTS THE CURRENT YEAR CONTRIBUTION MADE BY GHS IOWA ON BEHALF OF THE INDIVIDUAL TO THE PLAN IN 2013 AND THE GROSS-UP PAYMENT TO COVER TAX THIS INFORMATION IS INCLUDED IN REPORTABLE COMPENSATION ON THE FORM 990, PART VII AND SCHEDULE J, PART II THE FOLLOWING INDIVIDUALS PARTICIPATED IN A SUPPLEMENTAL EXECUTIVE RETIREMENT SAVINGS BENEFIT PLAN IN 2013 SPONSORED BY GHS IOWA, A RELATED ORGANIZATION KENNETH R CROKEN - $81,075, DOUGLAS P CROPPER - $117,004, ROBERT W FRIEDEN - $82,574, HEIDI KAHLY-MCMAHON - $131,627, JUDITH A MONDELLO - $18,427, MARK G ROGERS - $49,636, MIKE L SHARP - $22,303 AND FLORENCE L SPYROW - $281,826 THE DOLLAR AMOUNT REPRESENTS THE CURRENT YEAR CONTRIBUTION MADE BY GHS IOWA ON BEHALF OF THE INDIVIDUALS TO THE PLAN IN 2013 THIS INFORMATION IS INCLUDED IN REPORTABLE COMPENSATION ON THE FORM 990, PART VII AND SCHEDULE J, PART II THE FOLLOWING INDIVIDUALS ALSO PARTICIPATED IN A SUPPLEMENTAL EXECUTIVE RETIREMENT SAVINGS BENEFIT PLAN IN 2013 SPONSORED BY GHS IOWA, A RELATED ORGANIZATION JACQUELINE K ANHALT - $47,008, DOUGLAS P CROPPER - $117,004, WAYNE A DIEWALD - $129,000, HEIDI S KAHLY-MCMAHON - $24,929, JOSEPH L LOHMULLER - $66,502, JUDITH A MONDELLO - $16,869, MARK G ROGERS - $49,636, MIKE L SHARP - $22,303, FLORENCE L SPYROW - $47,580 AND KEVIN L YOUMANS - $33,800 THE DOLLAR AMOUNT REPRESENTS THE CURRENT YEAR CONTRIBUTION MADE BY GHS IOWA ON BEHALF OF THE INDIVIDUALS TO THE PLAN IN 2013 THIS INFORMATION IS INCLUDED IN DEFERRED COMPENSATION ON THE FORM 990, PART VII AND SCHEDULE J PART II
FORM 990, SCHEDULE J, PART I, LINE 3	PART I, LINE 3 GENESIS HEALTH SYSTEM (GHS ILLINOIS) RELIES ON GENESIS HEALTH SYSTEM (GHS IOWA) TO DETERMINE THE COMPENSATION OF THE ORGANIZATION'S TOP MANAGEMENT OFFICIALS, OFFICERS, DIRECTORS, AND KEY EMPLOYEES GHS IOWA UTILIZES A COMPENSATION COMMITTEE, AN INDEPENDENT COMPENSATION CONSULTANT, A WRITTEN EMPLOYMENT CONTRACT, A COMPENSATION SURVEY OR STUDY, AND APPROVAL BY THE COMPENSATION COMMITTEE TO DETERMINE SUCH COMPENSATION
FORM 990, SCHEDULE J, PART II, COLUMN F	THE FOLLOWING INDIVIDUALS ALSO PARTICIPATED IN A SUPPLEMENTAL EXECUTIVE RETIREMENT SAVINGS BENEFIT PLAN IN 2009, 2010, 2011, 2012 AND 2013 SPONSORED BY GENESIS HEALTH SYSTEM (GHS IOWA), A RELATED ORGANIZATION HEIDI S KAHLY-MCMAHON - $75,129 AND FLORENCE L SPYROW - $172,872 THE DOLLAR AMOUNT REPRESENTS PRIOR YEAR CONTRIBUTIONS MADE BY GHS IOWA ON BEHALF OF THE INDIVIDUALS TO THE PLAN IN 2009, 2010, 2011 AND 2012 THIS INFORMATION WAS INCLUDED IN DEFERRED COMPENSATION ON THE PRIOR YEARS' FORM 990, PART VII AND SCHEDULE J, PART II THESE INDIVIDUALS REACHED A SPECIFIED LEVEL OF VESTING IN 2013, SO THE DOLLAR AMOUNT IS NOW INCLUDED IN REPORTABLE COMPENSATION ON THE CURRENT YEAR FORM 990, PART VII AND SCHEDULE J, PART II THE DOLLAR AMOUNT IS ALSO LISTED AS COMPENSATION REPORTED IN A PRIOR FORM 990 ON THE CURRENT YEAR FORM 990, SCHEDULE J, PART II

Additional Data

Software ID:
Software Version:
EIN: 36-3616314
Name: GENESIS HEALTH SYSTEM

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				
DOUGLAS P CROPPER PRESIDENT/CEO GHS	(I) (II)	0 643,736	0 188,962	0 136,574	0 128,504	0 21,369	0 1,119,145	0 0
GEORGE J KONTOS JR MD DIRECTOR	(I) (II)	0 451,523	0 5,836	0 72,660	0 11,250	0 18,514	0 559,783	0 0
MARK G ROGERS V P FINANCE/CFO GHS/ASST TREASURER	(I) (II)	0 310,175	0 97,204	0 109,216	0 62,436	0 14,112	0 593,143	0 0
JACQUELINE K ANHALT V P PATIENT SERVICES	(I) (II)	0 182,757	0 19,689	0 9,679	0 60,316	0 17,861	0 290,302	0 0
WAYNE A DIEWALD CHIEF OPERATING OFFICER	(I) (II)	0 425,137	0 92,235	0 4,690	0 140,500	0 15,174	0 677,736	0 0
ROBERT W FRIEDEN V P INFORMATION SERVICES	(I) (II)	0 248,278	0 39,267	0 114,969	0 11,389	0 18,902	0 432,805	0 0
JOSEPH L LOHMULLER MD CHIEF MEDICAL OFFICER	(I) (II)	0 233,270	0 39,236	0 16,520	0 76,516	0 16,720	0 382,262	0 0
FLORENCE L SPYROW SENIOR VICE PRESIDENT	(I) (II)	66,612 250,588	11,449 43,070	62,849 236,434	12,407 46,673	496 1,864	153,813 578,629	0 172,872
KEVIN L YOUMANS V P OUTPATIENT SERVICES	(I) (II)	0 123,425	0 20,000	0 15,222	0 33,800	0 11,812	0 204,259	0 0
KENNETH R CROKEN V P CORPORATE COMMUNICATI	(I) (II)	0 239,314	0 33,966	0 89,856	0 45,649	0 13,792	0 422,577	0 0
HEIDI S KAHLY- MCMAHON V P HUMAN RESOURCES	(I) (II)	0 193,403	0 27,422	0 136,452	0 30,806	0 18,494	0 406,577	0 75,129
JAMES A LEHMAN MD V P QUALITY	(I) (II)	0 130,852	0 52,377	0 151,933	0 43,675	0 7,396	0 386,233	0 0
JUDITH A MONDELLO V P LEGAL AFFAIRS	(I) (II)	0 128,831	0 33,738	0 41,137	0 23,321	0 3,928	0 230,955	0 0
MIKE L SHARP V P SUPPORT SERVICES	(I) (II)	0 174,080	0 25,871	0 51,702	0 47,620	0 14,092	0 313,365	0 0
ROBERT M NELSON MD FORMER V P CLINICAL SERVICES	(I) (II)	0 0	0 0	0 127,088	0 0	0 0	0 127,088	0 0

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
GENESIS HEALTH SYSTEM

Employer identification number
36-3616314

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? 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
Total ▶ $												

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) GENVENTURES INC	SEE BELOW IN PART V	1,652,967	PAYMENTS FOR MEDICAL SUPPLIES AND LAUNDRY SERVICES		No
(2) LARSON CENTER PARTNERSHIP	SEE BELOW IN PART V	502,276	FACILITY LEASE PAYMENTS		No
(3) CARDIOVASCULAR MEDICINE PC	SEE BELOW IN PART V	330,184	HEALTHCARE PROFESSIONAL SERVICES		No
(4) BUSH CONSTRUCTION COMPANY INC	SEE BELOW IN PART V	237,588	CONSTRUCTION SERVICES		No

Part V Supplemental Information

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

Return Reference	Explanation
FORM 990, SCHEDULE L, PART IV, COLUMN B	DESCRIPTION OF RELATIONSHIP - GENVENTURES, INC MARK G ROGERS AND ROGER J HILL ARE OFFICERS, JAMES W KOEHLER IS A DIRECTOR, FLORENCE L SPYROW IS A KEY EMPLOYEE AND MIKE L SHARP IS A HIGHEST COMPENSATED EMPLOYEE OF GENESIS HEALTH SYSTEM (GHS ILLINOIS) AND ARE REPORTED ON THE FORM 990, PART VII DURING THE TAX YEAR, MARK G ROGERS, ROGER J HILL, JAMES W KOEHLER AND MIKE L SHARP WERE OFFICERS AND FLORENCE L SPYROW WAS A DIRECTOR OF GENVENTURES, INC
FORM 990, SCHEDULE L, PART IV, COLUMN B	DESCRIPTION OF RELATIONSHIP - LARSON CENTER PARTNERSHIPFLORENCE L SPYROW IS A KEY EMPLOYEE OF GENESIS HEALTH SYSTEM (GHS ILLINOIS) AND AN OFFICER OF THE LARSON CENTER PARTNERSHIP GHS ILLINOIS IS A PARTNER IN THE LARSON CENTER PARTNERSHIP WITH A CONTROLLING OWNERSHIP INTEREST
FORM 990, SCHEDULE L, PART IV, COLUMN B	DESCRIPTION OF RELATIONSHIP - CARDIOVASCULAR MEDICINE, PCEDMUND P COYNE, JR , M D IS A DIRECTOR OF GENESIS HEALTH SYSTEM (GHS ILLINOIS) AND IS ALSO A DIRECTOR OF CARDIOVASCULAR MEDICINE, PC
FORM 990, SCHEDULE L, PART IV, COLUMN B	DESCRIPTION OF RELATIONSHIP - BUSH CONSTRUCTION COMPANY, INC GREGORY J BUSH IS AN OFFICER OF GENESIS HEALTH SYSTEM (GHS ILLINOIS) AND THE CHAIRMAN OF BUSH CONSTRUCTION COMPANY, INC

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
GENESIS HEALTH SYSTEM

Employer identification number
36-3616314

Return Reference	Explanation
FORM 990, PART I, LINE 4 & PART VI, SECTION A, LINE 1B	THE FOLLOWING GENESIS HEALTH SYSTEM,(GHS ILLINOIS) DIRECTORS ARE NOT INDEPENDENT DUE TO TRANSACTIONS DISCLOSED ON FORM 990, SCHEDULE L OF GENESIS HEALTH SYSTEM (IOWA), A RELATED TAX-EXEMPT ORGANIZATION MARK C KILMER, EDWIN V MOTTO, M D , EDWARD J ROGALSKI, PH D , AND C DANA WATERMAN III

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	INTERNAL MANAGEMENT REVIEW IS COMPLETED OF THE COMPILED INFORMATION PRIOR TO PREPARATION AND REVIEW BY MCGLADREY LLP FOLLOWING MCGLADREY LLP'S PREPARATION AND REVIEW OF THE FORM 990, IT IS REVIEWED WITH THE ORGANIZATION'S VICE PRESIDENT, FINANCE/CFO, VICE PRESIDENT, LEGAL AFFAIRS, VICE PRESIDENT, HUMAN RESOURCES, AND CHIEF COMPLIANCE RISK OFFICER THE FORM 990 IS THEN REVIEWED AT A JOINT MEETING OF THE ORGANIZATION'S FINANCE COMMITTEE AND AUDIT & COMPLIANCE COMMITTEE PRIOR TO SUBMITTING THE FORM 990 TO THE IRS, IT IS E-MAILED TO THE ORGANIZATION'S BOARD OF DIRECTORS ONE WEEK IN ADVANCE OF A SCHEDULED MEETING AT THE BOARD OF DIRECTORS MEETING, INTERNAL MANAGEMENT REVIEWS THE FORM 990 WITH THE BOARD OF DIRECTORS SUGGESTED CHANGES FROM ALL OF THESE REVIEWS ARE CONSIDERED FOR INCLUSION IN THE FINAL FORM 990 SUBMITTED TO THE IRS

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	ANY COVERED PERSON, DEFINED AS ANY DIRECTOR, OFFICER, OR MEMBER OF A BOARD OR BOARD COMMITTEE OF GENESIS HEALTH SYSTEM (GHS ILLINOIS) OR AN AFFILIATE, SHOULD DISCLOSE AN INTEREST OR POTENTIAL INTEREST AS SOON AS THEY BECOME AWARE OF A POTENTIAL TRANSACTION THAT WILL BE CONSIDERED BY MANAGEMENT, THE BOARD, OR A COMMITTEE OF THE BOARD COVERED PERSONS ARE REQUIRED ANNUALLY TO DISCLOSE ANY POSSIBLE PERSONAL, FAMILY, OR BUSINESS RELATIONSHIPS THAT REASONABLY COULD GIVE RISE TO AN INTEREST OR CONFLICT INVOLVING GHS ILLINOIS, OR AN AFFILIATE, OR WITH RESPECT TO DESIGNATED FACILITIES AND ACTIVITIES, AND ACKNOWLEDGE BY HIS OR HER SIGNATURE THAT HE OR SHE IS FAMILIAR WITH AND IS IN COMPLIANCE WITH THE LETTER AND SPIRIT OF THIS POLICY ANY COVERED PERSON FOUND TO HAVE A CONFLICT OF INTEREST MAY MAKE A PRESENTATION AT THE BOARD OR COMMITTEE MEETING TO PRESENT INFORMATION AND ADDRESS ANY QUESTIONS RAISED BY OTHER DIRECTORS OR COMMITTEE MEMBERS SAID PERSON SHALL NOT BE ALLOWED TO ACTIVELY AND AGGRESSIVELY ADVOCATE IN HIS OR HER OWN BEHALF NOR SHALL SUCH PERSON ADVOCATE HIS OR HER POSITION INFORMALLY THROUGH PRIVATE CONTACT, COMMUNICATION AND DISCUSSION WITH ANOTHER DIRECTOR AFTER SUCH PRESENTATION, THE PERSON SHALL LEAVE THE MEETING DURING THE DISCUSSION OF, AND THE VOTE ON, THE APPLICABLE TRANSACTION OR ARRANGEMENT

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	EACH EXECUTIVE POSITION IS EVALUATED USING A FORMAL EVALUATION PLAN THAT IS ESTABLISHED BY AN OUTSIDE CONSULTANT AT THE PRESENT TIME, THE CONSULTANT USES A POINT SYSTEM FOR JOB EVALUATION THE POINT VALUES ARE BASED ON "KNOW HOW", "PROBLEM SOLVING", "ACCOUNTABILITY", AND OTHER JOB ATTRIBUTES SPECIFIC TO THE POSITION ONCE THE POINT VALUE IS SET FOR A POSITION, MARKET COMPARISONS FOR JOBS WITH THE SAME ORGANIZATIONAL IMPACT CAN BE COMPARED FOR SALARY PURPOSES AND ESTABLISH PAY RANGES THE DESIGN OF THE PAY RANGES FOR EXECUTIVES IS BASED ON MARKET DATA THE MIDPOINT OF EACH PAY RANGE IS ESTABLISHED AT THE 50TH PERCENTILE OF THE MARKET COMPARISONS A MINIMUM AND MAXIMUM ARE ESTABLISHED OFF OF THE MIDPOINT SPECIFIC PAY RATES FOR EXECUTIVES ARE SUBJECT TO CEO AND COMPENSATION COMMITTEE AND THE GENESIS HEALTH SYSTEM (GHS ILLINOIS) BOARD OF DIRECTORS APPROVAL PAY RANGES ARE REVIEWED EACH YEAR TO DETERMINE THE NEED FOR REVISION WHEN MARKET CONDITIONS SUGGEST AN ADJUSTMENT TO PAY RANGES, DATA WILL BE PRESENTED TO THE COMPENSATION COMMITTEE FOR ITS REVIEW THE SPECIFIC PAY RANGES ARE SUBJECT TO CEO, COMPENSATION COMMITTEE, AND GHS ILLINOIS BOARD OF DIRECTOR APPROVAL THE PRESIDENT AND CEO HAS THE AUTHORITY AND RESPONSIBILITY TO ESTABLISH AND ADJUST, WITHIN THE RANGE APPROVED BY THE COMPENSATION COMMITTEE AND THE GHS ILLINOIS BOARD OF DIRECTORS, THE BASE COMPENSATION OF EACH EXECUTIVE EMPLOYED BY GHS ILLINOIS, AT APPROPRIATE TIMES THE GHS ILLINOIS BOARD OF DIRECTORS SHALL ESTABLISH AND ADJUST, WITHIN THE RANGE APPROVED BY THE COMPENSATION COMMITTEE, THE BASE COMPENSATION FOR THE CEO OF GHS ILLINOIS, AT APPROPRIATE TIMES THE LAST TIME THIS PROCESS WAS FORMALLY UNDERTAKEN WAS NOVEMBER 2012

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE NOT MADE AVAILABLE TO THE PUBLIC

Return Reference	Explanation
FORM 990, PART VII, LINE 1A	GENESIS HEALTH SYSTEM (GHS IOWA), GENESIS MEDICAL CENTER, ALEDO, GENESIS SENIOR LIVING, ALEDO, GENESIS HEALTH SERVICES FOUNDATION, GENESIS PHILANTHROPY AND GENESIS HEALTH SYSTEM WORKERS' COMPENSATION PLAN AND TRUST ARE RELATED ORGANIZATIONS OF GENESIS HEALTH SYSTEM (GHS ILLINOIS) THE AMOUNTS REPORTED AS REPORTABLE COMPENSATION FOR THE OFFICERS, KEY EMPLOYEES, AND HIGHLY COMPENSATED EMPLOYEES, UNLESS OTHERWISE NOTED ELSEWHERE IN PART VII, ARE FOR SERVICES RENDERED ON BEHALF OF ALL ORGANIZATIONS IT WOULD BE ADMINISTRATIVELY IMPRACTICABLE FOR MEMBERS OF THE GOVERNING BOARD AND THE EXECUTIVE TEAM TO BREAKOUT THEIR REPORTABLE COMPENSATION AMONG EACH ORGANIZATION ALL REPORTABLE COMPENSATION, UNLESS OTHERWISE NOTED IN PART VII, IS PAID BY GHS IOWA

Return Reference	Explanation
FORM 990, PART XI, LINE 9	CHANGE IN NET ASSETS OF GENESIS HEALTH SERVICES FOUNDATION 21,318 NONCASH CONTRIBUTIONS (NOT ON BOOKS) -8,692

Return Reference	Explanation
FORM 990, PART XII, LINE 2C	THE OVERSIGHT AND SELECTION PROCESS HAS NOT CHANGED FROM THE PRIOR TAX YEAR

Return Reference	Explanation
FORM 990, PART X, COLUMN B, LINES 17 & 25	IN FISCAL YEAR 2014, GENESIS HEALTH SYSTEM'S (GHS ILLINOIS) AUDITED FINANCIAL REPORT MODIFIED THE PRESENTATION OF ACCRUED INSURANCE TRUST LOSSES AS A RESULT OF THIS CHANGE, PART X, COLUMN B (END OF YEAR), LINES 17 AND 25 REFLECT THIS NEW PRESENTATION ALSO IN ACCORDANCE WITH THE AUDITED FINANCIAL REPORT PRESENTATION, FORM 990, PART X, COLUMN A (BEGINNING OF YEAR), LINES 17 AND 25 WERE RESTATED TO REFLECT THE PRESENTATION CHANGE.

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
GENESIS HEALTH SYSTEM

Employer identification number
36-3616314

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
(1) GENESIS ACCOUNTABLE CARE ORGANIZATION LLC 1227 E RUSHOLME STREET DAVENPORT, IA 52803 45-4168932	ACCOUNTABLE CARE SERVICES	IA	-450,504	1,970,087	GENESIS HEALTH SYSTEM (GHS IOWA)
(2) SPIN ECHO LLC 1227 E RUSHOLME STREET DAVENPORT, IA 52803 42-1491373	PROPERTY MANAGEMENT	IA	138,232	1,603,464	GENVENTURES INC

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	(g) No
(1) GENESIS HEALTH SYSTEM (GHS IOWA) 1227 E RUSHOLME STREET DAVENPORT, IA 52803 42-1418847	HEALTHCARE	IA	501(C)(3)	LINE 3	GENESIS HEALTH SYSTEM (GHS ILLINOIS)	Yes	
(2) GENESIS HEALTH SERVICES FOUNDATION 1227 E RUSHOLME STREET DAVENPORT, IA 52803 42-1421670	CHARITY	IA	501(C)(3)	LINE 7	GENESIS HEALTH SYSTEM (GHS IOWA)	Yes	
(3) GENESIS HEALTH SYSTEM WORKERS' COMPENSATION PLAN & TRUST 1227 E RUSHOLME STREET DAVENPORT, IA 52803 39-1905171	EMPLOYEE/BENEFIT/TRUST	IA	501(C)(3)	LINE 11A, I	GENESIS HEALTH SYSTEM (GHS IOWA)	Yes	
(4) DAVENPORT HOSPITAL AMBULANCE CORP 1204 E HIGH STREET DAVENPORT, IA 52803 42-1186903	AMBULANCE TRANSFERS	IA	501(C)(3)	LINE 11A, I	GENESIS HEALTH SYSTEM (GHS IOWA)	Yes	
(5) GENESIS SENIOR LIVING ALEDO 309 NW NINTH AVENUE ALEDO, IL 61231 45-4475803	SENIOR LIVING SERVICES	IL	501(C)(3)	LINE 3	GENESIS HEALTH SYSTEM (GHS ILLINOIS)	Yes	
(6) GENESIS MEDICAL CENTER ALEDO 409 NW NINTH AVENUE ALEDO, IL 61231 45-4475683	HEALTHCARE	IL	501(C)(3)	LINE 3	GENESIS HEALTH SYSTEM (GHS ILLINOIS)	Yes	
(7) GENESIS PHILANTHROPY 1227 E RUSHOLME STREET DAVENPORT, IA 52803 46-2462851	CHARITY	IA	501(C)(3)	LINE 11A, I	GENESIS HEALTH SYSTEM (GHS IOWA)	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) GENGASTRO LLC 2222 53RD AVENUE BETTENDORF, IA 52722 56-2315623	AMBULATORY SURGERY CENTER	IA	N/A									
(2) SPRING PARK SURGERY CENTER LLC 3319 SPRING STREET STE 202A DAVENPORT, IA 52807 42-1483989	OUTPATIENT SURGICAL CENTER	IA	N/A									
(3) LARSON CENTER PARTNERSHIP 801 ILLINI DRIVE SILVIS, IL 61282 36-3738454	PROPERTY MANAGEMENT	IL	GENESIS HEALTH SYSTEM (GHS ILLINOIS)	RELATED	430,107	1,937,787		No		Yes		75 600 %
(4) GENORTHO LLC 2300 53RD AVENUE BETTENDORF, IA 52722 20-3406994	ORTHOPAEDIC SURGERY CENTER	IA	N/A									
(5) GENRAD IMAGING LLC 1970 E 53RD ST DAVENPORT, IA 52807 45-3571628	DIAGNOSTIC IMAGING CENTER	IA	N/A									
(6) GENESIS ONCOLOGY CO - MANAGEMENT LLC 1227 E RUSHOLME STREET DAVENPORT, IA 52803 45-4456824	ONCOLOGY PROGRAM MANAGEMENT	IA	N/A									

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) GENVENTURES INC 1227 E RUSHOLME STREET DAVENPORT, IA 52803 42-1269171	SUPPORT SERVICES/PROPERTY MANAGEMENT	IA	N/A	C					No
(2) GENESIS HEART INSTITUTE 1236 E RUSHOLME STREET DAVENPORT, IA 52803 42-1504979	HEALTHCARE MANAGEMENT	IA	N/A	C					No
(3) MISERICORDIA ASSURANCE COMPANY LTD PO BOX 1051 GRAND CAYMAN CJ 98-0457943	OTHER FINANCIAL VEHICLE	CJ	N/A	C					No
(4) MOB 1 OWNERS' ASSOCIATION 1227 E RUSHOLME STREET DAVENPORT, IA 52803 27-0865075	PROPERTY MANAGEMENT	IA	N/A	C					No

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

		Yes	No
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 orgranization 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	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b	Yes	
c Gift, grant, or capital contribution from related organization(s)	1c		No
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j	Yes	
k Lease of facilities, equipment, or other assets from related organization(s)	1k	Yes	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	Yes	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	Yes	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o Sharing of paid employees with related organization(s)	1o		No
p Reimbursement paid to related organization(s) for expenses	1p	Yes	
q Reimbursement paid by related organization(s) for expenses	1q	Yes	
r Other transfer of cash or property to related organization(s)	1r	Yes	
s Other transfer of cash or property from related organization(s)	1s	Yes	

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

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

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) Disproprtionate allocations?		(i) Code V?UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		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: 36-3616314
Name: GENESIS HEALTH SYSTEM

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) GENESIS HEALTH SYSTEM (GHS IOWA) 1227 E RUSHOLME STREET DAVENPORT, IA 52803 42-1418847	HEALTHCARE	IA	501(C)(3)	LINE 3	GENESIS HEALTH SYSTEM (GHS ILLINOIS)	Yes	
(1) GENESIS HEALTH SERVICES FOUNDATION 1227 E RUSHOLME STREET DAVENPORT, IA 52803 42-1421670	CHARITY	IA	501(C)(3)	LINE 7	GENESIS HEALTH SYSTEM (GHS IOWA)	Yes	
(2) GENESIS HEALTH SYSTEM WORKERS' COMPENSATION PLAN & TRUST 1227 E RUSHOLME STREET DAVENPORT, IA 52803 39-1905171	EMPLOYEE/BENEFIT/TRUST	IA	501(C)(3)	LINE 11A, I	GENESIS HEALTH SYSTEM (GHS IOWA)	Yes	
(3) DAVENPORT HOSPITAL AMBULANCE CORP 1204 E HIGH STREET DAVENPORT, IA 52803 42-1186903	AMBULANCE TRANSFERS	IA	501(C)(3)	LINE 11A, I	GENESIS HEALTH SYSTEM (GHS IOWA)	Yes	
(4) GENESIS SENIOR LIVING ALEDO 309 NW NINTH AVENUE ALEDO, IL 61231 45-4475803	SENIOR LIVING SERVICES	IL	501(C)(3)	LINE 3	GENESIS HEALTH SYSTEM (GHS ILLINOIS)	Yes	
(5) GENESIS MEDICAL CENTER ALEDO 409 NW NINTH AVENUE ALEDO, IL 61231 45-4475683	HEALTHCARE	IL	501(C)(3)	LINE 3	GENESIS HEALTH SYSTEM (GHS ILLINOIS)	Yes	
(6) GENESIS PHILANTHROPY 1227 E RUSHOLME STREET DAVENPORT, IA 52803 46-2462851	CHARITY	IA	501(C)(3)	LINE 11A, I	GENESIS HEALTH SYSTEM (GHS IOWA)	Yes	

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
GENESIS HEALTH SYSTEM WORKERS' COMPENSATION PLAN & TRUST	B	133,310	FAIR MARKET VALUE
LARSON CENTER PARTNERSHIP	J	513,878	FAIR MARKET VALUE
GENESIS HEALTH SYSTEM (GHS IOWA)	J	161,919	FAIR MARKET VALUE
LARSON CENTER PARTNERSHIP	K	491,507	FAIR MARKET VALUE
GENESIS HEALTH SYSTEM (GHS IOWA)	L	10,583,154	FAIR MARKET VALUE
GENESIS HEALTH SERVICES FOUNDATION	L	109,400	FAIR MARKET VALUE
DAVENPORT HOSPITAL AMBULANCE CORPORATION	M	212,576	FAIR MARKET VALUE
GENESIS HEALTH SYSTEM (GHS IOWA)	P	81,776,002	FAIR MARKET VALUE
GENESIS HEALTH SYSTEM (GHS IOWA)	P	8,456,160	FAIR MARKET VALUE
GENESIS HEALTH SERVICES FOUNDATION	Q	205,504	FAIR MARKET VALUE
GENESIS MEDICAL CENTER ALEDO	Q	182,558	FAIR MARKET VALUE
LARSON CENTER PARTNERSHIP	R	340,190	FAIR MARKET VALUE
GENVENTURES INC	S	1,054,827	FAIR MARKET VALUE
GENVENTURES INC	S	635,159	FAIR MARKET VALUE
GENESIS HEALTH SYSTEM (GHS IOWA)	S	208,470	FAIR MARKET VALUE

Genesis Health System and Related Organizations

Consolidated Financial Report
June 30, 2014

Contents

McGladrey

Independent Auditor's Report

To the Audit and Compliance Committee
Genesis Health System
Davenport, Iowa

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Genesis Health System and related organizations (System) which comprise the consolidated balance sheets as of June 30, 2014 and 2013, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended and the related notes to the consolidated financial statements

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits We did not audit the financial statements of Misericordia Assurance Company, Ltd , a consolidated subsidiary, which statements reflect total assets constituting approximately 3% and 4%, respectively, of the related consolidated total assets as of June 30, 2014 and 2013, and total revenue constituting approximately 1% of consolidated total revenue for each of the years then ended Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Misericordia Assurance Company, Ltd , is based solely on the report of the other auditors We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement

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

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

Opinion

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Genesis Health System and related organizations as of June 30, 2014 and 2013, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole The consolidating and other supplementary information is presented for purposes of additional analysis rather than to present the financial position, results of operations and changes in net assets of the individual companies and is not a required part of the consolidated financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America The information marked "unaudited" has not been subjected to the auditing procedures applied in the audits of the consolidated financial statements, and accordingly, we do not express an opinion or any assurance on it In our opinion, based on our audits and the report of the other auditors as explained above, except for that portion marked "unaudited", the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole

McGladrey LLP

Davenport, Iowa
October 22, 2014

Genesis Health System
and Related Organizations

Consolidated Balance Sheets
June 30, 2014 and 2013

Assets	**2014**	2013
Current Assets		
Cash and cash equivalents	**$ 68,999,498**	$ 75,980,412
Short-term investments	**658,377**	648,632
Receivables		
Patients, net	**79,592,556**	85,722,863
Other	**27,255,114**	29,036,220
Inventories, supplies and materials	**12,694,450**	12,916,985
Prepaid expenses and deposits	**6,505,390**	7,004,060
Total current assets	**195,705,385**	211,309,172
Investments	**63,028,063**	61,651,493
Assets Limited as to Use		
Internally designated	**200,065,142**	174,235,597
Under bond indenture, funds held by trustee	**111,012,884**	-
Interest in net assets of Foundation	**1,503,179**	994,059
Donor restricted	**22,534,768**	19,004,081
	335,115,973	194,233,737
Property and Equipment, net	**265,825,514**	252,290,286
Other Assets		
Bond issuance costs, net	**1,041,950**	664,837
Goodwill	**31,204,225**	30,730,877
Overfunded status of retirement plan	**8,058,376**	2,665,857
Other	**154,139**	321,490
	40,458,690	34,383,061
	$ 900,133,625	$ 753,867,749

See Notes to Consolidated Financial Statements

Liabilities and Net Assets	**2014**	2013
Current Liabilities		
Current maturities of long-term debt	**$ 8,861,422**	$ 8,421,389
Accounts payable	**25,177,336**	28,094,315
Accrued salaries and wages	**10,259,429**	10,541,034
Accrued paid leave	**16,075,084**	17,792,684
Due to third-party payors	**10,423,726**	8,568,819
Unpaid losses and loss adjustment expenses	**15,767,359**	12,685,044
Other accrued expenses	**10,324,160**	8,429,423
Total current liabilities	**96,888,516**	94,532,708
Long-Term Debt, less current maturities	**194,118,821**	79,273,240
Unpaid Losses and Loss Adjustment Expenses, Retirement Benefits and Other Long-Term Liabilities	**32,048,437**	34,292,885
Total liabilities	**323,055,774**	208,098,833
Commitments and Contingent Liabilities (Note 11)		
Net Assets		
Unrestricted	**544,402,637**	517,156,303
Noncontrolling interests - unrestricted	**8,343,876**	8,455,723
Temporarily restricted	**20,227,110**	16,175,239
Permanently restricted	**4,104,228**	3,981,651
	577,077,851	545,768,916
	$ 900,133,625	$ 753,867,749

Genesis Health System
and Related Organizations

Consolidated Statements of Operations
Years Ended June 30, 2014 and 2013

	2014	2013
Change in unrestricted net assets		
Unrestricted revenue		
Patient service revenue, net of contractual adjustments	**$ 557,609,032**	$ 548,703,386
Less provision for doubtful accounts	**36,045,483**	35,672,919
Net patient service revenue	**521,563,549**	513,030,467
Other service revenue, net of cost of revenue		
2014 $12,074,058, 2013 $11,426,714	**5,129,167**	5,870,389
Medical office building rental revenue	**2,051,026**	2,120,240
Other revenue	**26,048,193**	31,438,387
Total revenue	**554,791,935**	552,459,483
Expenses		
Salaries and wages	**254,445,842**	239,375,705
Employee benefits	**49,300,354**	47,510,837
Contracted professionals and services	**35,746,405**	48,719,607
Supplies	**89,876,702**	83,721,196
Other	**83,859,373**	75,478,431
Interest	**3,238,385**	4,069,575
Depreciation and amortization	**36,797,188**	36,277,950
Total expenses	**553,264,249**	535,153,301
Operating income	**1,527,686**	17,306,182
Nonoperating gains and losses		
Interest and dividend income and realized gains on sales of investments	**23,158,882**	11,782,407
Current year change in unrealized gains on trading securities	**3,573,211**	6,838,810
Other nonoperating income	**2,619,517**	4,245,995
Nonoperating gains	**29,351,610**	22,867,212
Excess of revenue over expenses	**30,879,296**	40,173,394
Less excess of revenue over expenses attributable to noncontrolling interests	**(1,194,881)**	(1,340,443)
Excess of revenue over expenses attributable to Genesis Health System	**29,684,415**	38,832,951
Change in unrecognized funded status of retirement plan	**(2,438,081)**	13,291,089
Increase in unrestricted net assets	**$ 27,246,334**	$ 52,124,040

See Notes to Consolidated Financial Statements

Genesis Health System
and Related Organizations

Consolidated Statements of Changes in Net Assets
Years Ended June 30, 2014 and 2013

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Noncontrolling Interests - Unrestricted Net Assets	Total Net Assets
Net assets, June 30, 2012	$ 465,032,263	$ 15,520,089	$ 3,817,834	$ 8,418,457	$ 492,788,643
Excess of revenue over expenses	38,832,951	-	-	1,340,443	40,173,394
Change in unrecognized funded status of retirement plan	13,291,089	-	-	-	13,291,089
Contributions, investment income and other	-	2,378,832	163,817	-	2,542,649
Net assets released from restrictions, for operating activities	-	(1,945,409)	-	-	(1,945,409)
Change in interest in net assets of Foundation	-	221,727	-	-	221,727
Distributions to noncontrolling interests	-	-	-	(1,303,177)	(1,303,177)
Change in net assets	52,124,040	655,150	163,817	37,266	52,980,273
Net assets, June 30, 2013	517,156,303	16,175,239	3,981,651	8,455,723	545,768,916
Excess of revenue over expenses	29,684,415	-	-	1,194,881	30,879,296
Change in unrecognized funded status of retirement plan	(2,438,081)	-	-	-	(2,438,081)
Contributions, investment income and other	-	5,258,527	122,577	-	5,381,104
Net assets released from restrictions, for operating activities	-	(1,715,776)	-	-	(1,715,776)
Change in interest in net assets of Foundation	-	509,120	-	-	509,120
Distributions to noncontrolling interests	-	-	-	(1,306,728)	(1,306,728)
Change in net assets	27,246,334	4,051,871	122,577	(111,847)	31,308,935
Net assets, June 30, 2014	**$ 544,402,637**	**$ 20,227,110**	**$ 4,104,228**	**$ 8,343,876**	**$ 577,077,851**

See Notes to Consolidated Financial Statements

Genesis Health System
and Related Organizations

Consolidated Statements of Cash Flows
Years Ended June 30, 2014 and 2013

	2014	2013
Cash Flows from Operating Activities		
Change in net assets	**$ 31,308,935**	$ 52,980,273
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	**36,517,491**	35,953,462
Amortization	**279,697**	324,488
Change in interest in net assets of Foundation	**(509,120)**	(221,727)
Loss on disposal of property and equipment	**62,429**	430,752
Earnings less than distributions of associated companies	**692,339**	105,269
Excess of fair value over consideration paid for acquisitions	**-**	(3,261,704)
Restricted contributions	**(1,727,769)**	(851,245)
Realized and unrealized (gains) on investments	**(25,599,642)**	(15,086,951)
Net changes in assets and liabilities		
(Increase) decrease in patient and other receivables	**7,911,413**	(4,056,592)
(Increase) decrease in inventories, supplies and materials	**222,535**	(81,734)
(Increase) decrease in prepaid expenses and deposits	**498,670**	(256,949)
(Increase) in funded status of retirement plan	**(5,392,519)**	(19,652,014)
Increase (decrease) in accounts payable	**(2,916,979)**	3,741,250
Increase in accrued expenses, due to third-party payors, retirement benefits and other	**2,588,306**	1,048,442
Net cash provided by operating activities	**43,935,786**	51,115,020
Cash Flows from Investing Activities		
Purchase of property and equipment	**(50,258,404)**	(36,900,417)
Proceeds from sale of equipment	**143,256**	10,897
Cash received upon acquisition of Aledo organizations	**-**	3,431,975
Cash paid upon acquisition of Aledo organizations	**-**	(2,246,380)
Purchase of investments	**(323,097,304)**	(59,442,651)
Proceeds from sale of investments	**206,245,176**	55,291,599
Change in other assets	**(1,009,147)**	9,747
Net cash (used in) investing activities	**(167,976,423)**	(39,845,230)
Cash Flows from Financing Activities		
Principal payments on long-term debt, including capital lease obligations	**(8,421,561)**	(9,774,754)
Proceeds from long-term debt	**124,950,091**	-
Payment of bond issuance costs	**(1,196,576)**	-
Restricted contributions	**1,727,769**	851,245
Net cash provided by (used in) financing activities	**$ 117,059,723**	$ (8,923,509)

(Continued)

Genesis Health System
and Related Organizations

Consolidated Statements of Cash Flows (Continued)
Years Ended June 30, 2014 and 2013

	2014	2013
Net increase (decrease) in cash and cash equivalents	**$ (6,980,914)**	$ 2,346,281
Cash and cash equivalents		
Beginning	**75,980,412**	73,634,131
Ending	**$ 68,999,498**	$ 75,980,412
Supplemental Disclosure of Cash Flow Information, cash payments for interest, including capitalized interest 2014 $3,974,212, 2013 $128,089	**$ 7,212,597**	$ 4,197,699
Supplemental Disclosures of Noncash Investing Activities,		
Acquisition of Genesis Medical Center-Aledo and Genesis Senior Living-Aledo		
Assets acquired		
Cash		$ 3,431,975
Net patient receivables		3,778,516
Property and equipment		2,479,462
Other current assets		340,284
Liabilities assumed		
Accounts payable		(834,011)
Long term debt		(1,604,472)
Due to third-party payors		(1,028,496)
Other current liabilities		(1,055,174)
Cash paid upon acquisition of Aledo organizations		(2,246,380)
Excess of fair value over consideration paid		$ 3,261,704

See Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies

Nature of business:

Genesis Health System – Iowa (GHS Iowa), an Iowa nonprofit corporation, and Genesis Health System – Illinois (GHS Illinois), an Illinois not-for-profit corporation, have identical governing boards, management and bylaws and can act jointly GHS Iowa is also the sole member of Genesis Health Services Foundation and Genesis Health System Workers' Compensation Plan and Trust, the sole stockholder of GenVentures, Inc , a member of Misericordia Assurance Company, Ltd and a partner in GenGastro, LLC GHS Illinois is the sole member of Genesis Medical Center – Aledo (GMC – Aledo) and Genesis Senior Living – Aledo (GSL – Aledo), and is a partner in The Larson Center Partnership

GHS Iowa, GHS Illinois, GMC – Aledo and GSL – Aledo collectively represent the Obligated Group on certain components of the System's long-term debt

GHS Iowa and GHS Illinois operate the following business units

Genesis Health System provides administrative, management, information technology and other support services to its affiliates

Genesis Clinical Services operates physician medical practices, convenient care practices and an occupational medicine clinic and provides behavioral health services to the residents of eastern Iowa and western Illinois

Genesis Medical Center – Davenport (GMC – Davenport) is licensed as a 502-bed acute care hospital which provides services from two hospital facilities located in Davenport, Iowa

Genesis Family Medical Center (GFMC) is a family practice residency training program that operates clinics in Davenport and Blue Grass, Iowa to provide a clinical setting for the residents to treat patients

Genesis Medical Center – DeWitt (GMC – DeWitt) is certified as a critical access hospital, which has 13-acute care and swing beds, and has a 77-bed long-term care facility, which provides services from its facility in DeWitt, Iowa

Genesis Visiting Nurse Association and Hospice (VNA) provides home health care, community nursing services and hospice services to patients in eastern Iowa and western Illinois

Genesis Medical Center – Silvis (GMC – Silvis) is licensed as a 149-bed acute care hospital which provides services from its facility in Silvis, Illinois

Illini Hospital Nursing Home (INH) operates Illini Restorative Care Center and Crosstown Square Illini Restorative Care Center is a 120-bed licensed nursing facility, consisting of 75 skilled care beds and 45 sheltered care beds Twenty-two of the skilled care beds are designated as hospital-based Medicare certified beds The sheltered care unit provides rehabilitative and personal care in a family-oriented setting Crosstown Square is an independent living facility containing 76 rentable apartments and two guest rooms that offers services designed to meet the needs of senior adults

Note 1. Nature of Business and Significant Accounting Policies (Continued)

GHS Iowa and GHS Illinois have a controlling ownership interest or membership in the following organizations

Genesis Medical Center – Aledo (GMC – Aledo) is certified as a critical access hospital, which has 22-acute care and swing beds, as well as a physician clinic, which provides services from its facility in Aledo, Illinois

Genesis Senior Living – Aledo (GSL – Aledo) is certified as a nursing facility, which has a 92-bed long-term care facility, which provides services from its facility in Aledo, Illinois

On February 1, 2013, GMC – Aledo and GSL – Aledo acquired all of the assets and assumed all the liabilities of the hospital and nursing home in Aledo, Illinois from Mercer County, Illinois The assets acquired exceed the liabilities assumed and consideration paid by approximately $3,261,000, a contribution which was presented as a component of other nonoperating income for the year ended June 30, 2013

Genesis Health Services Foundation (Genesis Foundation) is an organization whose mission is to develop, manage and grant charitable support to meet the health-related needs of the communities served by Genesis Health System The Genesis Foundation is referred to as the Foundation

GenGastro, LLC (d/b/a the Center for Digestive Health) is a limited liability company, which operates a single-specialty gastroenterology ambulatory surgery center located in Bettendorf, Iowa Upon obtaining a controlling interest, the System consolidated the accounts of GenGastro, LLC in its consolidated financial statements in January 2011 Genesis Health System maintains a 75% ownership interest in GenGastro, LLC as of June 30, 2014 and 2013

The Larson Center Partnership (LCP) is a for-profit real estate partnership which owns a medical office building adjacent to GMC – Silvis and leases space for clinics, laboratory, pharmacy and offices to GMC – Silvis and other third-party organizations GHS Illinois is a general partner and owns approximately 75 6% of LCP

GenVentures, Inc. (GenVentures) is a wholly-owned for-profit corporation which operates the following divisions, primarily in the Quad Cities

Genesis at Home, Continuing Care sells and leases home medical equipment, provides intravenous therapy services, including sales of related solutions and supplies to patients, and provides retail pharmaceutical and over-the-counter products to patients and employees of the System

GenProperties owns, leases and/or manages office space in 15 medical office buildings located in Bettendorf, Clinton, Davenport, Eldridge, Le Claire and Muscatine, Iowa

Crescent Laundry provides commercial laundry services to health care facilities in eastern Iowa and in north-central Illinois

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Genesis Accountable Care Organization, LLC (Genesis ACO) is an Iowa limited liability company formed in December 2011 Its purpose is to engage in any lawful business and any business related to creation and organization of a "physician-driven" network to act as, and/or participate in, an Accountable Care Organization within the meaning of the federal Patient Protection and Affordable Care Act The company is also organized to develop a clinically integrated network of providers including physicians, health professionals, hospitals and ancillary providers working together to promote high quality, coordinated and efficient care to patients including members of various managed care payors and the community at large

Genesis Health System Workers' Compensation Plan and Trust (Workers' Compensation Trust) provides a fund which can be used to pay workers' compensation claims and costs for the benefit of Genesis Health System

Misericordia Assurance Company, Ltd. (Misericordia) is a wholly-owned Cayman-based captive insurance company which underwrites the general and professional liability risks of Genesis Health System and affiliates

Genesis Philanthropy is a wholly-owned tax-exempt entity formed in 2013, which partners with other hospital foundations to form a regional network to attract donors to help fund specific health-related causes and promote wellness in the region

Genesis Health System and its related organizations are collectively referred to as the System

Significant accounting policies:

Principles of consolidation The accompanying consolidated financial statements include the accounts of Genesis Health System and related organizations All significant intercompany balances and transactions have been eliminated upon consolidation

Accounting estimates The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period Actual results could differ from those estimates Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in the estimates and assumptions in the near term would be material to the financial statements Estimates that are particularly susceptible to significant changes in the near term and which require significant judgments by management include the allowances for doubtful accounts and contractual adjustments, estimated third-party payor settlements, self-insured professional, general, health and dental and workers' compensation liabilities, assumptions for the defined benefit retirement plan, fair value of financial instruments and recoverability of long-term assets (including goodwill)

Cash and cash equivalents Cash and cash equivalents include unrestricted cash and temporary cash investments not limited as to use The cash equivalents have a maturity of three months or less at date of issuance Certain temporary cash investments internally designated as long-term investments are excluded from cash and cash equivalents

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Patient receivables and net patient service revenue The collection of receivables from third-party payors and patients is the System's primary source of cash for operations and is critical to its operating performance The primary collection risks relate to uninsured patient accounts and patient accounts for which the primary insurance payor has paid, but patient responsibility amounts for deductibles and copayments remain outstanding Patient receivables, where a third-party payor is responsible for paying the amount, are carried at a net amount determined by the original charge for the service provided, less an estimate made for contractual adjustments or discounts provided to third-party payors

Patient receivables due directly from the patients are carried at the original charge for the service provided less amounts covered by third-party payors and less an estimated allowance for doubtful receivables based on a review of all outstanding amounts on a monthly basis Receivables due from medical office building tenants and from commercial laundry customers are carried at the original invoice amount less an estimate made for doubtful accounts Management determines the allowance for doubtful accounts by identifying troubled accounts, by historical experience applied to an aging of accounts, and by considering the patient's financial history, credit history and current economic conditions The System does not charge interest on patient receivables Receivables are written off as bad debts when deemed uncollectible Recoveries of receivables previously written off are recorded as a reduction of bad debt expense when received

Receivables or payables related to estimated settlements on various payor contracts, primarily Medicare, are reported as amounts due from or to third-party payors Significant changes in payor mix, business office operations, economic conditions or trends in federal and state governmental health care coverage could affect the System's collection of accounts receivable, cash flows and results of operations

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered including estimated retroactive adjustments under reimbursement agreements with third-party payors Retroactive adjustments with third-party payors are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined Net patient service revenue is reported net of the provision for doubtful accounts

In evaluating the collectability of accounts receivable, the System analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for doubtful accounts Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts For receivables associated with services provided to patients who have third-party coverage, the System analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for doubtful accounts, if necessary (for example, for expected uncollectible accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely) For receivables associated with self-pay patients (which include both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the System records a significant provision for doubtful accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts

Note 1. Nature of Business and Significant Accounting Policies (Continued)

The System's allowance for doubtful accounts and charity care, for all payors, increased from 9% of accounts receivable at June 30, 2013, to 11% of accounts receivable at June 30, 2014 In addition, the System's provision for doubtful accounts, for all payors, increased approximately $1,420,000 from $35,673,000 to $37,093,000 for the years ended June 30, 2013 and 2014, respectively Both increases were primarily the result of negative trends experienced in the collection of amounts from self-pay patients A portion of the increase is also a result of an increase in write-offs correlated with the increased revenue for the year ended June 30, 2014 The System has not changed its charity care or uninsured discount policies during the year ended June 30, 2014

The System recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered For uninsured patients that do not qualify for charity care, the System recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy)

Patient service revenue at established rates, less third-party payor contractual adjustments (but before the provision for doubtful accounts), recognized for the years ended June 30, 2014 and 2013, was as follows

	2014	2013
Third-party payor	$ 477,404,828	$ 478,316,171
Self-pay	80,204,204	70,387,215
	$ 557,609,032	$ 548,703,386

Inventories, supplies and materials Inventories, supplies and materials are valued at the lower of cost (first-in, first-out method) or market

Assets limited as to use Assets limited as to use include assets internally designated by the System's Board of Directors for future capital improvements and other purposes, over which the Board retains control and may at its discretion subsequently use for other purposes, assets held by trustees under bond indenture agreements, interest in the net assets of the DeWitt Community Hospital Foundation, and donor restricted assets

Investments Short-term investments consist of certificates of deposit which are stated at cost which approximates fair value Investments in equity securities, including assets limited as to use, with readily determinable fair values and all investments in debt securities are measured at fair value on the consolidated balance sheets based on quoted market prices Investments also include alternative investments which are carried at fair value using the practical expedient, which is estimated at the most recent valuations provided by external investment managers The practical expedient allows for the use of net asset value (NAV), either as reported by the investee fund or as adjusted by the System based on various factors Management has reviewed and evaluated the values provided by the managers and agrees with the valuation methods and assumptions used to determine their values

Investment income includes dividends, interest and other investment income and realized gains and losses on investments Changes in unrealized gains and losses on investments classified as trading securities are included in excess of revenue over expenses

Investment income earned on Misericordia's investments, which is to be used for the payment of general and professional liabilities, is included in other operating revenue Investment income (loss) included as other operating revenue was approximately $836,000 and $(110,000) for the years ended June 30, 2014 and 2013, respectively

Note 1. Nature of Business and Significant Accounting Policies (Continued)

The System classifies substantially all of its investments in debt and equity securities as trading This classification as trading requires the System to recognize unrealized gains and losses on substantially all of its unrestricted and internally designated investments in debt and equity securities as a component of nonoperating gains (losses) in the consolidated statements of operations

Investments in associated companies are accounted for by the equity method of accounting under which the System's share of the net income (loss) of the associated companies that provide patient related services are recognized as other revenue and included in operating income (loss) and the share of net income (loss) of the associated companies that do not provide patient related services are recognized as nonoperating gains (losses) in the consolidated statements of operations and added to (deducted from) the investment account Dividends and distributions received from the associated companies are treated as a reduction of the investment account The System has investments in companies that provide lithotripsy, ultrasound services, endoscopy procedures, specialized and orthopedic care, ambulatory surgery procedures, radiology, occupational and physical therapy rehabilitation services, a medical office building partnership, an equipment leasing company, mobile clinical and medical services, health insurance plans The System also has an interest in the Genesis Heart Institute

Property and equipment Property and equipment is carried at cost or, if donated, at fair market value at date of donation Depreciation is computed by the straight-line method over the assets' estimated useful lives Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets Amortization expense on assets acquired under capital leases is included with depreciation expense on owned assets

Gifts of long-lived assets such as land, buildings or equipment are reported as unrestricted support and are included in the income or loss from operations unless explicit donor stipulations specify how the donated assets must be used Gifts of long-lived assets with explicit restrictions that specify how the assets are used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service

Bond issuance costs Bond issuance costs are being amortized over the term the bonds are outstanding

Goodwill A majority of the goodwill on the System's consolidated balance sheet arose from the acquisition of a controlling interest in GenGastro, LLC, during the year ended June 30, 2011, and consists primarily of current and future expected earnings and profitability

Goodwill is tested for impairment annually Management performed assessments for impairment as of June 30, 2014 and 2013, and determined no goodwill impairment exists

Unpaid losses and loss adjustment expenses Misericordia and the Workers' Compensation Trust (collectively the Trusts) have liabilities for unpaid losses and loss adjustment expenses which are determined using case basis evaluations and statistical analyses and represent estimates of the ultimate cost of all reported and unreported losses which are unpaid at year-end Management concurs with the independent actuary on the determination of the estimated ultimate costs for losses and loss adjustment expenses

Note 1. Nature of Business and Significant Accounting Policies (Continued)

All estimates of unpaid losses and loss adjustment expenses are reviewed at least annually, and any adjustments determined to be necessary are reflected in current operations Since these liabilities are based on estimates, the ultimate settlement of losses and related expense may vary from the amounts included in the consolidated financial statements Misericordia records its estimated liability for unpaid losses and loss adjustment expenses at an undiscounted actuarially determined amount The Workers' Compensation Trust records its estimated liability for unpaid losses and loss adjustment expenses based on assumptions and estimates including an actuarially determined amount, discounted using a 3% yield as of June 30, 2014 and 2013

Although it is not possible to measure the degree of variability inherent in such estimates, management believes that the liabilities for unpaid losses and loss adjustment expenses are adequate No representation is made, however, that the ultimate liabilities may not be in excess of the amounts provided Also, Misericordia and the Workers' Compensation Trust participants are obligated by the terms of the Trusts' agreements to contribute retrospective payments to the Trusts, if deemed necessary, in order to support claims and costs in excess of the amounts provided

Misericordia and the Workers' Compensation Trust record their estimated liabilities gross of any amounts recoverable under their own reinsurance, which amounts, if any, are recorded separately in the consolidated balance sheets In the event that the reinsurers are unable to meet their obligations under the reinsurance agreements, Misericordia and Workers' Compensation Trust would be liable to pay all losses under the reinsurance assumed but would only receive reimbursement to the extent that the reinsurers can meet their obligations Investments held by Misericordia and the Workers' Compensation Trust totaling approximately $34,400,000 and $35,700,000 as of June 30, 2014 and 2013, respectively, are included in investments in the accompanying consolidated balance sheets

Premiums written and ceded Premiums written and ceded are recognized in income pro-rata over the term of the policies and the unearned and unexpensed portions at the consolidated balance sheet dates are transferred to unearned premiums which is included in other long-term liabilities on the consolidated balance sheets

Reinsurance premiums ceded are similarly recognized on a pro-rata basis over the terms of the policy issued and the unearned portion, if any, deferred and transferred to deferred reinsurance premiums ceded which is included in other long-term liabilities on the consolidated balance sheets

The policies insured by Misericordia are subject to a retrospective rating plan, under which retrospective premiums are recomputed annually based on incurred loss Retrospective premium adjustments are included in income in the period in which they are determined

Consistent with this policy, all available income of Misericordia is transferred to the provision for outstanding losses and retrospective premium adjustments which is included in other operating revenue Accordingly, Misericordia's statements of operations reflect a break-even position in income

Temporarily and permanently restricted net assets The System is required to report information regarding its financial position and operations according to three classes of net assets unrestricted net assets, temporarily restricted net assets and permanently restricted net assets The three classes are based on the presence or absence of donor-imposed restrictions Temporarily restricted net assets include net assets restricted by donors to a specific time period or purpose Permanently restricted net assets have been restricted by donors to be maintained in perpetuity Donor restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Noncontrolling interests The System has a 75 0% interest in GenGastro, LLC and a 75 6% interest in The Larson Center Partnership, LLC, while other members own a noncontrolling interest of the companies A pro rata share of the income or losses and net assets, in the form of members' equity, applicable to these interests has been recognized in the System's consolidated financial statements

Fair value of financial instruments Financial instruments are described as cash or contractual obligations or rights to pay or to receive cash The fair value for certain financial instruments approximates the carrying value because of the short-term maturity of these instruments which include cash and cash equivalents, short-term investments, receivables, accounts payable, accrued liabilities, due to third-party payors and other current liabilities The System's investments and assets limited as to use are carried at fair value on the consolidated balance sheets Based on borrowing rates currently available to the System with similar terms and maturities, the fair value of the long-term debt excluding capital leases and unamortized bond premium approximates $210,862,000 and $80,483,000 as of June 30, 2014 and 2013, respectively The fair value of long-term debt is based on level 2 inputs within the fair value hierarchy

Fair value measurements The Fair Value Measurements and Disclosures Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification defines fair value, establishes a framework for measuring fair value and requires disclosure of fair value measurements, which applies to all assets and liabilities that are measured and reported on a fair value basis See Note 6 for additional information

Other service revenue, net of cost of revenue The consolidated statements of operations include other service revenue, net of cost of revenue, which primarily consists of pharmaceuticals, home medical equipment and laundry services through GenVentures, Inc

Operating income The consolidated statements of operations include operating income Changes in unrestricted net assets, which are excluded from operating income include investment income, contribution income and other income which management views as outside of core operating activity

Electronic health records incentive program The electronic health records incentive program, enacted as part of the *American Recovery and Reinvestment Act of 2009*, provides for incentive payments under both the Medicare and Medicaid programs to eligible health systems that demonstrate meaningful use of certified electronic health records (EHR) technology Payments under both the Medicare and Medicaid programs are for five and six years, respectively, based on a statutory formula The Medicaid programs are determined on a state-by-state basis, which are approved by the Centers for Medicare and Medicaid Services Payment under both programs is contingent on the System initially attesting to being a meaningful user of EHR technology and then continuing to meet escalating criteria, including other specific requirements that are applicable, for consecutive reporting periods The final amount for any payment year is determined based upon an audit by the fiscal intermediary Events could occur that would cause the final amounts to differ from the initial payments under the program, although management does not anticipate material adjustments, as input data for the EHR incentive amounts has remained relatively consistent over time The System accounts for the recognition of revenue related to the incentive payments ratably over the period of time in which the incentives are earned Therefore, revenue from the incentive payments is recognized ratably as the System demonstrates that it complies with the meaningful use criteria over the applicable attestation period During the years ended June 30, 2014 and 2013, the System has recognized approximately $1,762,000 and $6,625,000, respectively, of other operating revenue as the meaningful use objectives have been met As of June 30, 2014 and 2013, the System recorded other current receivables of approximately $299,000 and $3,670,000, respectively, relating to the EHR incentive program

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Charity care The System provides care to patients who meet certain criteria under charity care policies without charge or at amounts less than its established rates Because the System does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue See additional information in Note 3

Excess of revenue over expenses The consolidated statements of operations and changes in net assets include excess of revenue over expenses Changes in unrestricted net assets which are excluded from excess of revenue over expenses, consistent with industry practice, include the change in unrealized gains and losses on investments classified as other-than-trading, permanent transfers of assets for other than goods and services, contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets), and the change in unrecognized funded status of the retirement plan

Subsequent events The System has evaluated subsequent events through October 22, 2014, the date on which the consolidated financial statements were issued In October 2014, management entered into an agreement with an unrelated third party for the sale of assets used primarily for outpatient dialysis services The System will invest in a 20% interest in a newly formed joint venture that will perform outpatient dialysis services Management is also exploring other possible partnership opportunities, however, no other significant agreements have been entered into as of October 22, 2014

Note 2. Net Patient Service Revenue

Health care providers within the System have agreements with third-party payors that provide for payments at amounts different from its established rates These third-party payors include the Medicare and Medicaid programs, Wellmark/Blue Cross, other health maintenance organizations, and various commercial insurance and preferred provider organizations

Third-party payor rates differ by payor and include established charges, contracted rates less than established charges, retroactively determined cost-based rates and prospectively determined rates per discharge, per procedure, or per diem

A summary of net patient service revenue for the years ended June 30, 2014 and 2013 is as follows

	2014	2013
Gross patient service revenue	$ 1,320,000,640	$ 1,255,009,661
Less discounts, allowances and estimated contractual adjustments under third-party reimbursement programs	762,391,608	706,306,275
Patient service revenue, net of contractual adjustments	557,609,032	548,703,386
Less provision for doubtful accounts	36,045,483	35,672,919
Net patient service revenue	$ 521,563,549	$ 513,030,467

Estimated contractual adjustments for the years ended June 30, 2014 and 2013 include the effect of a change in the estimate of the amount due to third-party payors The net effect of this change in estimate is a decrease in estimated contractual adjustments of approximately $598,000 and $1,064,000 for the years ended June 30, 2014 and 2013, respectively, and is related to the recognition of disproportionate share reimbursement and retroactive adjustments based on final settlements of cost reports

Note 2. Net Patient Service Revenue (Continued)

Under the State of Illinois Medicaid Hospital Assessment Program (Illinois Program), a hospital receives additional Medicaid reimbursement from the State and pays a related assessment Total reimbursement revenue recognized by the System related to this Illinois Program for the years ended June 30, 2014 and 2013 amounted to approximately $5,899,000 and $5,814,000, respectively, which is recorded as a reduction of estimated contractual adjustments Total assessments incurred by the System related to this Illinois Program for the years ended June 30, 2014 and 2013 amounted to approximately $1,879,000 and $1,846,000, respectively, which is included in other operating expenses The Illinois Program is in place through June 2018

On June 14, 2012, the Governor of Illinois signed the Save Medicaid Access and Resources Together (SMART) Act, which scaled back the Illinois Medicaid program through provider rate adjustments, utilization controls and eligibility verification The SMART Act also included an enhanced hospital tax assessment program, which was approved by CMS in October 2013 and is retroactive to June 2012 The program, which is effective through December 31, 2014, generates additional funds that will be used to attract additional federal matching funds The additional funds will be used to provide new hospital payments designed to preserve and improve access to hospital services for residents throughout Illinois Total reimbursement revenue recognized by the Hospital related to the enhanced program, which is recorded as a reduction of estimated contractual adjustments, amounted to approximately $3,142,000 and $1,087,000 for the years ended June 30, 2014 and 2013, respectively The total enhanced assessment incurred by the System was $1,242,000 and $388,000 for the years ended June 30, 2014 and 2013, respectively, which is included in other operating expenses

In 2011, CMS approved the State of Iowa's Hospital Provider Tax Program (Iowa Program) Under the Iowa Program, which is retroactive to July 1, 2010, a hospital is required to pay a quarterly provider tax assessment The tax assessments collected by the State are used to fund a health care access improvement fund and are used to obtain federal matching funds, all of which must be distributed to Iowa hospitals to help bring Medicaid reimbursement closer to the cost of providing care The allocation of these funds to specific health care providers is based primarily on the amount of care provided to Medicaid recipients The Iowa Program increases inpatient diagnosis-related groups (DRG) reimbursement rates and also implements several supplemental inpatient and outpatient methodologies The System's additional reimbursement has been recorded in the accompanying consolidated financial statements as a reduction of estimated contractual adjustments Total assessments incurred by the System related to this Iowa Program amounted to approximately $2,491,000 for each of the years ended June 30, 2014 and 2013, which is included in other operating expenses

The Affordable Care Act provides for a significant reduction in Medicaid disproportionate share (DSH) payments beginning in 2016 The U S Department of Health and Human Services is to determine the amount of Medicaid DSH payment cuts imposed on each state based on a defined methodology As Medicaid DSH payments to states will be cut, consequently, payments to Medicaid-participating providers, including hospitals in Iowa and Illinois, will likely be reduced in the coming years

The System has entered into various shared savings programs, including an Accountable Care Organization (ACO) program with Medicare Through these programs, the System works with Wellmark and United Healthcare to provide fee-for-service beneficiaries with high-quality service and care, while reducing the growth in expenditures through enhanced care coordination During the years ended June 30, 2014 and 2013, these programs achieved specified metrics and earned incentive payments which were paid to the System The System's share of the incentive under these programs recognized in other operating revenue was approximately $2,282,000 and $1,365,000 for the years ended June 30, 2014 and 2013, respectively As of June 30, 2014 and 2013, the System recorded other current receivables of approximately $1,830,000 and $104,000, respectively, relating to these programs

Note 3. Charity Care and Community Service

The System maintains records to identify and monitor the level of charity care it provides These records include the amount of charges foregone for services and supplies furnished under its charity care policy and the estimated cost of those services and supplies

The amount of charity care provided at estimated cost was approximately $9,341,000 and $10,252,000 for the years ended June 30, 2014 and 2013, respectively Cost of charity care is calculated by applying business unit specific cost-to-charge ratios to the amount of charity care deductions from gross revenue for each business unit The cost-to-charge ratio is calculated by taking the business unit expenses and gross charges and applying adjustments to remove the cost of non-patient care activity, Medicaid provider taxes paid, identifiable community benefit expenses, as well as gross patient charges that are generated for identifiable community benefit services

In addition to its charity policy, the System provided community services, including, but not limited to, the following

- Operation of full-time emergency rooms providing emergency medical services to all patients accessing the System, regardless of race, creed, sex, national origin, handicap, age or ability to pay
- Operation of a community based hospice program along with the only residential hospice house in the Quad Cities
- Maintenance of provider agreements with the Medicare and Medicaid programs
- Health screenings, promotions, education and prevention programs offered free or at low cost to its communities
- A medical education program which provides for the education of Family Practice residents at GFMC, as well as support to nursing programs
- Volunteer services provided by the System's staff to the communities, including major community events and fund raising activities
- Not-for-profit community funding, including those community groups' activities that are consistent with System's mission
- Subsidized services to other charitable organizations providing health related services

Genesis Health System and the Foundation, as part of their missions, grant charitable support to meet the health related needs of the communities served by the System

On June 14, 2012, the Governor of Illinois signed into law legislation that governs property and sales tax exemption for not-for-profit hospitals The law took effect on the date it was signed Under the law, in order to maintain its property and sales tax exemption, the value of specified services and activities of a not-for-profit hospital must equal or exceed the estimated value of the hospital's property tax liability, as determined under a formula in the law The specified services are those that address the health care needs of low-income or underserved individuals or relieve the burden of government with regard to health care services, and include the cost of free or discounted services provided pursuant to the hospital's financial assistance policy, other unreimbursed costs of addressing the health needs of low-income and underserved individuals, direct or indirect financial or in-kind subsidies of State and local governments, the unreimbursed cost of treating Medicaid and other means-tested program recipients, the unreimbursed cost of treating dual-eligible Medicare/Medicaid patients, and other activities that the Illinois Department of Revenue determines relieves the burden of government or addresses the health of low-income or underserved individuals Management believes that the System's Illinois hospitals, GMC – Silvis and GMC – Aledo, meet the requirements under the law to maintain their property and sales tax exemptions in Illinois

Note 4. Receivables

Patient receivables as of June 30, 2014 and 2013 consist of the following

	2014	2013
Patient receivables before allowances	$ 170,907,633	$ 171,968,271
Less		
Estimated third-party contractual allowances	73,345,741	70,452,581
Allowance for doubtful accounts and charity care	17,969,336	15,792,827
	$ 79,592,556	$ 85,722,863

Note 5. Composition of Investments and Assets Limited as to Use

Investments and assets limited as to use that are internally designated and donor restricted consist of the following as of June 30, 2014 and 2013

	2014	2013
Cash, primarily money market funds	$ 26,146,410	$ 1,530,014
Certificates of deposit	569,899	567,798
Common stocks	79,574,075	76,092,391
Fixed income mutual funds	17,910,660	56,602,231
Equity mutual funds	65,650,493	58,512,134
Equity collective investment funds	60,927,846	48,619,018
U S Treasury bonds	132,709,117	-
Investment in associated companies	11,974,240	12,680,675
Other	1,836,494	935,542
	$ 397,299,234	$ 255,539,803

Investments and assets limited as to use that are internally designated and donor restricted are included in the accompanying consolidated balance sheets under the following captions as of June 30, 2014 and 2013

	2014	2013
Short-term investments	$ 658,377	$ 648,632
Investments	63,028,063	61,651,493
Assets limited as to use		
Internally designated	200,065,142	174,235,597
Under bond indenture, funds held by trustee	111,012,884	-
Donor restricted	22,534,768	19,004,081
	$ 397,299,234	$ 255,539,803

The investments of the System are exposed to various risks such as interest rate, market and credit Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the consolidated financial statements

Note 5. Composition of Investments and Assets Limited as to Use (Continued)

The return on investments, including assets limited as to use, is reported in the consolidated statements of operations and changes in net assets as follows

	2014	2013
Investment income		
Interest and dividend income	$ 4,610,494	$ 5,132,712
Net realized gains on investments	20,760,362	7,824,448
Change in net unrealized gains and losses on investments	4,839,280	7,262,503
Equity in net income of associated companies	7,217,085	5,282,983
	$ 37,427,221	$ 25,502,646
Unrestricted		
Interest and dividend income and realized gains on sales of investments	$ 23,158,882	$ 11,782,407
Current year change in unrealized gains on trading securities	3,573,211	6,838,810
Other nonoperating income	2,623,043	912,639
Other operating revenue	5,445,862	4,275,087
	34,800,998	23,808,943
Temporarily restricted		
Interest and dividend income	206,174	301,874
Net realized gains on investments	1,184,571	811,969
Change in net unrealized gains on investments	1,171,574	518,502
	2,562,319	1,632,345
Permanently restricted		
Interest and dividend income	5,277	7,830
Net realized gains on investments	30,238	21,433
Change in net unrealized gains on investments	28,389	32,095
	63,904	61,358
	$ 37,427,221	$ 25,502,646

Note 6. Investments and Fair Value Measurements

The Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants and requires the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances In that regard, this guidance establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs The fair value hierarchy is as follows

Level 1 Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date

Level 2 Significant other observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data Level 2 investments also include market alternatives, measured using the practical expedient, that do not have any significant redemption restrictions, lock ups, gates or other characteristics that would cause liquidation and report date NAV to be significantly different

Level 3 Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability

A description of the valuation methodologies used for assets and liabilities measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below

Investments in common stocks and mutual funds traded on a national securities exchange are valued at the last reported sales price on the day of valuation These financial instruments are classified as level 1 in the fair value hierarchy

The System invests in alternative investments consisting of equity mutual funds and collective investment funds for which fair value is determined using the NAV per share of each fund The NAV for level 2 mutual funds and collective investment funds is primarily determined based on the underlying assets and liabilities held in the fund The estimated fair values of certain investments of the underlying investment funds, which may include securities for which prices are not readily available, are determined by the managers of the respective other investment fund and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments The fair value of the System's investments in funds generally represents the amount the System would expect to receive if it were to liquidate its investments in funds excluding any redemption charges that may apply

Note 6. Investments and Fair Value Measurements (Continued)

For the System's investments in U S treasury bonds where quoted prices are not available for identical securities in an active market, the System determines fair value utilizing vendors who apply matrix pricing for similar bonds where no price is observable or may compile prices from various sources These models are primarily industry-standard models that consider various assumptions including time value, yield curve, volatility factors, prepayment speeds, default rates, loss severity, current market and contractual prices for the underlying financial instruments, as well as other relevant economic measures Substantially all of these assumptions are observable in the market place, can be derived from observable data or are supported by observable levels at which transactions are executed in the market place Fair values from these models are verified, where possible, to quoted prices for recent trading activity of assets with similar characteristics to the security being valued Such methods are classified as level 2

There have been no changes in valuation techniques used for any assets measured at fair value during the year ended June 30, 2014

Assets recorded at fair value on a recurring basis:

The following tables summarize assets measured at fair value on a recurring basis as of June 30, 2014 and 2013, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value

	Investments at Fair Value as of June 30, 2014			
	Fair Value	Level 1	Level 2	Level 3
Common Stocks				
Healthcare	$ 11,260,181	$ 11,260,181	$ -	$ -
Financial	9,044,094	9,044,094	-	-
Consumer Discretionary	14,319,289	14,319,289	-	-
Energy	7,508,129	7,508,129	-	-
Information Technology	19,273,558	19,273,558	-	-
Industrials	4,972,678	4,972,678	-	-
ADR's (American Depository Receipts)	3,400,027	3,400,027	-	-
Materials	3,107,112	3,107,112	-	-
Consumer Staples	5,037,134	5,037,134	-	-
Utilities	312,885	312,885	-	-
Telecommunication Services	1,338,988	1,338,988	-	-
Equity Mutual Funds				
PIMCO Cayman U S Total Return Fund	12,057,804	-	12,057,804	-
MFS Global Equity Fund	9,184,374	9,184,374	-	-
Lazard International Strategic Fund	23,008,766	23,008,766	-	-
Other, primarily those held in deferred compensation plan assets	21,399,548	21,399,548	-	-
Equity Collective Investment Funds				
JP Morgan Core Bond Trust	50,716,618	-	50,716,618	-
JP Morgan U S Aggregate Bond Fund	10,211,229	-	10,211,229	-
Fixed Income				
Nuveen Short-Term Bond Fund	12,126,792	12,126,792	-	-
U S Treasury Bonds	132,709,117	-	132,709,117	-
Metropolitan West Total Return Bond Fund	4,455,460	4,455,460	-	-
Other	1,328,408	1,328,408	-	-
	$ 356,772,191	$ 151,077,423	$ 205,694,768	$ -

Note 6. Investments and Fair Value Measurements (Continued)

	Investments at Fair Value as of June 30, 2013			
	Fair Value	Level 1	Level 2	Level 3
Common Stocks				
Healthcare	$ 10,550,883	$ 10,550,883	$ -	$ -
Financial	9,823,738	9,823,738	-	-
Consumer Discretionary	13,062,861	13,062,861	-	-
Energy	5,725,189	5,725,189	-	-
Information Technology	17,438,242	17,438,242	-	-
Industrials	6,589,594	6,589,594	-	-
ADR's (American Depository Receipts)	3,394,069	3,394,069	-	-
Materials	3,006,119	3,006,119	-	-
Consumer Staples	4,386,391	4,386,391	-	-
Utilities	602,687	602,687	-	-
Telecommunication Services	1,512,618	1,512,618	-	-
Equity Mutual Funds				
Thornburg International Value Fund	20,603,408	20,603,408	-	-
PIMCO Cayman U S Total Return Fund	13,210,549	-	13,210,549	-
MFS Global Equity Fund	7,500,015	7,500,015	-	-
Other, primarily those held in deferred compensation plan assets	17,198,162	17,198,162	-	-
Equity Collective Investment Funds				
JP Morgan Core Bond Trust	37,862,337	-	37,862,337	-
JP Morgan U S Aggregate Bond Fund	10,756,681	-	10,756,681	-
Fixed Income Mutual Funds				
PIMCO Total Return Fund	44,130,302	44,130,302	-	-
Nuveen Short-Term Bond Fund	11,781,429	11,781,429	-	-
Other	690,500	690,500	-	-
	$ 239,825,774	$ 177,996,207	$ 61,829,567	$ -

There were no transfers between levels of the fair value hierarchy during the years ended June 30, 2014 and 2013

Note 6. Investments and Fair Value Measurements (Continued)

The following table sets forth additional disclosure of the System's investments whose fair value is estimated using net asset value (NAV) per share (or its equivalent) as of June 30, 2014 and 2013

	Fair Value		Unfunded	Redemption	Redemption
	2014	2013	Commitment	Frequency	Notice Period
Investments					
Equity Mutual Fund, PIMCO Cayman U S Total Return Fund (A)	$ 12,057,804	$ 13,210,549	$ -	Daily	Daily
Equity Collective Investment Funds					
JP Morgan Core Bond Trust (B)	50,716,618	37,862,337	-	Daily	Daily
JP Morgan U S Aggregate Bond Fund (C)	10,211,229	10,756,681	-	Daily	Trade date, minus 3 days
	$ 72,985,651	$ 61,829,567	$ -		

(A) PIMCO Cayman U S Total Return Fund is an open-end investment fund incorporated in the Cayman Islands The Fund's objective is maximum total return, consistent with preservation of capital and prudent investment management The System has used the NAV as the practical expedient to measure fair value

(B) The JP Morgan Core Bond Trust fund seeks to maximize total return by investing primarily in a diversified portfolio of intermediate and long-term debt securities The System has used the NAV as the practical expedient to measure fair value

(C) JP Morgan U S Aggregate Bond Fund is an open-end investment fund incorporated in Luxembourg The Fund's objective is to achieve return in excess of U S bond markets by investing primarily in U S fixed and floating rate debt securities The System has used the NAV as the practical expedient to measure fair value

Note 7. Property and Equipment

Property and equipment as of June 30, 2014 and 2013 consists of the following

	2014	2013
Land and land improvements (A)	$ 33,136,340	$ 30,479,557
Buildings (B)	345,889,375	344,507,404
Leasehold improvements	21,511,310	21,100,926
Equipment (C)	356,318,402	338,462,522
Construction in process	39,400,169	14,779,569
	796,255,596	749,329,978
Less accumulated depreciation, including accumulated depreciation on capital assets 2014 $25,903,237, 2013 $24,340,038	530,430,082	497,039,692
	$ 265,825,514	$ 252,290,286

(A) Land and land improvements include assets under capital lease as of June 30, 2014 and 2013 of $1,153,678

(B) Buildings include assets under capital lease as of June 30, 2014 and 2013 of $22,272,145

(C) Equipment includes assets under capital lease as of June 30, 2014 and 2013 of $9,467,994

Note 8. Long-Term Debt and Pledged Assets

Long-term debt and pledged assets as of June 30, 2014 and 2013 consist of the following

	2014	2013
GHS Iowa:		
Revenue bonds, Series 2010 (A)	$ 67,040,000	$ 73,435,000
Revenue bonds, Series 2013 (B)	121,000,000	-
Unamortized bond premium, Series 2010 and 2013 (A)(B)	5,924,159	3,216,984
Capital lease obligation (C)	2,392,808	3,622,895
GHS Iowa subtotal	196,356,967	80,274,879
GHS Illinois, capital lease obligations (D)	6,375,000	7,070,000
Obligated Group subtotal (E)	202,731,967	87,344,879
GenVentures, note payable, bank (F)	248,276	349,750
	202,980,243	87,694,629
Less current maturities	8,861,422	8,421,389
	$ 194,118,821	$ 79,273,240

(A) During fiscal year 2010, GHS Iowa issued Iowa Finance Authority Healthcare Revenue Bonds, Series 2010 The Series 2010 bonds, which had an original principal balance of $90,995,000 and were issued at a premium of $3,799,486, have payments due July 1, annually, and mature in varying amounts through July 1, 2026 and bear interest at 5 0% The Series 2010 bonds are secured by a pledge of the Obligated Group's unrestricted receivables The proceeds of the bonds were used to extinguish the 1997 and 2000 Series bonds

There are a number of limitations and restrictions contained in the Master Trust Indenture, the most significant of which is for the Obligated Group to maintain a minimum debt service coverage ratio of 1 10 to 1

(B) During fiscal year 2014, GHS Iowa issued Iowa Finance Authority Healthcare Revenue Bonds, Series 2013 The Series 2013 bonds, which had an original principal balance of $121,000,000 and were issued at a premium of $3,950,091, have payments due July 1, annually, and mature in varying amounts through July 1, 2033 and bear interest at rates between 4 0% and 5 5% The Series 2013 bonds are secured by a pledge of the Obligated Group's unrestricted receivables The proceeds of the bonds are restricted to be used for capital acquisitions and improvements

There are a number of limitations and restrictions contained in the Master Trust Indenture, the most significant of which is for the Obligated Group to maintain a minimum debt service coverage ratio of 1 10 to 1

(C) The lease is due in monthly installments of $122,135, including interest at 7 68% with final payment due in March 2016 The lease is secured by equipment The depreciated cost of the equipment under this capital lease is approximately $1,611,000 as of June 30, 2014

Note 8. Long-Term Debt and Pledged Assets (Continued)

(D) GMC – Sılvıs leases ıts land, land ımprovements and buıldıngs from Illını Hospıtal Dıstrıct, a related party, under a capıtal lease agreement whıch requıres payment ın an amount sufficıent to pay all prıncıpal and ınterest on outstandıng Serıes 2010 general obligatıon bonds (alternatıve revenue source)

The Serıes 2010 general obligatıon bonds (alternatıve revenue source) have an outstandıng prıncıpal balance of $6,375,000 These bonds were ıssued to advance refund $8,740,000 of the outstandıng Serıes 2001 general obligatıon bonds (alternatıve revenue source) The Serıes 2010 bonds bear ınterest at rates varyıng from 2 12% to 4 53%, whıch ıs payable on January 1 and July 1 The bonds mature ın varyıng amounts from $710,000 to $905,000 through January 2022

The depreciated cost of land, land ımprovements and buıldıngs under thıs capıtal lease ıs approxımately $5,332,000 as of June 30, 2014

(E) Genesıs Health System – Iowa, Genesıs Health System – Illınoıs, Genesıs Medıcal Center – Aledo and Genesıs Senıor Lıvıng - Aledo, collectıvely, represent the Obligated Group on the revenue bond obligatıons

(F) GenVentures' bank note ıs due ın monthly payments of $10,200, ıncludıng ınterest at a varıable rate, 6 95% as of June 30, 2014, through August 2016, secured by buıldıng and land Under thıs agreement, GenVentures ıs requıred to maıntaın certaın restrıctıve covenants ıncludıng a mınımum tangıble net worth and a mınımum debt servıce coverage ratıo

The followıng ıs a schedule of approxımate future mınımum lease payments due under capıtal leases together wıth the present value of future mınımum lease payments as of June 30, 2014

Year endıng June 30	
2015	$ 2,296,000
2016	2,045,000
2017	949,000
2018	949,000
2019	951,000
Thereafter	2,845,000
	10,035,000
Less the amount representıng ınterest	1,267,000
Present value of future minimum lease payments	$ 8,768,000

Note 8. Long-Term Debt and Pledged Assets (Continued)

The aggregate principal maturities of the long-term debt, including the maturities of capital leases and excluding unamortized bond premium, as of June 30, 2014 over the next five years and thereafter are approximately as follows

Year ending June 30	
2015	$ 8,861,000
2016	8,961,000
2017	8,559,000
2018	8,955,000
2019	9,405,000
Thereafter	152,315,000
	$ 197,056,000

Note 9. Employee Retirement Plans

All employees of the System and affiliates participate in the Genesis Health System Retirement Plans The plans consist of both a defined benefit pension plan and an employer paid match on employee contributions to a defined contribution plan Retirement expense for the employer paid match to the defined contribution plan was approximately $4,939,000 and $5,413,000 for the years ended June 30, 2014 and 2013, respectively

Effective July 1, 2005, current participants in the defined benefit pension plan were given the option to remain in the defined benefit pension plan or to elect to move to the Genesis Retirement Account program, at which time their benefits in the defined benefit pension plan were frozen at current levels All new full and part-time employees that have worked more than 1,000 hours during a prior calendar year will participate in the new defined contribution plan, with contributions made by the System as specified in the plan based on years of service

Effective December 31, 2006, the Board of Directors of the System adopted a resolution to freeze the defined benefit pension plan (Plan) Under terms of the freeze, employees with at least five years of service and a combination of age and years of service of 70 were grandfathered As of December 31, 2011, benefits for all previously grandfathered employees were frozen and there will be no future benefits accrued to the participants in the defined benefit plan As a result of the plan amendment which was effective December 31, 2011, the System elected to amortize the remaining actuarial gains and losses using the average remaining lifetime of participants expected to receive benefits under the Plan

The Compensation – Retirement Benefits Topic of the FASB Accounting Standards Codification requires balance sheet recognition of the overfunded or underfunded status of pension and postretirement benefit plans Actuarial gains and losses, prior service costs or credits and any remaining transition assets or obligations that have not been recognized under previous accounting standards, must be recognized in the changes in unrestricted net assets As a result, the System has recognized the overfunded status of the defined benefit pension plan in the accompanying consolidated balance sheets as of June 30, 2014 and 2013 The accrual for the defined benefit pension plan asset or liability is based on a comparison of the fair value of Plan assets to the Plan's projected benefit obligation

Note 9. Employee Retirement Plans (Continued)

The defined benefit pension plan is measured annually at June 30 Information about the Plan follows

	2014	2013
Projected benefit obligation at beginning of year	$ (181,241,980)	$ (187,533,433)
Interest cost	(9,037,692)	(8,736,342)
Actuarial gain (loss), impact of change in assumptions	(23,672,484)	7,622,843
Benefits paid	7,997,330	7,404,952
Projected benefit obligation at end of year	(205,954,826)	(181,241,980)
Fair value of plan assets	214,013,202	183,907,837
Funded status, plan assets in excess of benefit obligation	$ 8,058,376	$ 2,665,857
Rollforward of accrued benefit (liability)		
Accrued benefit (liability) on balance sheet, beginning of year	$ 2,665,857	$ (16,986,157)
Return on plan assets	32,102,695	14,765,513
System contributions	6,000,000	6,000,000
Change in plan liability	(32,710,176)	(1,113,499)
Accrued benefit on balance sheet, end of year	$ 8,058,376	$ 2,665,857
Components of net periodic pension cost (income), which is included as a component of employee benefits expense on the accompanying consolidated statements of operations, consist of		
Interest cost	$ 9,037,692	$ 8,736,342
Expected return on plan assets	(12,620,222)	(11,376,496)
Amortization of unrecognized net loss	1,751,925	2,279,230
Net periodic pension (income)	$ (1,830,605)	$ (360,924)

Note 9. Employee Retirement Plans (Continued)

	2014	2013
Amounts not yet recognized as components of net periodic pension cost		
Net actuarial (loss)	$ (62,883,059)	$ (60,459,755)
Prior service credit	-	14,777
Unrecognized amounts, end of year	(62,883,059)	(60,444,978)
Unrecognized amounts, beginning of year	(60,444,978)	(73,736,067)
Current year change	$ (2,438,081)	$ 13,291,089
Assumptions used in computations		
In computing ending obligations		
Discount rate	4 30%	5 10%
Rate of compensation increase	n/a	n/a
In computing net periodic benefit cost		
Discount rate	5 10%	4 75%
Expected return on assets	7 25%	7 25%
Rate of compensation increase	n/a	n/a

The expected return on plan assets is based upon a blend of historical returns and the System's estimate of a long-term rate of return

Management's objective is to maximize long-term returns while reducing losses in order to meet future benefit obligations Management follows the policy of using historical evidence in computing expected return on assets

Note 9. Employee Retirement Plans (Continued)

The fair values of the System's defined benefit pension plan assets as of June 30, 2014 and 2013 by asset category, segregated by the level of the valuation inputs within the fair value hierarchy as described in Note 6, are as follows

	Fair Value	Level 1	Level 2	Level 3
	Investments at Fair Value as of June 30, 2014			
Common Stocks				
Healthcare	$ 9,724,604	$ 9,724,604	$ -	$ -
Financial	11,241,449	11,241,449	-	-
Consumer Discretionary	15,048,609	15,048,609	-	-
Energy	6,468,807	6,468,807	-	-
Information Technology	14,927,248	14,927,248	-	-
Industrials	5,673,277	5,673,277	-	-
ADR's (American Depository Receipts)	7,412,047	7,412,047	-	-
Materials	2,971,632	2,971,632	-	-
Consumer Staples	3,305,920	3,305,920	-	-
Utilities	673,157	673,157	-	-
Telecommunication Services	789,150	789,150	-	-
Fixed Income Mutual Fund, PIMCO Total Return Fund	141,618	141,618	-	-
Fixed Income				
U S Treasury Bonds	29,327,065	-	29,327,065	-
Other	4,184,820	-	4,184,820	-
Equity Mutual Funds				
MFS Global Equity Fund	9,753,317	9,753,317	-	-
Lazard International Strategic Fund	24,498,505	24,498,505	-	-
Equity Collective Investment Fund, JP Morgan				
Extended Duration Fund	52,869,731	-	52,869,731	-
	199,010,956	$ 112,629,340	$ 86,381,616	$ -
Other plan assets, cash and cash equivalents	15,002,246			
Total plan assets	$ 214,013,202			
	Investments at Fair Value as of June 30, 2013			
Common Stocks				
Healthcare	$ 9,713,915	$ 9,713,915	$ -	$ -
Financial	10,908,861	10,908,861	-	-
Consumer Discretionary	16,617,544	16,617,544	-	-
Energy	5,884,731	5,884,731	-	-
Information Technology	13,735,821	13,735,821	-	-
Industrials	7,632,608	7,632,608	-	-
ADR's (American Depository Receipts)	5,747,264	5,747,264	-	-
Materials	2,668,187	2,668,187	-	-
Consumer Staples	2,979,522	2,979,522	-	-
Utilities	928,387	928,387	-	-
Telecommunication Services	790,267	790,267	-	-
Fixed Income Mutual Fund, PIMCO Total Return Fund	35,427,365	35,427,365	-	-
Equity Mutual Funds				
MFS Global Equity Fund	7,964,618	7,964,618	-	-
Thornburg International Value Fund	21,959,722	21,959,722	-	-
Equity Collective Investment Fund, JP Morgan				
Extended Duration Fund	38,602,979	-	38,602,979	-
	181,561,791	$ 142,958,812	$ 38,602,979	$ -
Other plan assets, cash and cash equivalents	2,346,046			
Total plan assets	$ 183,907,837			

Note 9. Employee Retirement Plans (Continued)

The following table sets forth additional disclosure of the System's defined benefit pension plan assets whose fair value is estimated using net asset value (NAV) per share (or its equivalent) as of June 30, 2014 and 2013

	Fair Value		Unfunded	Redemption	Redemption
	2014	2013	Commitment	Frequency	Notice Period
Investments, Equity Collective Investment Fund, JP Morgan Extended Duration Fund (A)	$ 52,869,731	$ 38,602,979	$ -	Daily	1 Day

(A) The fund invests mainly in level 2 investments such as collateralized mortgage obligations, corporate bonds and U S Treasury securities This fund can be redeemed at the current NAV of the fund by giving written notice to the Trustee one business day prior to withdrawal The System has used the NAV as the practical expedient to measure fair value

The following summarizes target and actual asset allocations by major asset categories as of June 30, 2014 and 2013

	Target Allocation		Actual	
	2014	2013	2014	2013
Domestic equity securities				
Large cap	28 5%	26 0%	34 5%	31 6%
Small cap	9 0	9 0	9 0	11 6
International equity securities	16 0	15 0	16 0	16 2
Fixed income	46 5	50 0	40 5	40 6
	100 0%	100 0%	100 0%	100 0%

Management's objective is to maintain adequate levels of diversification among plan assets Management monitors the allocation on an ongoing basis and will allocate plan assets accordingly in the subsequent quarter

The System does not expect to contribute to its defined benefit pension plan during the year ending June 30, 2015

Benefit payments from the defined benefit pension plan are expected to be paid as follows

Year ending June 30	
2015	$ 10,500,000
2016	11,300,000
2017	12,100,000
2018	12,800,000
2019	12,800,000
2020 to 2024	64,900,000
	$ 124,400,000

Physician employees of the System are eligible to participate in nonqualified deferred compensation plans The plans allow participants to defer a portion of their salary into the plans The plan assets are held for the benefit of participating employees The liability to these participants is recorded at the same amount as the plan assets' value The assets, which are included in investments, and corresponding noncurrent liability of the nonqualified deferred compensation plans recorded on the accompanying consolidated balance sheets are approximately $14,362,000 and $11,616,000 as of June 30, 2014 and 2013, respectively

Note 10. Income Tax Matters

GHS Iowa, GHS Illinois, GSL – Aledo, GMC – Aledo, the Genesis Foundation, and the Workers' Compensation Trust are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code GenVentures is subject to income taxes Misericordia Assurance Company, Ltd is a foreign corporation not subject to income taxes

In lieu of corporate income taxes, the partners of The Larson Center Partnership and members of GenGastro, LLC are taxed on their proportionate share of the respective organization's income, deductions, losses and credits Therefore, the accompanying consolidated financial statements do not include any provision for income taxes for these entities

Deferred taxes for GenVentures are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards, and deferred tax liabilities are recognized for taxable temporary differences Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized Deferred tax assets and liabilities are adjusted for the effects of changes in the tax laws and rates on the date of enactment The deferred taxes for GenVentures relate primarily to net operating loss carryforwards, property and equipment, allowance for doubtful accounts and accrued compensation

Net deferred taxes consist of the following components as of June 30, 2014 and 2013

	2014	2013
Deferred tax assets	$ 3,067,000	$ 2,648,000
Less valuation allowance	(3,067,000)	(2,648,000)
	$ -	$ -

For the years ended June 30, 2014 and 2013, there are no current income tax provisions due to the utilization of the net operating loss carryforwards

As of June 30, 2014, GenVentures, for federal income tax purposes, has net operating loss carryforwards which are available to offset future federal taxable income and federal tax liabilities These carryforwards expire from 2020 through 2026 The carryforwards expiring in future years are as follows

Year ending June 30	
2015	$ -
2016	-
2017	-
2018	-
2019	-
Thereafter	1,981,000
	$ 1,981,000

Note 10. Income Tax Matters (Continued)

Uncertainty in income taxes:

GHS Iowa, GHS Illinois, GSL – Aledo, GMC – Aledo, the Genesis Foundation and the Workers' Compensation Trust each files a Form 990 (Return of Organization Exempt from Income Tax) annually When these returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would ultimately be sustained Examples of tax positions common to health systems include such matters as the following the tax exempt status of each entity, the nature, characterization and taxability of joint venture income and various positions relative to potential sources of unrelated business taxable income Unrelated business taxable income is reported on Form 990T, as appropriate The benefit of a tax position is recognized in the consolidated financial statements in the period during which, based on all available evidence, management believes that it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any

Tax positions are not offset or aggregated with other positions Tax positions that meet the "more likely than not" recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely to be realized on settlement with the applicable taxing authority The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for uncertain tax benefits in the accompanying consolidated balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination

Forms 990 and 990T filed by GHS Iowa, GHS Illinois, GSL – Aledo, GMC – Aledo, the Genesis Foundation and the Workers' Compensation Trust are subject to examination by the Internal Revenue Service (IRS) up to three years from the extended due date of each return Forms 990 and 990T filed by GHS Iowa, GHS Illinois, the Genesis Foundation and the Workers' Compensation Trust are no longer subject to examination for the fiscal years ended June 30, 2010 and prior GenVentures is a taxable organization and currently files income tax returns in the U S federal jurisdiction and various state jurisdictions GenVentures is no longer subject to income tax examinations for the fiscal years ended June 30, 2010 and prior There were no uncertain tax positions as of June 30, 2014 and 2013

Note 11. Self-Insurance, Contingent Liabilities and Commitments

Self-insured claims:

The System is primarily self-insured, up to certain limits, for general and professional liability, workers' compensation and employee group health and dental claims The System has purchased stop-loss insurance for general and professional liability claims, which will reimburse the System for individual claims in excess of $2,000,000 annually or aggregate claims exceeding $6,000,000 annually The System has purchased stop-loss insurance for workers' compensation claims in excess of $400,000 annually for the years ended June 30, 2014 and 2013, or aggregate claims in excess of $5,000,000 Insurance coverage is also maintained for health and dental claims in excess of $150,000

Operations are charged with the costs of claims reported and an estimate of claims incurred but not reported Total expense under the self-insured programs was approximately $28,223,000 and $26,454,000 for the years ended June 30, 2014 and 2013, respectively An independent actuarial firm is utilized to assist in determining the provision for general, professional and workers' compensation losses, including incurred but not reported losses The liabilities for estimated self-insured claims, including unpaid losses and loss adjustment expenses, recorded on the accompanying consolidated balance sheets are $39,612,000 and $37,287,000 as of June 30, 2014 and 2013, respectively, which include approximately $19,441,000 and $22,592,000, respectively, that are included in other long-term liabilities and approximately $4,403,000 and $2,010,000, respectively, included in other accrued expenses The amount of reinsurance recoverable on unpaid losses as of June 30, 2014 and 2013 was approximately $6,301,000 and $5,369,000, respectively, that is included in other receivables

The determination of such claims and expenses and the appropriateness of the related liability is continually reviewed and updated It is reasonably possible that the accrued estimated liability for self-insured claims may need to be revised in the short term In addition, participants of self-insurance programs may be required to make retrospective contributions as deemed necessary if loss experience is worse than anticipated

GFMC participates in a cooperative of University of Iowa-affiliated medical education foundations for the purpose of professional liability insurance to cover claims on a claims-made basis with a loss limit of $2,000,000 per occurrence and an annual limit of $4,000,000 and no deductible

Accounting for conditional asset retirement obligations:

The Conditional Asset Retirement Obligation Topic of the FASB Accounting Standards Codification clarifies when an entity is required to recognize a liability for a conditional asset retirement obligation, specifically as it relates to its legal obligation to perform asset retirement activities, such as asbestos removal, on its existing properties Over the past ten years, management has systematically renovated, replaced or newly constructed the majority of the physical plant facilities, resulting in a relatively small portion of the facility with any remaining hazardous material Management of the System believes that there is an indeterminate settlement date for the asset retirement obligations because the range of time over which the System may settle the obligation is unknown and does not believe that the estimate of the liability related to these asset retirement activities is a material amount as of June 30, 2014 and 2013

Note 11. Self-Insurance, Contingent Liabilities and Commitments (Continued)

Laws and regulations:

The health care industry is subject to numerous laws and regulations of federal, state and local governments Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time These laws and regulations include, but are not limited to, accreditation, licensure, government health care program participation requirements, reimbursement for patient services and Medicare and Medicaid fraud and abuse Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers Violations of these laws and regulations could result in exclusion from government health care program participation, together with the imposition of significant fines and penalties, as well as significant repayment for past reimbursement for patient services received The System believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing

CMS RAC Program:

Congress passed the Medicare Modernization Act in 2003, which among other things established a demonstration of the Medicare Recovery Audit Contractor (RAC) program The RAC's identified and corrected a significant amount of improper overpayments and/or underpayments to providers In 2006, Congress passed the Tax Relief and Health Care Act of 2006 which authorized the expansion of the RAC program to all 50 states The System has been subject to such audits and will continue to be subject to additional audits in the future The System has accrued a receivable, which is included in other receivables, for amounts which have been recouped as part of the RAC program which have not yet been resolved The System has accrued an estimated liability, which is included in due to third-party payors as of June 30, 2014 and 2013, as a reserve for such audits based on the number of RAC audit requests, the System's historical defense rate and the analysis and reviews of a consulting firm It is reasonably possible that the recorded estimates will change materially in the near term

Health care reform:

As a result of recently enacted federal health care reform legislation, substantial changes are anticipated in the United States health care system Such legislation includes numerous provisions affecting the delivery of health care services, the financing of health care costs, reimbursement of health care providers and the legal obligations of health insurers, providers and employers These provisions are currently slated to take effect at specified times over approximately the next decade

Current economic conditions:

Current economic conditions have made it difficult for certain of the System's patients to pay for services rendered As employers make adjustments to health insurance plans or more patients become unemployed, services provided to self-pay and other payors may significantly impact net patient service revenue, which could have an adverse impact on the System's future operating results Further, the effect of economic conditions on the states may have an adverse effect on cash flows related to the Medicaid programs

Note 11. Self-Insurance, Contingent Liabilities and Commitments (Continued)

Management agreement:

The System has a management agreement with Jackson County Regional Health Center (JCRHC) under which the System provides management consultation and other services to JCRHC The arrangement does not alter the authority or responsibility of the Board of Directors of JCRHC

Commitments:

Approximate future minimum payments required under a service contract as of June 30, 2014 are summarized below The term of this service contract is for a period of ten years (until during the year ending June 30, 2018), unless the System terminates the contract for cause

Year ending June 30	
2015	$ 1,845,000
2016	1,845,000
2017	1,845,000
2018	1,691,000
	$ 7,226,000

The System has operating lease agreements for office space Future annual minimum lease payments due under noncancelable agreements as of June 30, 2014 are as follows

Year ending June 30	
2015	$ 2,430,000
2016	2,739,000
2017	2,770,000
2018	2,810,000
2019	2,245,000
Thereafter	16,126,000
	$ 29,120,000

The System has signed commitments to renovate GMC – Davenport (known as campus integration) and GMC – Aledo, totaling approximately $32,768,000, of which approximately $10,977,000 is remaining as of June 30, 2014 The remaining commitments related to these projects will be funded with assets limited as to use under bond indenture and cash from operations The System is also evaluating additional phases of the campus integration, but has not signed commitments as of October 22, 2014, other than what is described above

Note 12. Net Asset Restrictions

Temporarily restricted net assets held by the System are restricted by donors for the following purposes as of June 30, 2014 and 2013

	2014	2013
Cardiac research	$ 710,333	$ 467,104
Visiting nurse programs	3,987,672	3,969,431
Hospice house	1,342,888	2,229,916
Heart of Mercy financial assistance	1,065,409	665,415
Inventory and equipment for GMC - Davenport	1,883,761	1,883,761
Cancer research	940,594	171,711
Adler Fund	1,838,699	1,511,841
Employee assistance fund	753,407	618,537
Waddell regional fund for hospice and cancer care	979,909	-
Operational and educational support for GMC - Davenport	2,455,130	1,940,688
Other	4,269,308	2,716,835
	$ 20,227,110	$ 16,175,239

During the years ended June 30, 2014 and 2013, temporarily restricted net assets were released from donor restrictions by incurring expenditures satisfying their restricted purposes for property and equipment and reimbursement of operating expenses, in the amount of $1,715,776 and $1,945,409, respectively

Permanently restricted net assets are restricted to investment in perpetuity, the income from which is expendable primarily to support the Heart of Mercy financial assistance program and the hospice house The permanently restricted net assets held by the System are for the following purposes as of June 30, 2014 and 2013

	2014	2013
Heart of Mercy financial assistance	$ 1,476,623	$ 1,487,299
Hospice house	1,928,530	1,925,694
Other	699,075	568,658
	$ 4,104,228	$ 3,981,651

Note 13. Minimum Future Rentals

The following is a schedule by year of approximate future minimum rentals, net of rentals from affiliates, to be received under GenVentures' noncancelable operating leases as of June 30, 2014

Year ending June 30	
2015	$ 1,925,000
2016	1,760,000
2017	1,328,000
2018	1,086,000
2019	1,086,000
Thereafter	4,806,000
Total approximate future minimum rentals	$ 11,991,000

Note 14. Interest in Net Assets of Foundation

The DeWitt Community Hospital Foundation (DCH Foundation), whose financial statements are not included in the accompanying consolidated financial statements since it is not under the control of the System, was established to promote and support facilities and services providing health care for sick, injured, disabled, indigent or aged persons The support is to be provided to, or in cooperation with, other organizations including, without limitation, hospitals, ambulatory care services, nursing care facilities, and agencies or facilities providing care for persons in their homes As of June 30, 2014 and 2013 the DCH Foundation had unaudited net assets of approximately $1,503,000 and $994,000, respectively DCH Foundation's assets consist primarily of cash and pledges receivable A portion of the DCH Foundation's net assets have been specified by their original donor to be used specifically for the benefit of Genesis Medical Center – DeWitt

Note 15. Concentrations of Credit Risk

The System grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payor agreements The mix of the System's gross receivables from patients and third-party payors as of June 30, 2014 and 2013 was as follows

	2014	2013
Medicare	29%	30%
Medicaid	15	12
Blue Cross	15	12
Other third-party payors	15	16
Patients	26	30
	100%	100%

As of June 30, 2014, the System had deposits exceeding the federal depository insurance limits in various major financial institutions Management believes the credit risk related to these deposits is minimal

The System routinely invests its surplus operating funds in money market funds These funds generally invest in highly liquid U S government and agency obligations and various investment grade corporate obligations Investments in money market funds are not insured or guaranteed by the U S government or by the underlying corporation, however, management believes that credit risk related to these investments is minimal

Note 16. Pending Accounting Pronouncements

In February 2013, the FASB issued ASU No 2013-04, *Liabilities (Topic 405): Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date* (a consensus of the Emerging Issues Task Force) ASU 2013-04 provides guidance for the recognition, measurement and disclosure of obligations resulting from joint and several liability arrangements for which the total amount of the obligation within the scope of this ASU is fixed at the reporting date, except for obligations addressed within existing guidance in U S GAAP The guidance requires an entity to measure those obligations as the sum of the amount the reporting entity agreed to pay on the basis of its arrangement among its co-obligors and any additional amount the reporting entity expects to pay on behalf of its co-obligors The guidance in this ASU also requires an entity to disclose the nature and amount of the obligation as well as other information about those obligations The amendments in this ASU are effective for fiscal years, and interim periods within those years, beginning after December 15, 2013 The amendments in this ASU should be applied retrospectively to all prior periods presented for those obligations resulting from joint and several liability arrangements within the ASU's scope that exist at the beginning of an entity's fiscal year of adoption An entity may elect to use hindsight for the comparative periods (if it changed its accounting as a result of adopting the amendments in this ASU) and should disclose that fact Early adoption is permitted Management is evaluating the impact this ASU may have on the System's consolidated financial statements

In April 2013, the FASB issued ASU No 2013-06, *Not-for-Profit Entities (Topic 958) - Services Received from Personnel of an Affiliate* The objective of the amendments in this ASU is to specify the guidance that not-for-profit entities apply for recognizing and measuring services received from personnel of an affiliate More specifically, the amendments in this ASU apply to not-for-profit entities, including not-for-profit, business-oriented health care entities that receive services from personnel of an affiliate that directly benefit the recipient not-for-profit entity and for which the affiliate does not charge the recipient not-for-profit entity The amendments in this ASU require a recipient not-for-profit entity to recognize all services received from personnel of an affiliate that directly benefit the recipient not-for-profit entity Those services should be measured at the cost recognized by the affiliate for the personnel providing those services However, if measuring a service received from personnel of an affiliate at cost will significantly overstate or understate the value of the service received, the recipient not-for-profit entity may elect to recognize that service received at either (a) the cost recognized by the affiliate for the personnel providing that service or, (b) the fair value of that service The amendments in this ASU are effective prospectively for fiscal years beginning after June 15, 2014, and interim and annual periods thereafter A recipient not-for-profit entity may apply the amendments using a modified retrospective approach under which all prior periods presented upon the date should be adjusted, but no adjustment should be made to the beginning balance of net assets of the earliest period presented Early adoption is permitted Management is evaluating the impact this ASU may have on the System's consolidated financial statements

In May 2014, the FASB issued ASU No 2014-09, *Revenue from Contracts with Customers*, which provides a robust framework for addressing revenue recognition issues and replaces most of the existing revenue recognition guidance including industry-specific guidance, in current U S GAAP The standard is effective for periods beginning after December 15, 2016 for public entities Management is evaluating the impact this ASU may have on the System's consolidated financial statements

Note 17. Functional Expenses

The System provides general health care services to residents within its geographic location Expenses for the System's 501(c)(3) entities related to providing these services for the years ended June 30, 2014 and 2013 are as follows

	2014	2013
Health care services	$ 434,105,208	$ 415,756,844
General, administrative and support services	96,082,172	94,110,179
Fund raising, net of intercompany contributions	728,687	923,647
	$ 530,916,067	$ 510,790,670

Included within general, administrative and support services are significant expenditures for information systems which support the delivery of health care services

Genesis Health System
and Related Organizations

Schedule of Community Benefit
Year Ended June 30, 2014
(Unaudited)

The System contributed $14,601,583 in community benefit to the Quad City, DeWitt, and Aledo areas in the year ended June 30, 2014 This represents an increase of 1% when compared to the year ended June 30, 2013 Charity care, reported at estimated cost in the amount of $9,340,987 was provided by GHS business units compared to $10,252,349 for the year ended June 30, 2013 Charity care is uncompensated care provided without expectation of reimbursement Charity care is distinct and separate from bad debt, which is care provided with an expectation of compensation but which the System was unable to collect The System does not count bad debt in community benefit reporting, however, bad debt at gross charges for the System totaled $36,045,485 for the year ended June 30, 2014, up 1% from $35,672,910 for the year ended June 30, 2013

Unreimbursed Medicaid and other means-tested program costs are also not included in community benefit reporting, however, the unreimbursed Medicaid and other means-tested program costs for the year ended June 30, 2014 were estimated at $16,496,866 This level of unreimbursed Medicaid costs increased 4% compared to the year ended June 30, 2013's level of $15,864,786

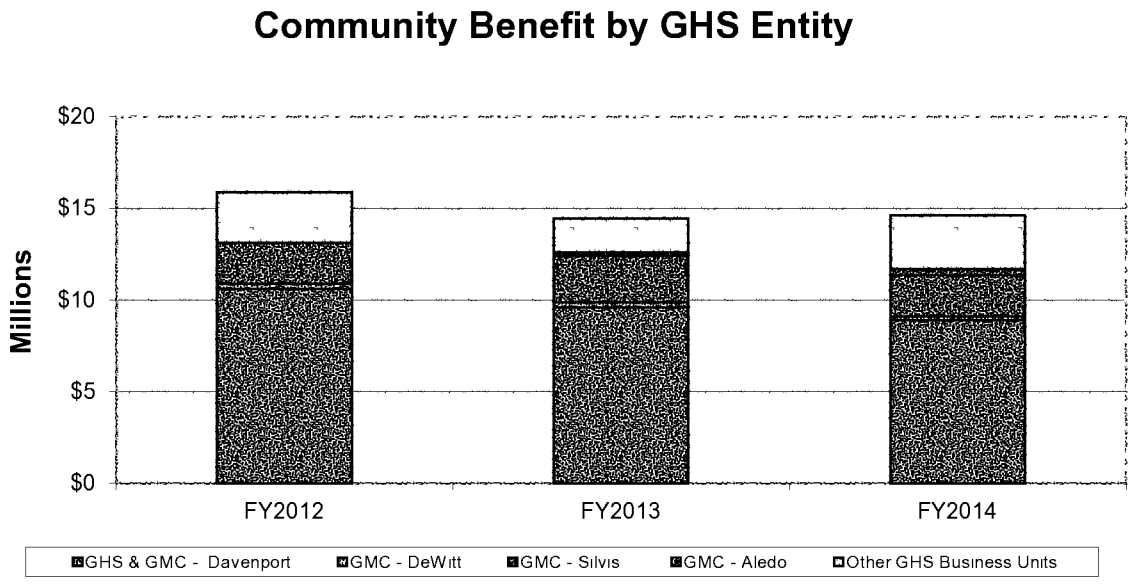
Table 1 shows a 7% decrease in community benefit for GHS & GMC – Davenport compared to the year ended June 30, 2013 GMC – DeWitt decreased its community benefit by 17%, GMC – Silvis decreased by 12% and GMC – Aledo increased by 115% Community benefit increased by 56% in the year ended June 30, 2014 for other business units of the System

Table 1: Community Benefit by GHS Entity

	GHS & GMC - Davenport	GMC - DeWitt	GMC - Silvis	GMC - Aledo	Other GHS Business Units	Total
FY2012	$ 10,608,642	$ 267,837	$ 2,246,442	$ -	$ 2,748,034	$ 15,870,955
FY2013	9,578,345	288,124	2,561,720	147,955	1,877,796	14,453,940
FY2014	8,869,579	238,871	2,253,468	318,085	2,921,580	14,601,583

This information is shown graphically in Graph 1

Graph 1: Community Benefit by GHS Business Unit



Genesis Health System
and Related Organizations

Schedule of Community Benefit
Year Ended June 30, 2014
(Unaudited)

Graph 2 represents the community benefit funding by category for each of the past three fiscal years Overall, community benefit funding increased 1% compared to the year ended June 30, 2013 Community Building Activities increased 57%, Research increased 85%, and Community Health Improvement increased 47%, while Charity Care decreased 9% compared to the prior year

Graph 2: GHS Community Benefit Totals

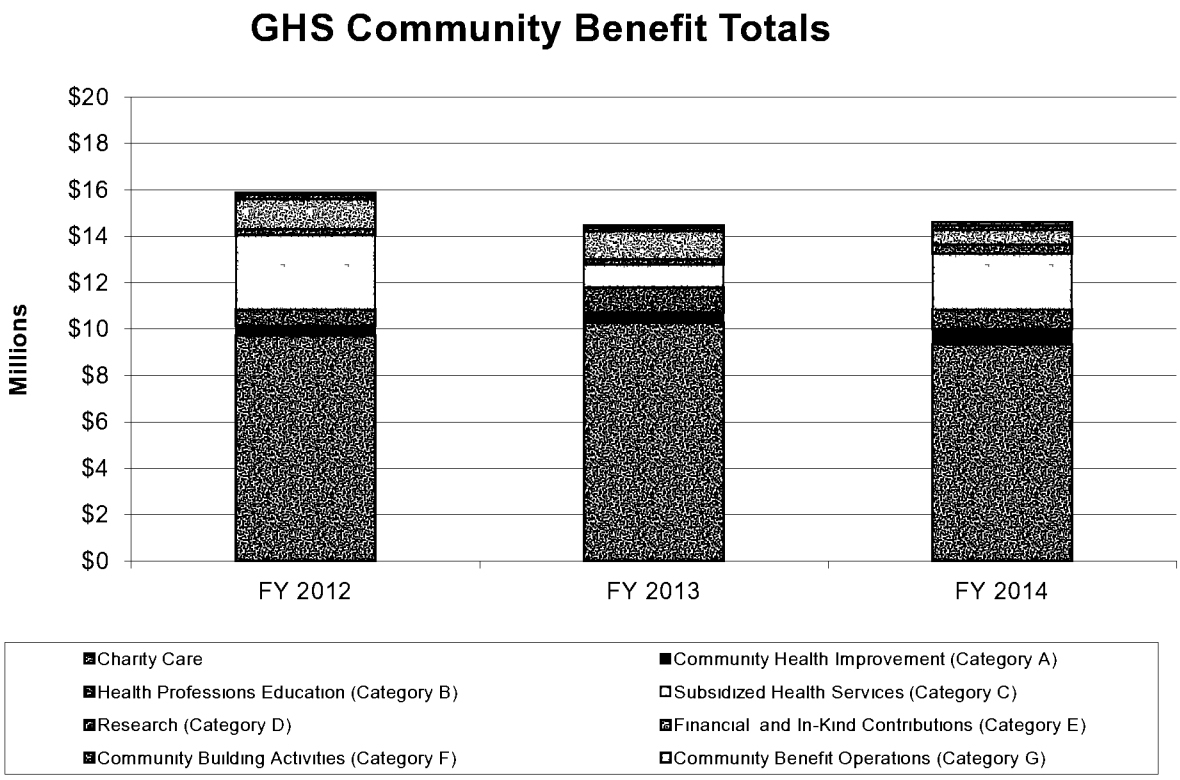


Table 2: FY 2014 Category Comparisons by GHS Business Unit

	Charity Care	Community Health Improvement (Category A)	Health Professions Education (Category B)	Subsidized Health Services (Category C)	Research (Category D)	Financial and In-Kind Contributions (Category E)	Community Building Activities (Category F)	Community Benefit Operations (Category G)	Total
GHS & GMC - Davenport	$ 5 826 521	$ 294 827	$ 844 059	$ 944 560	$ 399 609	$ 308 458	$ 115 894	$ 135 651	$ 8 869 579
GMC - DeWitt	178 961	183	-	-	-	58 621	-	1 106	238 871
GMC - Silvis	2 200 582	12 180	-	-	-	37 646	3 060	-	2 253 468
GMC - Aledo	299 682	5 073	4 269	-	-	6 301	2 760	-	318 085
Other GHS Business Units	835 241	334 707	-	1 461 912	-	224 103	65 617	-	2 921 580
Totals	$ 9 340 987	$ 646 970	$ 848 328	$ 2 406 472	$ 399 609	$ 635 129	$ 187 331	$ 136 757	$ 14 601 583

Genesis Health System
and Related Organizations

Schedule of Community Benefit
Year Ended June 30, 2014
(Unaudited)

Table 3: Category Comparisons for the Past Three Fiscal Years

	Charity Care	Community Health Improvement (Category A)	Health Professions Education (Category B)	Subsidized Health Services (Category C)	Research (Category D)	Financial and In-Kind Contributions (Category E)	Community Building Activities (Category F)	Community Benefit Operations (Category G)	Total
FY 2012	$ 9,732,159	$ 399,536	$ 709,078	$ 3,214,939	$ 235,533	$ 1,284,004	$ 216,595	$ 79,111	$ 15,870,955
FY 2013	10,252,349	439,618	1,107,028	982,053	216,376	1,221,631	119,270	115,615	14,453,940
FY 2014	9,340,987	646,970	848,328	2,406,472	399,609	635,129	187,331	136,757	14,601,583

Genesis Health System
and Related Organizations

Consolidating Balance Sheet Information
June 30, 2014

Assets	GHS Iowa	GHS Illinois	Genesis Medical Center - Aledo	Genesis Senior Living - Aledo	Eliminations	Obligated Group *
Current Assets						
Cash and cash equivalents	$ 50,284,404	$ 14,524,412	$ 1,100,386	$ 294,202	$ -	$ 66,203,404
Short-term investments	658,377	-	-	-	-	658,377
Receivables						
Patients, net	61,939,468	13,798,807	1,878,087	409,744	-	78,026,106
Affiliates	13,738,414	486,498	66,719	27,248	(5,866,419)	8,452,460
Notes, affiliate	1,415,466	437,947	-	-	(437,947)	1,415,466
Other	18,279,689	233,842	49,402	-	-	18,562,933
Inventories, supplies and materials	9,324,528	2,185,370	281,276	24,116	-	11,815,290
Prepaid expenses and deposits	5,849,431	449,978	63,170	5,086	-	6,367,665
Total current assets	161,489,777	32,116,854	3,439,040	760,396	(6,304,366)	191,501,701
Long-Term Receivables and Investments						
Affiliate notes	13,620,386	5,012,053	-	-	(5,012,053)	13,620,386
Investment in subsidiaries	45,806,042	2,254,759	-	-	(651,399)	47,409,402
Investments	25,562,096	258,457	-	-	-	25,820,553
	84,988,524	7,525,269	-	-	(5,663,452)	86,850,341
Assets Limited as to Use						
Internally designated	200,065,142	-	-	-	-	200,065,142
Under bond indenture, funds held by trustee	111,012,884	-	-	-	-	111,012,884
Interest in net assets of Foundation	12,439,557	282,735	-	-	-	12,722,292
Donor restricted	2,048,071	-	53,144	21,139	-	2,122,354
	325,565,654	282,735	53,144	21,139	-	325,922,672
Property and Equipment, net	171,111,220	42,981,236	9,108,698	1,157,817	-	224,358,971
Other Assets						
Bond issuance costs, net	886,931	155,019	-	-	-	1,041,950
Goodwill	1,293,792	-	-	-	-	1,293,792
Overfunded status of retirement plan	8,058,376	-	-	-	-	8,058,376
Other	66,475	-	-	-	-	66,475
	10,305,574	155,019	-	-	-	10,460,593
	$ 753,460,749	$ 83,061,113	$ 12,600,882	$ 1,939,352	$ (11,967,818)	$ 839,094,278

* The Obligated Group includes Genesis Health System – Iowa, Genesis Health System – Illinois, Genesis Medical Center – Aledo and Genesis Senior Living – Aledo

Genesis Health Services Foundation	GenGastro, LLC	The Larson Center Partnership	GenVentures, Inc	Genesis Accountable Care Organization, LLC	Genesis Philanthropy	Genesis Health System Workers' Compensation Plan and Trust	Misericordia Assurance Company, Ltd	Eliminations	Total
$ 469,474	$ 257,869	$ 348,906	$ 287,396	$ 51,017	$ 2,198	$ 70,618	$ 1,308,616	$ -	$ 68,999,498
-	-	-	-	-	-	-	-	-	658,377
-	472,419	-	1,094,031	-	-	-	-	-	79,592,556
-	-	-	342,374	87,380	63	35,773	-	(8,918,050)	-
-	-	-	-	-	-	-	-	(1,415,466)	-
293,391	10,977	17,232	1,422,243	1,830,545	-	1,778,005	4,579,646	(1,239,858)	27,255,114
-	41,265	-	837,895	-	-	-	-	-	12,694,450
-	-	-	130,170	1,145	-	-	6,410	-	6,505,390
762,865	782,530	366,138	4,114,109	1,970,087	2,261	1,884,396	5,894,672	(11,573,374)	195,705,385
-	-	-	-	-	-	-	-	(13,620,386)	-
-	-	-	-	-	-	-	-	(47,409,402)	-
1,765,785	-	-	1,046,000	-	-	12,126,792	22,268,933	-	63,028,063
1,765,785	-	-	1,046,000	-	-	12,126,792	22,268,933	(61,029,788)	63,028,063
-	-	-	-	-	-	-	-	-	200,065,142
-	-	-	-	-	-	-	-	-	111,012,884
-	-	-	-	-	-	-	-	(11,219,113)	1,503,179
19,333,354	-	-	-	-	1,079,060	-	-	-	22,534,768
19,333,354	-	-	-	-	1,079,060	-	-	(11,219,113)	335,115,973
9,975	59,245	1,972,286	39,425,037	-	-	-	-	-	265,825,514
-	-	-	-	-	-	-	-	-	1,041,950
-	-	-	-	-	-	-		29,910,433	31,204,225
-	-	-	-	-	-	-	-	-	8,058,376
-	-	-	87,664	-	-	-	-	-	154,139
-	-	-	87,664	-	-	-	-	29,910,433	40,458,690
$ 21,871,979	$ 841,775	$ 2,338,424	$ 44,672,810	$ 1,970,087	$ 1,081,321	$ 14,011,188	$ 28,163,605	$ (53,911,842)	$ 900,133,625

Genesis Health System
and Related Organizations

Consolidating Balance Sheet Information
June 30, 2014

Liabilities and Net Assets and Equity	GHS Iowa	GHS Illinois	Genesis Medical Center - Aledo	Genesis Senior Living - Aledo	Eliminations	Obligated Group *
Current Liabilities						
Current maturities of long-term debt	$ 8,042,955	$ 710,000	$ 437,947	$ -	$ (437,947)	$ 8,752,955
Accounts payable						
Trade	21,933,524	1,872,895	629,168	111,557	-	24,547,144
Affiliates	948,137	2,225,391	2,200,556	854,444	(5,866,419)	362,109
Accrued salaries and wages	9,107,942	830,693	164,838	59,777	-	10,163,250
Accrued paid leave	13,322,029	1,859,449	335,573	194,716	-	15,711,767
Due to third-party payors	6,289,798	3,584,401	549,527	-	-	10,423,726
Unpaid losses and loss adjustment expenses	-	-	-	-	-	-
Other accrued expenses	6,354,237	1,321,266	150,494	46,320	-	7,872,317
Total current liabilities	65,998,622	12,404,095	4,468,103	1,266,814	(6,304,366)	77,833,268
Long-Term Debt, less current maturities	188,314,012	5,665,000	5,012,053	-	(5,012,053)	193,979,012
Unpaid Losses and Loss Adjustment Expenses, Retirement Benefits and Other Long-Term Liabilities	14,362,417	-	-	-	-	14,362,417
Total liabilities	268,675,051	18,069,095	9,480,156	1,266,814	(11,316,419)	286,174,697
Net Assets and Equity						
Common stock	-	-	-	-	-	-
Additional paid-in capital	-	-	-	-	-	-
Retained earnings (deficit)	-	-	-	-	-	-
Members and partners' equity	-	-	-	-	-	-
Unrestricted	470,298,070	64,709,283	3,067,582	651,399	(651,399)	538,074,935
Noncontrolling interests - unrestricted	-	-	-	-	-	-
Temporarily restricted	14,487,628	282,735	-	21,139	-	14,791,502
Permanently restricted	-	-	53,144	-	-	53,144
	484,785,698	64,992,018	3,120,726	672,538	(651,399)	552,919,581
	$ 753,460,749	$ 83,061,113	$ 12,600,882	$ 1,939,352	$ (11,967,818)	$ 839,094,278

* The Obligated Group includes Genesis Health System – Iowa, Genesis Health System – Illinois, Genesis Medical Center – Aledo and Genesis Senior Living – Aledo

Genesis Health Services Foundation	GenGastro, LLC	The Larson Center Partnership	GenVentures, Inc	Genesis Accountable Care Organization, LLC	Genesis Philanthropy	Genesis Health System Workers' Compensation Plan and Trust	Misericordia Assurance Company, Ltd	Eliminations	Total
$ -	$ -	$ -	$ 1,674,581	$ -	$ -	$ -	$ -	$ (1,566,114)	$ 8,861,422
2,226	97,747	1,555	390,524	-	220	31,590	106,330	-	25,177,336
268,133	-	12,200	4,640,577	2,890,653	72,685	641,298	30,395	(8,918,050)	-
-	24,294	-	71,885	-	-	-	-	-	10,259,429
-	13,894	-	349,423	-	-	-	-	-	16,075,084
-	-	-	-	-	-	-	-	-	10,423,726
-	-	-	-	-	-	7,541,758	9,465,459	(1,239,858)	15,767,359
1,159,195	-	238,226	1,054,422	-	-	-	-	-	10,324,160
1,429,554	135,935	251,981	8,181,412	2,890,653	72,905	8,214,646	9,602,184	(11,724,022)	96,888,516
-	-	-	13,609,547	-	-	-	-	(13,469,738)	194,118,821
-	-	-	-	-	-	-	17,686,020	-	32,048,437
1,429,554	135,935	251,981	21,790,959	2,890,653	72,905	8,214,646	27,288,204	(25,193,760)	323,055,774
-	-	-	1,000	-	-	-	120,000	(121,000)	-
-	-	-	28,821,772	-	-	-	-	(28,821,772)	-
-	-	-	(5,940,921)	-	-	-	755,401	5,185,520	-
-	705,840	2,086,443	-	-	-	-	-	(2,792,283)	-
824,133	-	-	-	(920,566)	(79,097)	5,796,542	-	706,690	544,402,637
-	-	-	-	-	-	-	-	8,343,876	8,343,876
15,567,208	-	-	-	-	1,087,513	-	-	(11,219,113)	20,227,110
4,051,084	-	-	-	-	-	-	-	-	4,104,228
20,442,425	705,840	2,086,443	22,881,851	(920,566)	1,008,416	5,796,542	875,401	(28,718,082)	577,077,851
$ 21,871,979	$ 841,775	$ 2,338,424	$ 44,672,810	$ 1,970,087	$ 1,081,321	$ 14,011,188	$ 28,163,605	$ (53,911,842)	$ 900,133,625

Genesis Health System
and Related Organizations

Consolidating Balance Sheet Information
June 30, 2013

Assets	GHS Iowa	GHS Illinois	Genesis Medical Center - Aledo	Genesis Senior Living - Aledo	Eliminations	Obligated Group *
Current Assets						
Cash and cash equivalents	$ 48,753,431	$ 17,786,837	$ 969,405	$ 3,855,977	$ -	$ 71,365,650
Short-term investments	648,632	-	-	-	-	648,632
Receivables						
Patients, net	64,206,450	15,691,401	2,461,494	543,272	-	82,902,617
Affiliates	12,603,757	213,255	120,238	2,545	(6,551,619)	6,388,176
Notes, affiliate	1,482,622	-	-	-	-	1,482,622
Other, including assets limited as to use	21,016,194	2,604,120	315,457	1,647	-	23,937,418
Inventories, supplies and materials	9,291,429	2,189,345	246,797	24,116	-	11,751,687
Prepaid expenses and deposits	6,146,832	534,037	155,439	34,759	-	6,871,067
Total current assets	164,149,347	39,018,995	4,268,830	4,462,316	(6,551,619)	205,347,869
Long-Term Receivables and Investments						
Affiliate notes	15,035,851	-	-	-	-	15,035,851
Investment in subsidiaries	46,995,718	3,973,175	-	-	(2,297,207)	48,671,686
Investments	23,253,912	250,183	-	-	-	23,504,095
	85,285,481	4,223,358	-	-	(2,297,207)	87,211,632
Assets Limited as to Use						
Internally designated	174,235,597	-	-	-	-	174,235,597
Interest in net assets of Foundation	11,726,035	261,417	-	-	-	11,987,452
Donor restricted	2,113,810	-	53,144	21,139	-	2,188,093
	188,075,442	261,417	53,144	21,139	-	188,411,142
Property and Equipment, net	165,360,273	41,052,306	1,744,731	809,490	-	208,966,800
Other Assets						
Bond issuance costs, net	489,149	175,688	-	-	-	664,837
Goodwill	820,444	-	-	-	-	820,444
Overfunded status of retirement plan	2,665,857	-	-	-	-	2,665,857
Other	122,897	-	-	-	-	122,897
	4,098,347	175,688	-	-	-	4,274,035
	$ 606,968,890	$ 84,731,764	$ 6,066,705	$ 5,292,945	$ (8,848,826)	$ 694,211,478

* The Obligated Group includes Genesis Health System – Iowa, Genesis Health System – Illinois, Genesis Medical Center – Aledo and Genesis Senior Living – Aledo

Genesis Health Services Foundation	GenGastro, LLC	The Larson Center Partnership	GenVentures, Inc	Genesis Accountable Care Organization, LLC	Genesis Health System Workers' Compensation Plan and Trust	Misericordia Assurance Company, Ltd	Eliminations	Total
$ 913,069	$ 274,025	$ 346,721	$ 159,648	$ 1,261,275	$ 41,765	$ 1,618,259	$ -	$ 75,980,412
-	-	-	-	-	-	-	-	648,632
-	693,338	-	2,126,908	-	-	-	-	85,722,863
13,728	-	-	468,644	-	28,995	-	(6,899,543)	-
-	-	-	-	-	-	-	(1,482,622)	-
165,624	1,712	13,580	771,864	104,207	1,838,571	3,606,762	(1,403,518)	29,036,220
-	41,265	-	1,124,033	-	-	-	-	12,916,985
-	10,357	-	109,331	-	-	13,305	-	7,004,060
1,092,421	1,020,697	360,301	4,760,428	1,365,482	1,909,331	5,238,326	(9,785,683)	211,309,172
-	-	-	-	-	-	-	(15,035,851)	-
-	-	-	-	-	-	-	(48,671,686)	-
1,352,739	-	-	1,046,000	-	11,781,429	23,967,230	-	61,651,493
1,352,739	-	-	1,046,000	-	11,781,429	23,967,230	(63,707,537)	61,651,493
-	-	-	-	-	-	-	-	174,235,597
-	-	-	-	-	-	-	(10,993,393)	994,059
16,815,988	-	-	-	-	-	-	-	19,004,081
16,815,988	-	-	-	-	-	-	(10,993,393)	194,233,737
9,975	119,585	2,091,142	41,102,784	-	-	-	-	252,290,286
-	-	-	-	-	-	-	-	664,837
-	-	-	-	-	-	-	29,910,433	30,730,877
-	-	-	-	-	-	-	-	2,665,857
-	-	-	198,593	-	-	-	-	321,490
-	-	-	198,593	-	-	-	29,910,433	34,383,061
$ 19,271,123	$ 1,140,282	$ 2,451,443	$ 47,107,805	$ 1,365,482	$ 13,690,760	$ 29,205,556	$ (54,576,180)	$ 753,867,749

Genesis Health System
and Related Organizations

Consolidating Balance Sheet Information
June 30, 2013

Liabilities and Net Assets and Equity	GHS Iowa	GHS Illinois	Genesis Medical Center - Aledo	Genesis Senior Living - Aledo	Eliminations	Obligated Group *
Current Liabilities						
Current maturities of long-term debt	$ 7,625,087	$ 695,000	$ -	$ -	$ -	$ 8,320,087
Accounts payable						
Trade	23,791,286	2,872,666	460,656	169,085	-	27,293,693
Affiliates	455,399	2,897,376	1,124,441	2,532,662	(6,551,619)	458,259
Accrued salaries and wages	9,580,372	671,001	138,153	61,204	-	10,450,730
Accrued paid leave	14,707,743	2,028,385	395,161	183,651	-	17,314,940
Due to third-party payors	4,666,612	2,713,455	1,188,752	-	-	8,568,819
Unpaid losses and loss adjustment expenses	-	-	-	-	-	-
Other accrued expenses	4,441,786	883,425	153,823	26,730	-	5,505,764
Total current liabilities	65,268,285	12,761,308	3,460,986	2,973,332	(6,551,619)	77,912,292
Long-Term Debt, less current maturities	72,649,792	6,375,000	-	-	-	79,024,792
Unpaid Losses and Loss Adjustment Expenses, Retirement Benefits and Other Long-Term Liabilities	13,205,446	316,898	999	1,267	-	13,524,610
Total liabilities	151,123,523	19,453,206	3,461,985	2,974,599	(6,551,619)	170,461,694
Net Assets and Equity						
Common stock	-	-	-	-	-	-
Additional paid-in capital	-	-	-	-	-	-
Retained earnings (deficit)	-	-	-	-	-	-
Members and partners' equity	-	-	-	-	-	-
Unrestricted	442,005,522	65,017,141	2,551,576	2,297,207	(2,297,207)	509,574,239
Noncontrolling interests - unrestricted	-	-	-	-	-	-
Temporarily restricted	13,839,845	261,417	-	21,139	-	14,122,401
Permanently restricted	-	-	53,144	-	-	53,144
	455,845,367	65,278,558	2,604,720	2,318,346	(2,297,207)	523,749,784
	$ 606,968,890	$ 84,731,764	$ 6,066,705	$ 5,292,945	$ (8,848,826)	$ 694,211,478

* The Obligated Group includes Genesis Health System – Iowa, Genesis Health System – Illinois, Genesis Medical Center – Aledo and Genesis Senior Living – Aledo

Genesis Health Services Foundation	GenGastro, LLC	The Larson Center Partnership	GenVentures, Inc	Genesis Accountable Care Organization, LLC	Genesis Health System Workers' Compensation Plan and Trust	Misericordia Assurance Company, Ltd	Eliminations	Total
$ -	$ -	$ -	$ 1,583,924	$ -	$ -	$ -	$ (1,482,622)	$ 8,421,389
25,782	82,203	10,940	613,427	-	28,421	39,849	-	28,094,315
220,680	-	12,300	4,191,378	1,835,544	159,086	22,296	(6,899,543)	-
-	25,154	-	65,150	-	-	-	-	10,541,034
-	22,673	-	455,071	-	-	-	-	17,792,684
-	-	-	-	-	-	-	-	8,568,819
-	-	-	-	-	7,219,237	6,869,325	(1,403,518)	12,685,044
986,855	-	235,044	1,051,748	-	12	650,000	-	8,429,423
1,233,317	130,030	258,284	7,960,698	1,835,544	7,406,756	7,581,470	(9,785,683)	94,532,708
-	-	-	15,284,299	-	-	-	(15,035,851)	79,273,240
-	-	-	19,590	-	-	20,748,685	-	34,292,885
1,233,317	130,030	258,284	23,264,587	1,835,544	7,406,756	28,330,155	(24,821,534)	208,098,833
-	-	-	1,000	-	-	120,000	(121,000)	-
-	-	-	28,821,772	-	-	-	(28,821,772)	-
-	-	-	(4,979,554)	-	-	755,401	4,224,153	-
-	1,010,252	2,193,159	-	-	-	-	(3,203,411)	-
1,063,068	-	-	-	(470,062)	6,284,004	-	705,054	517,156,303
-	-	-	-	-	-	-	8,455,723	8,455,723
13,046,231	-	-	-	-	-	-	(10,993,393)	16,175,239
3,928,507	-	-	-	-	-	-	-	3,981,651
18,037,806	1,010,252	2,193,159	23,843,218	(470,062)	6,284,004	875,401	(29,754,646)	545,768,916
$ 19,271,123	$ 1,140,282	$ 2,451,443	$ 47,107,805	$ 1,365,482	$ 13,690,760	$ 29,205,556	$ (54,576,180)	$ 753,867,749

Genesis Health System
and Related Organizations

Consolidating Statement of Operations and Changes in Net Assets Information
Year Ended June 30, 2014

	GHS Iowa	GHS Illinois	Genesis Medical Center - Aledo	Genesis Senior Living - Aledo	Eliminations	Obligated Group *
Change in unrestricted net assets						
Unrestricted revenue						
Patient service revenue, net of contractual adjustments	$ 449,457,858	$ 90,525,015	$ 12,819,895	$ 3,888,696	$ (1,320,517)	$ 555,370,947
Less provision for doubtful accounts	28,045,989	7,377,444	606,972	15,078	-	36,045,483
Net patient service revenue	421,411,869	83,147,571	12,212,923	3,873,618	(1,320,517)	519,325,464
Other service revenue, net of cost of revenue	-	-	-	-	-	-
Medical office building rental revenue	(2,850)	-	-	-	-	(2,850)
Other revenue	22,775,030	3,570,393	504,844	207,800	(709,906)	26,348,161
Total revenue	444,184,049	86,717,964	12,717,767	4,081,418	(2,030,423)	545,670,775
Expenses						
Salaries and wages	211,830,411	28,068,072	5,368,932	2,563,258	-	247,830,673
Employee benefits	40,117,275	6,094,001	1,078,117	606,805	(76,997)	47,819,201
Contracted professionals and services	27,912,180	5,915,269	1,539,722	383,850	(1,491,662)	34,259,359
Supplies	78,310,363	13,418,287	1,097,910	460,397	(237,173)	93,049,784
Other	53,924,452	27,955,473	3,914,995	1,659,679	(224,591)	87,230,008
Interest	3,215,484	66	-	-	-	3,215,550
Depreciation and amortization	28,822,981	4,394,042	54,902	54,364	-	33,326,289
Total expenses	444,133,146	85,845,210	13,054,578	5,728,353	(2,030,423)	546,730,864
Operating income (loss)	50,903	872,754	(336,811)	(1,646,935)	-	(1,060,089)
Nonoperating gains and (losses)						
Interest and dividend income and realized gains on sales of investments	22,714,379	66,987	7,485	1,127	-	22,789,978
Current year change in unrealized gains on trading securities	3,379,953	-	-	-	-	3,379,953
Other nonoperating income (expense)	2,291,595	17,233	845,332	-	-	3,154,160
Nonoperating gains and (losses)	28,385,927	84,220	852,817	1,127	-	29,324,091
Excess of revenue over (under) expenses before equity in net income of subsidiaries	28,436,830	956,974	516,006	(1,645,808)	-	28,264,002
Equity in net income (loss) of subsidiaries	2,293,799	(1,264,832)	-	-	1,645,808	2,674,775
Excess of revenue over (under) expenses	30,730,629	(307,858)	516,006	(1,645,808)	1,645,808	30,938,777
Less excess of revenue (over) expenses attributable to noncontrolling interests	-	-	-	-	-	-
Excess of revenue over (under) expenses attributable to Genesis Health System	30,730,629	(307,858)	516,006	(1,645,808)	1,645,808	30,938,777
Income associated with noncontrolling interests	-	-	-	-	-	-
Distributions to noncontrolling interests	-	-	-	-	-	-
Change in unrecognized funded status of retirement plan	(2,438,081)	-	-	-	-	(2,438,081)
Increase (decrease) in unrestricted net assets	28,292,548	(307,858)	516,006	(1,645,808)	1,645,808	28,500,696
Change in temporarily restricted net assets						
Contributions, investment income and other	(65,739)	-	-	-	-	(65,739)
Net assets released from restrictions, used for operations	-	-	-	-	-	-
Change in interest in net assets of Foundation	713,522	21,318	-	-	-	734,840
Increase in temporarily restricted net assets	647,783	21,318	-	-	-	669,101
Change in permanently restricted net assets, contributions, investment income and other	-	-	-	-	-	-
Increase (decrease) in net assets	$ 28,940,331	$ (286,540)	$ 516,006	$ (1,645,808)	$ 1,645,808	$ 29,169,797

* The Obligated Group includes Genesis Health System – Iowa, Genesis Health System – Illinois, Genesis Medical Center – Aledo and Genesis Senior Living – Aledo

Genesis Health Services Foundation	GenGastro, LLC	The Larson Center Partnership	GenVentures, Inc	Genesis Accountable Care Organization, LLC	Genesis Philanthropy	Genesis Health System Workers' Compensation Plan and Trust	Misericordia Assurance Company, Ltd	Eliminations	Total
$ -	$ 6,390,969	$ -	$ -	$ -	$ -	$ -	$ -	$ (4,152,884)	$ 557,609,032
-	-	-	-	-	-	-	-	-	36,045,483
-	6,390,969	-	-	-	-	-	-	(4,152,884)	521,563,549
-	-	-	5,129,167	-	-	-	-	-	5,129,167
-	-	1,208,320	9,119,270	-	-	-	-	(8,273,714)	2,051,026
2,394,529	-	-	3,509,915	2,282,097	181,891	2,020,629	2,689,887	(13,378,916)	26,048,193
2,394,529	6,390,969	1,208,320	17,758,352	2,282,097	181,891	2,020,629	2,689,887	(25,805,514)	554,791,935
349,098	454,137	-	5,702,339	-	109,595	-	-	-	254,445,842
53,496	228,053	-	1,194,508	-	7,781	-	-	(2,685)	49,300,354
135,684	518,694	13,850	203,233	792,742	7,269	226,233	536,622	(947,281)	35,746,405
100,368	236,070	2,621	379,057	77	1,853	-	-	(3,893,128)	89,876,702
2,462,633	558,816	498,194	7,120,774	1,939,782	140,879	1,794,396	2,153,265	(20,039,374)	83,859,373
-	49	-	945,832	-	-	-	-	(923,046)	3,238,385
-	66,268	189,468	3,215,163	-	-	-	-	-	36,797,188
3,101,279	2,062,087	704,133	18,760,906	2,732,601	267,377	2,020,629	2,689,887	(25,805,514)	553,264,249
(706,750)	4,328,882	504,187	(1,002,554)	(450,504)	(85,486)	-	-	-	1,527,686
102,260	-	-	15,750	-	-	250,894	-	-	23,158,882
98,196	-	-	-	-	-	95,062	-	-	3,573,211
267,359	5	(415)	25,437	-	6,389	(833,418)	-	-	2,619,517
467,815	5	(415)	41,187	-	6,389	(487,462)	-	-	29,351,610
(238,935)	4,328,887	503,772	(961,367)	(450,504)	(79,097)	(487,462)	-	-	30,879,296
-	-	-	-	-	-	-	-	(2,674,775)	-
(238,935)	4,328,887	503,772	(961,367)	(450,504)	(79,097)	(487,462)	-	(2,674,775)	30,879,296
-	-	-	-	-	-	-	-	(1,194,881)	(1,194,881)
(238,935)	4,328,887	503,772	(961,367)	(450,504)	(79,097)	(487,462)	-	(3,869,656)	29,684,415
-	-	-	-	-	-	-	-	1,194,881	1,194,881
-	-	-	-	-	-	-	-	(1,306,728)	(1,306,728)
-	-	-	-	-	-	-	-	-	(2,438,081)
(238,935)	4,328,887	503,772	(961,367)	(450,504)	(79,097)	(487,462)	-	(3,981,503)	27,134,487
4,236,753	-	-	-	-	1,087,513	-	-	-	5,258,527
(1,715,776)	-	-	-	-	-	-	-	-	(1,715,776)
-	-	-	-	-	-	-	-	(225,720)	509,120
2,520,977	-	-	-	-	1,087,513	-	-	(225,720)	4,051,871
122,577	-	-	-	-	-	-	-	-	122,577
$ 2,404,619	$ 4,328,887	$ 503,772	$ (961,367)	$ (450,504)	$ 1,008,416	$ (487,462)	$ -	$ (4,207,223)	$ 31,308,935

Genesis Health System
and Related Organizations

Consolidating Statement of Operations and Changes in Net Assets Information
Year Ended June 30, 2013

	GHS Iowa	GHS Illinois	Genesis Medical Center - Aledo	Genesis Senior Living - Aledo	Eliminations	Obligated Group *
Change in unrestricted net assets						
Unrestricted revenue						
Patient service revenue, net of contractual adjustments	$ 450,695,738	$ 90,064,068	$ 5,345,438	$ 1,804,550	$ (1,160,072)	$ 546,749,722
Less provision for doubtful accounts	28,397,054	6,960,624	315,241	-	-	35,672,919
Net patient service revenue	422,298,684	83,103,444	5,030,197	1,804,550	(1,160,072)	511,076,803
Other service revenue, net of cost of revenue	-	-	-	-	-	-
Medical office building rental revenue	-	-	-	-	-	-
Other revenue	24,656,502	5,734,456	198,946	40,827	(702,247)	29,928,484
Total revenue	446,955,186	88,837,900	5,229,143	1,845,377	(1,862,319)	541,005,287
Expenses						
Salaries and wages	201,524,971	27,873,270	2,186,764	1,125,953	-	232,710,958
Employee benefits	39,543,436	5,882,212	446,555	290,974	(137,649)	46,025,528
Contracted professionals and services	41,665,845	5,846,716	583,818	235,724	(1,152,999)	47,179,104
Supplies	73,508,901	13,491,381	489,172	163,533	(208,113)	87,444,874
Other	47,520,635	27,419,761	1,521,050	679,904	(363,558)	76,777,792
Interest	3,862,107	174,112	3,784	-	-	4,040,003
Depreciation and amortization	28,444,591	4,267,542	21,057	25,935	-	32,759,125
Total expenses	436,070,486	84,954,994	5,252,200	2,522,023	(1,862,319)	526,937,384
Operating income (loss)	10,884,700	3,882,906	(23,057)	(676,646)	-	14,067,903
Nonoperating gains and (losses)						
Interest and dividend income and realized gains on sales of investments	11,328,311	20,931	3,451	2,022	-	11,354,715
Current year change in unrealized gains on trading securities	6,719,923	-	-	-	-	6,719,923
Other nonoperating income (expense)	1,809,300	(3,411)	2,571,182	725,451	-	5,102,522
Nonoperating gains and (losses)	19,857,534	17,520	2,574,633	727,473	-	23,177,160
Excess of revenue over (under) expenses before equity in net income of subsidiaries	30,742,234	3,900,426	2,551,576	50,827	-	37,245,063
Equity in net income of subsidiaries	3,139,736	448,544	-	-	(50,827)	3,537,453
Excess of revenue over (under) expenses	33,881,970	4,348,970	2,551,576	50,827	(50,827)	40,782,516
Less excess of revenue (over) expenses attributable to noncontrolling interests	-	-	-	-	-	-
Excess of revenue over (under) expenses attributable to Genesis Health System	33,881,970	4,348,970	2,551,576	50,827	(50,827)	40,782,516
Income associated with noncontrolling interests	-	-	-	-	-	-
Distributions to noncontrolling interests	-	-	-	-	-	-
Transfers (to) from related organizations	-	-	-	2,246,380	(2,246,380)	-
Change in unrecognized funded status of retirement plan	13,291,089	-	-	-	-	13,291,089
Increase (decrease) in unrestricted net assets	47,173,059	4,348,970	2,551,576	2,297,207	(2,297,207)	54,073,605
Change in temporarily restricted net assets						
Contributions, investment income and other	(124,413)	-	-	21,139	-	(103,274)
Net assets released from restrictions, used for operations	(1,114,191)	-	-	-	-	(1,114,191)
Change in interest in net assets of Foundation	1,624,253	(41,960)	-	-	-	1,582,293
Increase (decrease) in temporarily restricted net assets	385,649	(41,960)	-	21,139	-	364,828
Change in permanently restricted net assets, contributions, investment income and other	-	-	53,144	-	-	53,144
Increase (decrease) in net assets	$ 47,558,708	$ 4,307,010	$ 2,604,720	$ 2,318,346	$ (2,297,207)	$ 54,491,577

* The Obligated Group includes Genesis Health System – Iowa, Genesis Health System – Illinois, Genesis Medical Center – Aledo and Genesis Senior Living – Aledo

Genesis Health Services Foundation	GenGastro, LLC	The Larson Center Partnership	GenVentures, Inc	Genesis Accountable Care Organization, LLC	Genesis Health System Workers' Compensation Plan and Trust	Misericordia Assurance Company, Ltd	Eliminations	Total
$ -	$ 6,892,119	$ -	$ -	$ -	$ -	$ -	$ (4,938,455)	$ 548,703,386
-	-	-	-	-	-	-	-	35,672,919
-	6,892,119	-	-	-	-	-	(4,938,455)	513,030,467
-	-	-	5,870,389	-	-	-	-	5,870,389
-	-	1,198,928	9,294,346	-	-	-	(8,373,034)	2,120,240
1,190,353	-	-	3,675,970	1,365,482	1,913,107	2,880,997	(9,516,006)	31,438,387
1,190,353	6,892,119	1,198,928	18,840,705	1,365,482	1,913,107	2,880,997	(22,827,495)	552,459,483
427,197	490,495	-	5,747,055	-	-	-	-	239,375,705
58,351	240,564	-	1,189,128	-	-	-	(2,734)	47,510,837
248,367	520,275	98,995	220,512	674,884	200,950	251,404	(674,884)	48,719,607
84,358	299,790	1,651	379,547	-	-	-	(4,489,024)	83,721,196
1,457,139	578,419	404,908	7,440,012	1,160,660	1,712,157	2,629,593	(16,682,249)	75,478,431
-	423	1,259	1,006,494	-	-	-	(978,604)	4,069,575
-	101,333	188,577	3,228,915	-	-	-	-	36,277,950
2,275,412	2,231,299	695,390	19,211,663	1,835,544	1,913,107	2,880,997	(22,827,495)	535,153,301
(1,085,059)	4,660,820	503,538	(370,958)	(470,062)	-	-	-	17,306,182
124,669	-	-	21,700	-	281,323	-	-	11,782,407
82,761	-	-	-	-	36,126	-	-	6,838,810
326,218	(2,019)	(428)	14,896	-	(1,195,194)	-	-	4,245,995
533,648	(2,019)	(428)	36,596	-	(877,745)	-	-	22,867,212
(551,411)	4,658,801	503,110	(334,362)	(470,062)	(877,745)	-	-	40,173,394
-	-	-	-	-	-	-	(3,537,453)	-
(551,411)	4,658,801	503,110	(334,362)	(470,062)	(877,745)	-	(3,537,453)	40,173,394
-	-	-	-	-	-	-	(1,340,443)	(1,340,443)
(551,411)	4,658,801	503,110	(334,362)	(470,062)	(877,745)	-	(4,877,896)	38,832,951
-	-	-	-	-	-	-	1,340,443	1,340,443
-	-	-	-	-	-	-	(1,303,177)	(1,303,177)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	13,291,089
(551,411)	4,658,801	503,110	(334,362)	(470,062)	(877,745)	-	(4,840,630)	52,161,306
2,482,106	-	-	-	-	-	-	-	2,378,832
(831,218)	-	-	-	-	-	-	-	(1,945,409)
-	-	-	-	-	-	-	(1,360,566)	221,727
1,650,888	-	-	-	-	-	-	(1,360,566)	655,150
110,673	-	-	-	-	-	-	-	163,817
$ 1,210,150	$ 4,658,801	$ 503,110	$ (334,362)	$ (470,062)	$ (877,745)	$ -	$ (6,201,196)	$ 52,980,273