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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
Providence Hospital

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
16001 West Nine Mile Road

City or town, state or province, country, and ZIP or foreign postal code
Southfield, MI 48037

D Employer identification number
38-1358212

E Telephone number
(248) 849-5707

G Gross receipts $ 660,988,774

F Name and address of principal officer
Michael Wiemann
16001 West Nine Mile Road
Southfield, MI 48037

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 ▶ 0928

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

J Website: ▶ www stjohn org/providence

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

L Year of formation 1922

M State of legal domicile MI

Part I Summary

1 Briefly describe the organization's mission or most significant activities
Our Catholic Health Ministry is dedicated to spiritually centered, holistic care

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	17
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	15
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	5,177
6	Total number of volunteers (estimate if necessary)	**6**	954
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	14,463
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	13,463

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	533,769	617,225
9	Program service revenue (Part VIII, line 2g)	621,904,116	629,588,019
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	10,396,406	15,015,789
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	13,157,190	14,270,588
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	645,991,481	659,491,621
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
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)	265,924,496	262,493,389
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶1,961,149		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	343,120,501	343,789,582
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	609,044,997	606,282,971
19	Revenue less expenses Subtract line 18 from line 12	36,946,484	53,208,650

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	891,854,987	967,648,941
21	Total liabilities (Part X, line 26)	252,370,153	250,250,230
22	Net assets or fund balances Subtract line 21 from line 20	639,484,834	717,398,711

Part II Signature Block

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

Sign Here

Signature of officer — Date: 2015-05-13

Douglas Winner Chief Financial Officer
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Alicia Janisch		2015-05-09		P00741382

Firm's name ▶ Deloitte Tax LLP — Firm's EIN ▶ 86-1065772

Firm's address ▶ 250 East Fifth Street Suite 1900
Cincinnati, OH 45202 — Phone no (513) 784-7100

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

St John Providence Health System, as a Catholic Health Ministry, is committed to providing spiritually centered, holistic care which sustains and improves the health of individuals in the communities we serve, with special attention to the poor and vulnerable

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ 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 $ 515,890,807 including grants of $) (Revenue $ 639,238,136)

In furtherance of its mission and in an effort to reduce the government's financial burden, Providence Hospital provides essential heath care services, such as outpatient clinics, emergency rooms, ambulatory facilities that serve low-income patients as well as community services Providence Hospital also provides preventative therapeutic and rehabilitative services for inpatient and ambulatory patients in a service-oriented and cost effective manner regardless of ability to pay See Community Benefit Report on Schedule H

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

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses ▶** 515,890,807

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		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	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**		No
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**		No
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**	Yes	
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	5,177		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a**	17		
	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**	15		
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** Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .			**3**	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?			**4**	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .			**5**	No
6	Did the organization have members or stockholders?			**6** Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?			**7a** Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?			**7b** Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?			**8a** Yes	
b	Each committee with authority to act on behalf of the governing body?			**8b** Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*			**9**	No

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

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

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☐ 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

▶Kevin Smith 28000 Dequindre
Warren, MI 48092 (586) 753-0171

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Raymond Buratto Chairman	1 00 0 00	X		X				0	0	0
(2) Blair Bowman Vice Chair, Treasurer	1 00 0 00	X		X				0	0	0
(3) Helen Habib Secretary	1 00 0 00	X		X				0	0	0
(4) Dan Elsea Board Member	1 00 0 00	X						0	0	0
(5) Shukri David MD Board Member	1 00 0 00	X						0	0	0
(6) Grenai Dudley PhD Board Member	1 00 0 00	X						0	0	0
(7) Sr Betty Granger CSJ Sch O Board Member	1 00 5 00	X						0	0	0
(8) Brenda Lawrence Board Member	1 00 0 00	X						0	0	0
(9) Joan Ryan Board Member	1 00 0 00	X						0	0	0
(10) Kathleen Ryan Board Member	1 00 0 00	X						0	0	0
(11) Stephen Shaya MD MS Board Member	1 00 0 00	X						0	0	0
(12) Richard Suhrheinrich Board Member	1 00 0 00	X						0	0	0
(13) Cherolee Trembath MD Sch O Board Member	50 00 0 00	X						250,682	0	19,155
(14) John Reeves Board Member	1 00 0 00	X						0	0	0
(15) Siddharth Sanghvi MD Board Member	1 00 0 00	X						0	0	0
(16) Joe Walker Ex-Officio	1 00 0 00	X						0	0	0
(17) Michael Wiemann MD President - Providence Hospital	50 00 3 00	X		X				814,444	0	19,517

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Peter Karadjoff President - Providence Park Hospital	50 00 0 00			X				443,758	0	19,517
(19) Douglas Winner Chief Financial Officer	50 00 0 00			X				317,512	0	19,517
(20) David Dull Chief Medical Officer	50 00 0 00				X			433,793	0	19,517
(21) Gerald Gilman VP Medical Staff Dev	50 00 0 00				X			263,188	0	17,484
(22) Joseph Hurshe VP Operations	50 00 1 00				X			293,148	0	18,958
(23) Robert Welch Chairman - OB/GYN	50 00 0 00					X		717,071	0	19,517
(24) William B Blessed Med Dir - Maternal/Fetal Med	50 00 0 00					X		572,992	0	19,517
(25) Laurence Cheung Chairman - Surgery	50 00 0 00					X		447,036	0	19,517
(26) Andrew Vosburgh Med Dir Assoc Health	50 00 0 00					X		423,327	0	19,517
(27) Kang-Lee Tu MD Physician	50 00 0 00					X		479,944	0	19,517

1b	**Sub-Total**			
c	**Total from continuation sheets to Part VII, Section A**			
d	**Total (add lines 1b and 1c)**	5,456,895	0	231,250

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 ▶ 272

			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**		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *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

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 ▶ 0

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				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 617,225				
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f		617,225			
Program Service Revenue		Business Code				
	2a Net Patient Revenue	621500	628,302,419	628,302,419		
	b Rental Income	532000	862,162	862,162		
	c Ancillary Revenue	900099	423,438	424,554	-1,116	
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f		629,588,019			
	3 Investment income (including dividends, interest, and other similar amounts)		14,942,982			14,942,982
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
		(i) Real / (ii) Personal				
	6a Gross rents	3,830,812				
	b Less rental expenses	1,447,800				
	c Rental income or (loss)	2,383,012				
	d Net rental income or (loss)		2,383,012		15,579	2,367,433
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory	122,160				
	b Less cost or other basis and sales expenses	49,353				
	c Gain or (loss)	72,807				
	d Net gain or (loss)		72,807			72,807
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					
	b Less cost of goods sold b					
	c Net income or (loss) from sales of inventory					
	Miscellaneous Revenue	Business Code				
	11a Medicaid EHR Incentive	923130	2,589,832	2,589,832		
	b Dietary Revenue	722210	2,239,382			2,239,382
	c Resident Income	561000	230,226	230,226		
	d All other revenue		6,828,136	6,828,136		
	e **Total.** Add lines 11a–11d		11,887,576			
	12 **Total revenue.** See Instructions		659,491,621	639,237,329	14,463	19,622,604

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				
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	2,993,940		2,993,940	
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	232,004,523	230,298,494	1,706,029	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	-3,805,140	-3,690,986	-114,154	
9 Other employee benefits	14,968,472	14,618,891	349,581	
10 Payroll taxes	16,331,594	15,841,647	489,947	
11 Fees for services (non-employees)				
a Management	12,443,994		12,443,994	
b Legal	517,337		517,337	
c Accounting	37,520		37,520	
d Lobbying	28,535	28,535		
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)	3,687,368		3,687,368	
12 Advertising and promotion	75,982		75,982	
13 Office expenses	924,595	804,649	119,946	
14 Information technology				
15 Royalties . .				
16 Occupancy	18,376,401	10,942,652	7,433,749	
17 Travel	1,206,560	1,141,078	65,482	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	5,547,270		5,547,270	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	39,851,019	34,032,770	5,818,249	
23 Insurance	3,757,063	3,757,063		
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 Purchased Services	125,395,725	79,483,429	45,912,296	
b Supplies for Services	83,601,532	83,295,032	306,500	
c Physician Guarantees	37,529,250	37,529,250		
d Repairs & Maintenance	2,995,180	1,955,201	1,039,979	
e All other expenses	7,814,251	5,853,102		1,961,149
25 **Total functional expenses.** Add lines 1 through 24e	606,282,971	515,890,807	88,431,015	1,961,149
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			1	
	2	Savings and temporary cash investments		14,641,821	2	13,585,506
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		54,925,855	4	58,543,241
	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		4,608,780	7	7,430,767
	8	Inventories for sale or use		6,751,898	8	7,721,499
	9	Prepaid expenses and deferred charges		7,269,496	9	6,236,114
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 749,483,292			
	b	Less accumulated depreciation	10b 453,434,364	310,629,645	10c	296,048,928
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11		19,315,855	13	18,247,890
	14	Intangible assets		21,666,905	14	15,491,897
	15	Other assets See Part IV, line 11		452,044,732	15	544,343,099
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		891,854,987	16	967,648,941
Liabilities	17	Accounts payable and accrued expenses		43,128,613	17	39,962,968
	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			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		209,241,540	25	210,287,262
	26	**Total liabilities.** Add lines 17 through 25		252,370,153	26	250,250,230
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		638,170,992	27	716,115,838
	28	Temporarily restricted net assets		1,313,842	28	1,282,873
	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		639,484,834	33	717,398,711
	34	Total liabilities and net assets/fund balances		891,854,987	34	967,648,941

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	659,491,621
2	Total expenses (must equal Part IX, column (A), line 25)	2	606,282,971
3	Revenue less expenses Subtract line 2 from line 1	3	53,208,650
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	639,484,834
5	Net unrealized gains (losses) on investments	5	24,049,610
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	655,617
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	717,398,711

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	Yes	
	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	Yes	
	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	Yes	
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	Yes	

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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
Providence Hospital

Employer identification number
38-1358212

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
Providence Hospital	38-1358212

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)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		28,535
j	Total Add lines 1c through 1i			28,535
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	Lobbying expenses represent the portion of dues paid to national and state hospital associations that is specifically allocable to lobbying Providence Hospital does not participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office

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
Providence Hospital

Employer identification number
38-1358212

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	1,371,465	1,346,671	1,304,694	1,304,485	1,283,817
b	Contributions	3,570	4,300	19,011	21,789	55
c	Net investment earnings, gains, and losses	71,276	68,729	66,117	64,261	64,198
d	Grants or scholarships					
e	Other expenditures for facilities and programs	10,100	48,235	43,151	85,841	43,585
f	Administrative expenses					
g	End of year balance	1,436,211	1,371,465	1,346,671	1,304,694	1,304,485

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶ 85 000 %
- c Temporarily restricted endowment ▶ 15 000 %

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

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		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		31,605,988		31,605,988
b Buildings	200,000	513,483,980	297,115,972	216,568,008
c Leasehold improvements	100,000	7,279,583	4,853,133	2,526,450
d Equipment		192,161,950	151,465,259	40,696,691
e Other		4,651,791		4,651,791
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				296,048,928

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

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

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

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
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
(1) Advances to Affiliates	81,065,857
(2) Other Post Retirement Benefit Plan Assets	49,612,633
(3) Interest in investment Held by Ascension Health	413,664,609
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	544,343,099

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	
Intercompany Debt with Ascension Health Alliance	171,896,505
Payable to Third Party	21,620,349
Self-Insurance Liability	12,497,341
Valuation Allowance	2,650,000
Deferred Rent	1,619,302
FIN48 Liability	3,765
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	210,287,262

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	Endowment funds are created to support the healthcare ministry of St John Health System Hospitals The distributions from an endowments provide a dependable source of income each year to help St John continue to meet the community's healthcare needs
Part X, Line 2	From the consolidated audited financial statements of St John Providence Health System (the "System") (which include the activity of Providence Hospital) The member health care entities of SJPHS are primarily tax-exempt organizations under Internal Revenue Code Section 501(c)(3) or 501(c)(2), and their related income is exempt from federal income tax under Section 501(a) SJPHS accounts for uncertainty in income tax positions by applying a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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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
Providence Hospital

Employer identification number
38-1358212

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	3a	Yes	
	☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %			
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	3b	Yes	
	☐ 200% ☐ 250% ☑ 300% ☐ 350% ☐ 400% ☐ Other _____ %			
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			6,762,109		6,762,109	1 120 %
b Medicaid (from Worksheet 3, column a)			55,054,323	39,047,673	16,006,650	2 640 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			61,816,432	39,047,673	22,768,759	3 760 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			3,530,416	1,775	3,528,641	0 580 %
f Health professions education (from Worksheet 5)			23,906,874	14,045,057	9,861,817	1 630 %
g Subsidized health services (from Worksheet 6)			978,777		978,777	0 160 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			35,509	2,387	33,122	0 010 %
j **Total.** Other Benefits			28,451,576	14,049,219	14,402,357	2 380 %
k **Total.** Add lines 7d and 7j			90,268,008	53,096,892	37,171,116	6 140 %

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						
9 Other						
10 **Total**						

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		No
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 40,092,114		
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 11,293,765		
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	238,720,235
6	Enter Medicare allowable costs of care relating to payments on line 5	6	236,679,987
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	2,040,248
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					
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? 2

	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)

Facility Reporting Group - A

Name of hospital facility or facility reporting group _____

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

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**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 12			
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) See Part V, Section C, Supplemental Info			
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**		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $_____			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**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 300 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? **12**

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

Part VI Supplemental Information

Provide the following information

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

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

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

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

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

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

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

Form and Line Reference	Explanation
Part I, Line 3c	Providence Hospital provides medically necessary care to all patients, regardless of race, color, creed, ethnic origin, gender, disability or economic status The organization uses a percentage of Federal Poverty Level (FPL) to determine free and discounted care At a minimum, patients with income less than or equal to 200% of the FPL, which may be adjusted for cost of living utilizing the local wage index compared to national wage index, will be eligible for 100% charity care write off of charges for services that have been provided to them Also, at a minimum, patients with incomes above 200% of the FPL but not exceeding 300% of the FPL, subject to adjustments for cost of living utilizing the local wage index compared to national wage index, will receive a discount of 70% on the services provided to them Additionally, for any Pure Self Pay patient (someone presenting with no insurance regardless of income), there is a 40% Uninsured Discount automatically applied against total charges

Form and Line Reference	Explanation
Part I, Line 6a	Providence Hospital is part of a community benefit report which is prepared by St John Providence Health System on a consolidated basis

Form and Line Reference	Explanation
Part I, Line 7	The cost of providing charity care, means tested government programs, and community benefi t programs is estimated using internal cost data, and is calculated in compliance with Cat holic Health Association (CHA) guidelines The organization uses a cost accounting system that addresses all patient segments (for example, inpatient, outpatient, emergency room, p rivate insurance, Medicaid, Medicare, uninsured or self pay) The best available data was used to calculate the amounts reported in the table For certain categories in the table, this was a cost accounting system, in other categories, a specific cost-to-charge ratio wa s applied In 2014, Michigan became a Medicaid Expansion state and rolled out the Healthy M ichigan Plan Michigan residents are eligible to apply for Medicaid if their income is at or below 133% of the FPL To date, the St John Providence Health System (SJPHS) service a rea has 213,951 people who have been enrolled in the Healthy Michigan Plan The breakdown of the service area's enrollment includes the following Livingston County has 4,005, Maco mb County has 36,836, Oakland has 35,798, Detroit has 68,671, Wayne County (excluding Detr oit) has 60,618 and St Clair has 8,023 OTHER BENEFITSOur mission statement reads "St Joh n Providence Health System, as a Catholic health ministry, is committed to providing spiri tually centered, holistic care which sustains and improves the health of individuals in th e communities we serve, with special attention to the poor and vulnerable " The hospitals that make up SJPHS demonstrate their mission through Community Benefit work SJPHS is fortu nate to have a department solely dedicated to providing community benefits to the entire c ommunity with special attention to those who are most vulnerable St John Community Healt h Investment Corporation (CHIC) extends the work of the hospital into the community by pro viding health care services and support that addresses the social determinants of health The department is focused on preventative care and disease management and has components t hat address all of the priorities that were identified from the most recent Community Heal th Needs Assessment, (CHNA) In 2014, CHIC had 123,402 encounters with people from the com munity All of the encounters are geared toward helping people live healthier lives The p rograms include 10 school-based Health centers, a clinic for those who are uninsured, Phys icians Who Care, which has 400 specialists that volunteer to see uninsured patients, Infan t Mortality Program which provides support to expectant mothers and their babies, Communit y Outreach, which conducts exercise, nutrition education and screenings in communities thr oughout the service area, a grief support program for children and families, Ryan White pr ogram which provides care for people living with HIV and AIDS, Faith Community Partnership s, which supports health initiatives in places of worship, a neighborhood health and safet y office and a Senior Wellness Center COMMUNITY HEALTH IMPROVEMENT SERVICES AND COMMUNITY BENEFIT OPERATIONSHEALTH CARE SUPPORT SERVICESAll of SJPHS' hospitals partnered with commu nity-based organizations to increase outreach and education about enrollment for health in surance coverage through the newly created Health Insurance Marketplaces (Exchanges) which are designed to help individuals find, consider options and purchase health insurance tha t is compatible with various income levels, and an individual's desired medical care cover age All of the hospitals provided health insurance enrollment assistance to uninsured adul ts presenting to hospital Emergency Department or inpatients We participated in 21 enroll ment events, took 422 applications and 1,124 people received education about health covera ge options 4,738 that were ineligible for the Healthy Michigan Plan (HMP) received inform ation on the Marketplace St John Hospital and Medical Center (SJHMC) helped 2,269 people complete applications for HMP St John Macomb-Oakland (SJMO) helped 2,214 complete for ap plications HMP, St John River District (SJRD) helped 105 people complete applications for HMP, and Providence/Providence Park helped 1,618 people complete applications for HMP Cul tural competence is extremely important to SJPHS We have programs that specialize in work ing with patients who have Limited English Proficiency (LEP) We respect cultural norms an d try to accommodate patients to the best of our ability SJMO has a nurse navigator that specializes in working with patients who are Arab or Chaldean, Providence Park has a nurse navigator that works with Japanese patients SJHMC supports an annual health fair in the Korean community SJHMC also partners with Black Mother's Breastfeeding Association (BMBFA) to train their lactation specialists on how to promote breastfeeding with African Americ an mothers Since SJHMC has partnered with BMFA, and implemented its Mother's Nurture prog ram and Outpatient Breastfeeding, there has been a

Form and Line Reference	Explanation
Part I, Line 7	n increase of African American mothers who initiate breastfeeding from 51 5 percent in 201 1 to 71 7 percent in 2014 My Accessible Real Time Trusted Interpreter (MARTTI) is availab le at all of SJPHS hospitals to eliminate the communication barriers between the hospital staff and patients who have LEP, or are deaf or hard of hearing EXAMPLES OF HEALTH PROFESS IONS EDUCATIONSJPHS hospitals are committed to educating students in clinical, medical and business fields Providence/Providence Park hospital received the Truven Top 15 honors fo r the 6th time in FY14 which rank it as one of the top 15 major teaching hospitals SJMO i s ranked as one of the top Orthopedic Osteopathic training programs in the U S Brighton C enter for recovery provides medical residents from hospitals throughout the health system with the unique opportunity to learn about treating patients with drug and /or alcohol add itions in a clinical setting EXAMPLES OF OUR SUBSIDIZED HEALTH SERVICESSJHMC has a level t wo adult and pediatric trauma center which is vital in the city of Detroit which has the h ighest rate of violent crimes in the country Detroit had a crime rate of 2,122 9 per 100, 000 people This is double the rate of violent crime in Miami, five times the rate of Los Angeles, and three times the rate of New York City The hospital routinely treats injuries from gunshot and knife wounds Most all of these patients are uninsured SJHMC and Provid ence Hospital both operate a Mother Nurture program which brings lactation consultants to the bedside of new mothers and an outpatient breastfeeding clinic that spends one-on-one t ime teaching mothers to breast feed successfully In FY14, 75-80 of mothers initiated brea stfeeding as a result of both the Mother Nurture program Many continue breastfeeding with the support of the Outpatient Breastfeeding clinic Brighton Hospital counselors run an ed ucational and supportive program for children ages 7-12 years that have a loved one strugg ling with addition to drugs and/or alcohol CASH AND IN-KIND CONTRIBUTIONS FOR COMMUNITY BE NEFITSJPHS' hospitals provide a significant amount of cash and in-kind contributions Duri ng FY14, SJPHS Care of the Poor endowment supported 27 organizations by providing grants i n the amount of $428,952 One organization that SJHMC supports is Eagle a faith-based spor ts initiative that helps kids get active as well as improving their literacy SJPHS Sponso rship Committee provides financial support to organizations that address health and social determinants support and align with our health system Metro Detroit is well known for it s outdoor festivals during the summer SJPHS has provided emergency medical care at a vari ety of festivals from the Gold Cup boat races to Arts Beats and Eats In addition to rent, SJPHS' hospitals provide free meeting rooms to community organizations All of our hospit als donate medical supplies and/or medication to organizations like Medical Relief or they donate to medical or clinical staff that are volunteering to provide care in the developi ng world or doing disaster relief SJRD associates spent many hours collecting and stocking 21 backpacks for needy students at an elementary school in their service are SJMO collec ted 111 backpacks and more than 1500 school supplies to be donated to an elementary school in their service area SJHMC donated enough school supplies to fill and SUV to schools th at partner with us and have school-based health centers Providence/ Providence Park donat ed school supplies to 500 children in their service area Lastly, SJPHS' corporate offices donated 196 back packs filled with school supplies to area schools Our ambulatory center s donated 11 back packs filled with supplies and over 1200 supplies to area schools Provid ence Hospital, SJHMC and SJMO provided nearly 1500 children with gifts and fun through the ir annual Christmas Stores There are about 200 volunteers that help to make this event a success Leaders at SJPHS spend a great

Form and Line Reference	Explanation
Part II, Community Building Activities	Community Building Activities are critical to the five counties that St John Providence H ealth System serves St John Providence Health System's size means we have a stronger voi ce when advocating for those who have no voice - the uninsured and poor Through partnersh ips, coalitions, and program development and support, our innovative programs increase acc ess to health care services and empower individuals to make informed health choices Our c ommunity health programs include parish nursing, school-based health centers, a grieving c hildren's program, an infant mortality initiative, and a neighborhood health and safety of fice We improve access to health care through our community health centers, health screen ings and health education It is our calling to serve, and we do it with pride Our staff of professionals combines the skills of medical experts in more than 50 specialties and th e talented, compassionate clinical staff to heal, to serve, together In addition, the St John Providence Health System family includes thousands of volunteers and donors who supp ort our health care mission with their generosity Inventories of some of St John Provide nce's community building activities include ST JOHN HOSPITAL & MEDICAL CENTER ("SJHMC") C OMMUNITY BUILDING ACTIVITIESPHYSICAL IMPROVEMENTSSJHMC Maintenance and Engineering Departm ent provides physical improvements by annually beautifying a main intersection on the Detr oit-Grosse Pointe border COMMUNITY SUPPORT SJHMC in-patient pharmacy restocks the medical supplies for EMS that come to their facility Their Work Life Service Department (Human Re sources) also provides mentoring and job shadowing programs for high school students The hospital partners with an area charter school to provide 4 students with a year-long inter nship that takes place once per week There is a Neighborhood Safety Office that helps res idents in their service area learn techniques on how to keep themselves and personal prope rty safe COMMUNITY HEALTH IMPROVEMENT ADVOCACYAdministrative leaders support advocacy eff orts through their membership and participation on various task-forces and committees COA LITION BUILDINGAdministrative leaders participate on a coalition that includes an area Com munity Development Organization WORKFORCE DEVELOPMENTSJHMC implemented a new diversity ini tiative to make sure that there are qualified individuals from underrepresented minority i n the pool of candidates for open positions PROVIDENCE HOSPITALS, SOUTHFIELD AND NOVI COMM UNITY BUILDING ACTIVITIESCOMMUNITY SUPPORT The hospital provides disaster recovery above a nd beyond the normal requirements They also provide mentoring to students interested in h ealth careers COMMUNITY HEALTH IMPROVEMENT ADVOCACYThe hospital was sponsor of the "On My Own" Foundation Gala fundraiser This foundation works to increase independence for people with disabilities The Radiology department provides community support and a mentoring pr ogram Administrative leaders support advocacy efforts through their membership and partic ipation on various task-forces and committees WORKFORCE DEVELOPMENTProvidence/Providence P ark hospitals implemented a new diversity initiative to make sure that there are qualified individuals from underrepresented minority in the pool of candidates for open positions S T JOHN MACOMB-OAKLAND HOSPITAL COMMUNITY BUILDING ACTIVITIESPHYSICAL IMPROVEMENTS/HOUSING The hospital helped to build and improve houses through the local Habitat for Humanity an d for low-income families They also helped to develop a barrier-free environment for indi viduals with disabilities WORKFORCE DEVELOPMENTSJMO implemented a new diversity initiative to make sure that there are qualified individuals from underrepresented minority in the p ool of candidates for open positions ST JOHN RIVER DISTRICT HOSPITAL COMMUNITY BUILDING A CTIVITIESCOALITION BUILDINGThe hospital participates on the Great Parents-Great Start Coal ition which supports services for children 0-5 years in St Clair County The Richmond Phy sician Office supported the "Recycled Paper Project" and donated recycled paper to the Ric hmond School District so that they can earn money to support their educational programs WO RKFORCE DEVELOPMENTThe hospital mentors high school students in St Clair County and educa tes them about careers in the medical fields They also assist with college course selecti on of medical careers and/or assist in streamlining technical students SJRD also implemen ted a new diversity initiative to make sure that there are qualified individuals from unde rrepresented minority in the pool of candidates for open positions BRIGHTON COMMUNITY BUI LDING ACTIVITIESWORKFORCE DEVELOPMENTThe hospital's administration participated in communi ty mentoring programs by working with students at the high school or college level to assi st them in their future endeavors, particularly in the health care field LEADERSHIP DEV/T RAINING FOR COMMUNITY MEMBERS The hospital's admin

Form and Line Reference	Explanation
Part II, Community Building Activities	istration participated in Executive Women International and the medical department partici pated in Leadership Development Training for community members in the process of addiction recovery COALITION BUILDINGThe hospital provides professional support to the Farmington/F armington Hills community, law enforcement, community leaders, parent groups, teachers, sc hools and administrators, city governments, mental health, treatment centers to bring awar eness of drug and violence prevention efforts and to decrease gaps and fragmentation in in formation and resources Their goal is for community groups to decrease gaps and fragmenta tion within drug and violence prevention efforts WORKFORCE DEVELOPMENTBrighton Center for Recovery implemented a new diversity initiative to make sure that there are qualified ind ividuals from underrepresented minority in the pool of candidates for open positions ST J OHN PROVIDENCE HEALTH SYSTEM ("SJPHS") COMMUNITY BUILDING ACTIVITIESECONOMIC DEVELOPMENTSJ PHS Administration is active in various Chambers of Commerce throughout our service area COALITION BUILDINGSJPHS Business Development department participated in Coalition Building Eastwood Clinics also participates on the "Save O ur Youth" Coalition whose goal is to pr event substance abuse among youth in Royal Oak SJPHS Community Health participates on the infant mortality task force, state coalition of school-based health centers and youth vio lence prevention task force WORKFORCE DEVELOPMENT/JOB CREATION AND TRAINING PROGRAMSSJPHS Work Life Services partners with area schools, universities and technical schools to mento r students and educate them about careers in healthcare They also provide assistance with resume writing and interviewing techniques COMMUNITY HEALTH IMPROVEMENT ADVOCACYEastwood Clinics participates on the Behavioral Health Legislative Drug Court Committee which part ners with judges and prosecutors from counties throughout Michigan and provides advocacy a nd support for drug and alcohol treatment for legislative staff

Form and Line Reference	Explanation
Part III, Line 4	The provision for doubtful accounts is based upon management's assessment of expected net collections considering economic conditions, historical experience, trends in health care coverage, and other collection indicators Periodically throughout the year, management assesses the adequacy of the allowance for doubtful accounts based upon historical write-off experience by payor category, including those amounts not covered by insurance The results of this review are then used to make any modifications to the provision for doubtful accounts to establish an appropriate allowance for doubtful accounts After satisfaction of amounts due from insurance and reasonable efforts to collect from the patient have been exhausted, SJPHS follows established guidelines for placing certain past-due patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by Ascension Health Accounts receivable are written off after collection efforts have been followed in accordance with the SJPHS's policies Providence Hospital's bad debt deduction in 2014 was $40,092,114 at charges

Form and Line Reference	Explanation
Part III, Line 8	Ascension Health and related health ministries follow the Catholic Health Association (CHA) guidelines for determining community benefit

Form and Line Reference	Explanation
Part III, Line 9b	The organization has a written debt collection policy that also includes a provision on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance If a patient qualifies for charity or financial assistance certain collection practices do not apply

Form and Line Reference	Explanation
Part VI, Line 2	A community health needs assessment of the St John Providence Health System service area is completed every three years The most recent assessment was led by a steering committee composed of members with diverse health professional backgrounds representing the service s provided by St John Providence Health System Members included professionals with backg rounds in Finance, Marketing, Nursing, Social Work, Medicine, Pharmacy and Public Health t o name a few The process was based on the 6 steps outlined by the Association for Communi ty Health Improvement (ACHI) The 6 steps are - Identifying the Team and Resources (Step 1) - Defining the Purpose and Scope (Step 2)- Collecting and Analyzing Data (Step 3) - Sele cting Priorities (Step 4) - Documenting and Communicating Results (Step 5) - Planning for Action and Monitoring Progress (Step 6) The process resulted in a ranking of the health ne eds by county and then three were selected as priority areas of focus These three are 1) Diabetes Prevention and Management, 2) Infant Mortality Prevention, 3) Access to Primary Care for Underinsured and Uninsured The risk factors related to these three, when address ed will have a positive impact on the other major community health needs related to heart failure, kidney failure, cancer early identification and treatment, asthma education and t reatment, infant mortality, and obesity in children and adults Subcommittees were formed and led by community health staff The subcommittees consisted of SJPHS staff, county heal th department representatives and community members An Implementation Plan was developed for all of the hospitals with strategies to help achieve the desired outcomes Below are t he priority areas, strategies and results for FY14 Priority Health Area #1 DIABETES PREVE NTIONDiabetes is a leading cause of death in Michigan and typically exists as a condition of co-morbidity among individuals with obesity, heart disease, hypertension and renal fail ure, stroke and other conditions The activities will be categorized according to three le vels of prevention Primary Prevention will target the well population Secondary Preventi on will target the at-risk population, and Tertiary Prevention will target the established disease population We will continue and/or expand the strategies, tactics and programs l isted below Strategy 1 Increase opportunities for healthy lifestyle activities The follo wing are St John Hospital and Medical Center programs to support healthy lifestyles targe ting seniors, children and youth, and uninsured community residents Baseline Measures for Strategy 1 Health Education Programs1) The number of participants in the programs2) The n umber of sessions attended by program participants 1 1 Rock-On program Targeted to obese c hildren ages 7-18 years old, to achieve weight loss and weight management The program has been renamed the Pediatric Weight Management Program They had 85 program participants in FY14 1 2 Amazing Steps Targeted to individuals for fitness through walking programs, and includes mall walking program 1 3 Kids Mile Program - Provides exercise, nutrition educati on, and a final contest for low income children and five Detroit schools There were 82 pa rticipants and 48 sessions 1 4 Faith Community Partnerships with churches in Detroit, Maco mb, and St Clair Counties Providing health information and education on diabetes and oth er chronic diseases Faith Community Partnerships provided 435 classes geared toward diabe tes prevention and management 1 5 Senior Wellness Center in Detroit - Providing health edu cation, diabetes management classes, exercise classes, and some school limited screening f or persons 55 years of age and older Also includes monthly cooking classes The Senior We llness Center had 8,468 participants and 575 programs 1 6 Safety Net Health Center Partner ships - Partnership with Mercy Primary Care and the emergency department for referral of u ninsured non-elderly adult residents of Detroit who are diabetic or have other chronic dis eases 1 7 Clintondale School Jump Up and Go program is located in Macomb County and provid es exercise, fitness, and healthy eating education to students of the school 1 8 Weight-lo ss center is available for residents in the community There were 54 participants in the p rogram Strategy 2 Increase education for diabetes prevention, early identification and di sease management Note that community diabetes education program is available for newly di agnosed diabetics in the community that spans several weeks There are a number of these p rograms that are provided free or low-cost to all residents of the community There are al so diabetes support groups SJH&MC will fill some gaps with the following programs Baselin e Measures for Strategy 2 Diabetes Prevention - The number of participants in the program s - The number of sessions attended by program participants Breakdown of participation in our Diabetes Education class by hospital are- SJH&

Form and Line Reference	Explanation
Part VI, Line 2	MC - 283 - SJMOH - 411- SJRDH - 452 1 CareLink Education and Classes - A program that produces a quarterly booklet that includes health education and information for a wide variety of low-cost community-based programs and services addressing prevention and management of chronic disease including diabetes CareLink had a total of 2,722 participants and 218 programs Priority Health Area #2 INFANT MORTALITY REDUCTIONAccording to the State of Michig an Health Dashboard, the infant mortality rate (IMR) is worse than the national average an d has remained so over the last 20 years in spite of an overall downward trend Also of co ncern is the IMR for Detroit (13 5% compared to statewide 7 1%) The rate is also related to the high rates of inadequate prenatal care across southeastern Michigan We will contin ue and/or expand the strategies, tactics and programs listed below St John Hospital and M edical Center will address community needs through collaboration between nursing, case man agement, community health and social work to identify resources and communication methods with patients (birth folders, prenatal clinic, etc) Additionally, increase social work a nd nursing knowledge about programs available Expectant mothers who receive care in Obste trics clinic setting are given pro-breastfeeding information regarding prenatal nutrition and infant feeding, and have the opportunity to engage with the lactation consultant and o ther health providers as needed Strategy 1 Increase connectivity to and resources for pre gnant women and their families1 1 Provide referral information about local Maternal Infant Health Programs (MIHP) to women with Medicaid Insurance who present for prenatal care and /or for delivery Baseline Measure Number of referrals made to MIHP programs 1 2 Provide r eferrals to the Strong Start Enhanced Pregnancy Program to women with Medicaid Insurance w ho present for prenatal care and/or for delivery Baseline Measure Number of referrals mad e to the Strong Start program 1 3 Provide information and referral to St John Providence Health System Infant Mortality Program to women who present for prenatal care and/or deliv er with other insurance coverage Baseline Measure Number of referrals to SJPHS Infant Mor tality Program Strategy 2 Provide enhanced nutrition information and services that suppor t the health of high-risk infants 2 1 Provide information and/or referrals for all women d elivering babies at SJH&MC to the Mother Nurture Breastfeeding Program Baseline Measure N umber of referrals made 3,385 received referrals 2 2 Provide referrals to the Outpatient B reastfeeding Clinic for consultation with breastfeeding consultant Baseline Measure Numbe r of referrals made to Outpatient Breastfeeding Clinic 2,540 received referrals 2 3 Provi de breast pump to low-income breastfeeding mothers to encourage breastfeeding Baseline Mea sure Number of breast pumps provided 141 pumps were provided 2 4 80% of all women who del iver at SJH&MC will receive information/referral to the WIC Program WIC is a special supp lemental nutrition program for Women, Infants and Children that provides nutritious foods (primarily through retail grocery stores), nutrition counseling, and referrals to health c are and social services WIC serves low-income pregnant, postpartum and breastfeeding wome n, infants and children up to age 5 who are at nutritional risk Baseline Measure Number o f referrals to WIC, and the number of women participating in the WIC program 3,385, receiv ed info on WIC, estimated 55% of deliveries participate Strategy 3 Increase education to enhance access to primary care for mothers after delivery of infant and post-partum visit 3 1 All mothers delivering at SJH&MC will be provided information upon discharge on how to locate Primary Care Medical Home services via the SJPHS Health Connect service which can assist in making appointments and referrals to local Federally Qualified Safety Net Health Centers in their vicinity SJPHS Health

Form and Line Reference	Explanation
Strategy 1 Increase education for diabetes prevention, early	identification and disease management2 1 Joslin Diabetes Center Hospital-Certified Diabete s Educators provide patients with group and individual education related to diabetes and n utrition, medication management including insulin starts, continuous Glucose Monitoring Sy stem, insulin pump therapy, and gestational diabetes education series Baseline Measures fo r Strategy 2 Diabetes Prevention1) The number of participants in the programs 2) The numb er of sessions attended by program participants Priority Health Area #2 INFANT MORTALITY REDUCTION (PROVIDENCE PROVIDENCE/PARK)According to the State of Michigan Health Dashboard, the infant mortality rate (IMR) is worse than the national average and has remained so ov er the last 20 years in spite of an overall downward trend Also of concern is the IMR for Detroit (13 5% compared to statewide 7 1%) The rate is also related to the high rates of inadequate prenatal care across southeastern Michigan We will continue and/or expand the strategies, tactics and programs listed below Providence Hospital will address community needs through collaboration between nursing, case management, community health and social work to identify resources and communication methods with patients (birth folders, prenata l clinic, etc), and increase social work and nursing knowledge about programs available Expectant mothers who receive care in the O bstetric clinic setting are given pro-breastfee ding information regarding prenatal nutrition and infant feeding, and have the opportunity to engage with the lactation consultant and other health providers as needed Strategy 1 Increase connectivity to and resources for pregnant women and their families 1 1 Provide r eferral information about local Maternal Infant Health Programs (MIHP) to women with Medic aid Insurance who present for prenatal care and/or for delivery Baseline Measure Number o f referrals made to MIHP programs 1 2 Provide referrals to the Strong Start Enhanced Pregn ancy Program to women with Medicaid Insurance who present for prenatal care and/or for del ivery Baseline Measure Number of referrals made to the Strong Start program Strategy 2 P rovide enhanced nutrition information and services that support the health of high-risk in fants 2 1 Provide information and/or referrals to women delivering babies at Providence Ho spital to the Mother Nurture Breastfeeding Program Baseline Measure Number of referrals m ade 3,173 referrals were made to Mother Nurture in FY14 2 2 Provide referrals to the O utp atient Breastfeeding Clinic for consultation with breastfeeding consultant Baseline Measur e Number of referrals made to O utpatient Breastfeeding Clinic 1275 referrals were made t o the O utpatient Breastfeeding Clinic in FY14 2 3 Provide breast pump to low-income breast feeding mothers to encourage breastfeeding Baseline Measure Number of breast pumps provid ed 14 pumps were provided in FY142 4 80% of all women who deliver at Providence Hospital w ill receive information/referral to the WIC program WIC is a special supplemental nutriti on program for Women, Infants and Children that provides nutritious foods (primarily throu gh retail grocery stores), nutrition counseling, and referrals to health care and social s ervices WIC serves low-income pregnant, postpartum and breastfeeding women, infants and c hildren up to age 5 who are at nutritional risk Baseline Measure Number of referrals to W IC, and the number of women participating in the WIC program Of the mothers who needed it , 95% or better received referrals Strategy 3 Increase education to enhance access to pri mary care for mothers after delivery of infant and post-partum visit 3 1 All mothers deliv ering at Providence Hospital will be provided information upon discharge on how to locate Primary Care Medical Home services via the SJPHS "Health Connect" service which can assist in making appointments and referrals to local Federally Qualified Safety Net Health Cente rs in their vicinity SJPHS Health Connect is a free health information service designed t o help callers locate primary and specialty care physicians, programs, clinics, classes an d/or events that fit their health care needs Baseline Measure Number of discharge informa tion packets given There were 4,206 packets were given in FY14 Priority Health Area #3 A CCESS TO CARE (ALL HOSPITALS)Access to Care for individuals who are uninsured and underins ured is an ongoing concern The need to address and strengthen Access to Care is an ongoin g healthcare system-wide initiative through the Providence Hospital parent company, Ascens ion Health, through the "Call to Action" policy Healthcare That Leaves No One Behind This policy represents Ascension Health's commitment to 100% access and coverage for all Ameri cans As we move into 2014 and the next phase of implementation of the Affordable Care Act , more and more individuals will become insured with Medicaid expansion, and through the H ealth Insurance Marketplaces (Exchanges) there wil

Form and Line Reference	Explanation
Strategy 1 Increase education for diabetes prevention, early	I still remain the need to support those unfamiliar with the system in navigating the heal th system, locating a primary care physician, and obtaining support for other non-medical needs that, if not addressed, may present a barrier to access to care Strategy 1 Reduce b arriers to access the full continuum of health care for low income, uninsured and/or under insured residents of the service area 1 1 Develop internet-based resource guide for associ ates/employees to utilize to locate safety net access points of care for patients Baseline Measure Establishment of internet-based resource guide The guide has been developed for all of the hospitals and is readily available 1 2 Partner with community-based organizatio ns to increase outreach and education about enrollment for health insurance coverage throu gh the newly created Health Insurance Marketplaces (Exchanges) which are designed to help individuals find, consider options and purchase health insurance that is compatible with v arious income levels, and an individual's desired medical care coverage In FY 14 there we re"- 21 enrollment activities- 422 applications were taken and - 1124 people received educ ation Baseline Measure Number of events/activities providing Health Insurance Marketplac e enrollment support 1 3 Provide health insurance enrollment assistance to uninsured adult s presenting to hospital Emergency Department or inpatients Baseline Measure Number of p atients receiving health insurance enrollment assistance 6206 applications were completed at the hospitals - SJHMC 2,269 HMP apps- Macomb 1,433 HMP apps- Oakland 781 HMP apps- Rive r District 105 HMP apps- Providence 1,237 HMP apps- Prov Park 381 HMP appsMarketplace Dat a 4,738 people received education on the Marketplace 6 Marketplace applications were compl eted1 1 Support recruitment of Physicians Who Care A program comprised of specialists who volunteer to provide medical care for uninsured adults 19 to 64 years old who are referre d from partner safety net health centers Baseline Measure Number of referrals for Physic ians Who Care There were 9 new physicians and 2,184 referrals to Physicians who care in FY 2014Strategy 2 Increase/support safety net capacity in the service area 2 1 Explore partn erships/collaboratives with potential safety net providers in Wayne, Oakland and Livingsto n counties Baseline Measure Evidence of identified potential partners and discussions 2 2 Participation in local access collaboratives such as VODI (Voices of Detroit Initiative), Detroit-Wayne County Health Authority, and the Beacon Project Baseline Measure Evidence of assigned health system leadership individual and their participation in the local colla boratives

Form and Line Reference	Explanation
Part VI, Line 3	Financial assistance staff is trained on how to qualify patients for Medicaid, SCHIP and other such programs During the pre-registration, registration, admissions, and discharge processes, the hospital attempts to identify all self pay patients who may be eligible for government programs or for discounted care through the health system charity care policy A financial assistance counselor is provided to all patients identified as eligible for charity care and the process and paper work is explained by the counselor Patients with limited English proficiency are provided with a translator as needed Those who are deemed eligible for government programs are provided with the needed information, forms and contact information including assistance in filling out forms as needed The Hospital's charity care policy is posted on the website A summary of the policy along with financial assistance contact information is provided to patients in the emergency department and inpatients upon discharge Self pay patients are also provided with referrals to partner FQHCs or free primary care clinics in the area as well as locations to obtain low cost pharmaceuticals A written summary of financial guidelines/charity policy and contact information is also provided in all communications with patients regarding bills and accounts Non-English speaking patients receive translation assistance as needed All third parties that work on behalf of the organization to collect fees (such as collection agencies and legal firms) are required to follow the hospital's policies regarding patient notification about the availability of financial assistance including its guidelines for collection of payment

Form and Line Reference	Explanation
PROVIDENCE HOSPITAL & PROVIDENCE FOUNDATION	COMMUNITY BENEFIT REPORTFISCAL YEAR END JUNE 30, 2014This report illustrates the significa nt degree to which Providence Hospital contributes to the positive health status of the co mmunities it serves As a member of Ascension Health, the nation's largest Catholic health care system, Providence Hospital continues to build and strengthen sustainable collaborati ve efforts that benefit the health of individuals, families, and society as a whole The g oal of Providence Hospital is to perpetuate the healing mission of the church Providence Hospital furthers this goal through delivery of patient services, care to the elderly and indigent, patient education and health awareness programs for the community, and medical r esearch O ur concern for all human life and dignity of each person leads the organization to provide medical services to all people in the community without regard to the patient's race, creed, national origin, economic status, or ability to pay FINANCIAL INFORMATIONTh e financial information presented below was prepared in accordance with the Catholic Healt h Association's (CHA) community benefit reporting guidelines These guidelines recommend t he following - Report care of the poor at cost, not charges - Do not include bad debt, con tractual allowances, and quick pay discounts as part of care of the poor expense - Do not count Medicare shortfall as a community benefit - Report the net expense for community ben efit services, i e , the total community benefit expense minus any associated revenue from patients, payers, and other external sources The CHA reporting guidelines reflect a conse rvative approach to reporting quantifiable community benefit The goal of the reporting gu idelines is to produce community benefit financial reports that reflect true costs and tha t describe community benefit activities that increase access to health care and improve co mmunity health Providence Hospital information for fiscal year ended June 30, 2014 1) Car e of the poor (at cost) = $6,762,1092) Government sponsored health care (net expense) = $9 78,7773)Unpaid cost of public indigent care programs (includes Medicaid, Schip, and other safety net programs, does not include Medicare shortfalls) = $16,006,6504) Community benef it programs (net expense) = $13,423,580Total quantifiable community benefit, as determined in accordance with CHA reporting guidelines = $37,171,116 SUPPLEMENTAL INFORMATIONBad deb t costs attributable to charity = $11,293,765Medicare surplus = -$2,040,247Total quantifia ble community benefit, including bad debt and Medicare surplus = $46,424,634CHARITY CARETh e Hospital had 113,044 Emergency Department (ED) visits in fiscal 2014, an increase of 1% over FY13 Increasingly, patients are experiencing limited abilities to pay for health car e services or qualify for state and federally funded programs like Medicaid and Medicare p rograms that cover only a portion of the cost of services provided Providence Hospital pr ovides a substantial portion of its services to the elderly and poor During the fiscal ye ar ending June 30, 2014, approximately 41% of the value of services rendered was to elderl y patients under the Medicare program, and approximately 9% of the services were provided to patients who were deemed indigent under state, county, or Medical Center Guidelines OR GANIZATIONAL COMMITMENT TO PROVIDING COMMUNITY BENEFITProvidence Hospital and Medical Cent er is made up of a 416-bed teaching hospital located in Southfield, Michigan and a 212-bed hospital located in Novi, Michigan Providence Hospital seeks to improve the physical, me ntal, social and spiritual health status of its surrounding community In addition to prov iding health care services to all individuals who require medical attention, Providence Ho spital has developed the following programs to help achieve its mission HEALTH ACCESSSuppo rt of the Thea Bowman Community Health Center, located in Northwest Detroit, the St Vince nt DePaul Clinic in Northwest Detroit, Physicians Who Care Program, donation of pharmaceut icals to the World Medical Relief program, and donations of supplies through materials man agement Since 2003, Providence Hospital, along with our partner Advantage Health, has prov ided support for the Thea Bowman Community Health Center, located in Northwest Detroit Th ea Bowman has provided access to quality primary care, dental care, social workers and beh avioral medicine These services are offered on a sliding fee scale PHYSICIANS WHO CAREPr ovidence physicians have enrolled in Physicians Who Care The goal of this program is to l ink uninsured patients with medical specialists, who have agreed to provide medical servic es at no charge Providence Hospital covers testing and hospitalization costs SCHOOL PROG RAMSPartners in Prevention program, Partnership with Southfield Schools Medical and Natura l Sciences Academy, and volunteer opportunities with numerous students PHILOSOPHY OF SERVI CE COMMITTEEIce cream social, Manna Meal Soup Kitc

Form and Line Reference	Explanation
PROVIDENCE HOSPITAL & PROVIDENCE FOUNDATION	hen, Providence Choir, Christmas Store, Crisis Assistance Program, and various other chari table drives during the year THE INFANT MORTALITY PROJECT Serves Detroit and Wayne County Providence donated $35,000 toward this program In FY14 the MIHP Client Encounters 497 an d 33 parents graduated from Jubilee Parenting Classes and Safe Sleep Classes Other positi ve results were prevention of low birth babies and premature infant births among our clien ts SHALOM PROVIDENCE PROJECT Providence partnered with the Jewish Hospice & Chaplaincy Net work in FY08 to start up Shalom Providence Rabbi's come in 4 days per week to visit the J ewish patients The program includes education for associates, a dedicated phone line to t he Director and a library of Jewish Prayer books and symbols for the bedside Shalom Provi dence Project Manager of Spiritual care PARISH NURSING Providence Hospital contributes $64 ,167 to the Parish Nurse Program A Parish Nurse is a RN who practices under the Faith Com munity Nursing Standards and focuses on the intentional care of the spirit as part of the process of promoting holistic health and preventing or minimizing illnesses within a faith community The nurses provide numerous screening and educational programs at the churches GRADUATE MEDICAL EDUCATION PROGRAM- The residents provide care to those who are economic ally disadvantaged in a variety of specialties including Family Practice, Internal Medicin e, Cardiovascular, OB GYN, Gastrointestinal, Plastic Surgery, General Surgery, Neurosurger y, and Hematology/Oncology - Work with various public schools to provide health education and screening - Provide care at the St Vincent De Paul Health Center and to the elderly at several nursing homes - Residents participated in Cover the Uninsured Health Fair Resi dents participated in the Southfield Senior Appreciation Day, Strides For Breast Cancer, A HA Heart Walk, and the Thea Bowman Health Fair - Provide care at the St Vincent De Paul Health Center (IHM), East-side Pavilion Practice and to the elderly at several nursing hom es - Participate in a variety of medical missionary trips OUR LADY OF PROVIDENCE LEAGUE V OLUNTEERS- 335 Active Volunteers work with Providence Hospital - The "No One Dies Alone" Program continues Interested volunteers sit at the bedside of patients, who are dying, to provide families respite or are there for those who have no family - A new program, Thera py Dog Program', has been started Each hospital has a dog that visits with patients, fami lies and associates (with a trained volunteer handler) to enhance their day and healthcare experience SUMMARYProvidence Hospital furthers its charitable purposes by providing a bro ad array of services to meet the healthcare needs of patients and organizations in the com munity We provide essential medical services to the community, train and recruit healthca re professionals to serve the needs of the broader community, provide appropriate charity services to those patients who are not able to pay for their own healthcare needs, provide services to other organizations that allow them to provide quality services to their pati ents or constituents, and present education information classes and activities to the comm unity in order to improve its overall health status

Additional Data

Software ID:
Software Version:
EIN: 38-1358212
Name: Providence Hospital

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
Part V, Section B	Facility Reporting Group A

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
Facility Reporting Group A consists of	- Facility 1 Providence Hospital, - Facility 2 Providence Park Hospital

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
Facility 1 -- Providence Hospital Part V, Section B, line 1j	The CHNA Steering Committee proceeded with a prioritization process of selecting priority health areas for system-wide focus, and to recommend the same priority health areas for inclusion in the SJPHS Strategic Plan for fiscal years 2014-2016 A Problem Importance Worksheet was utilized to facilitate the prioritization process Among the multitude of community health care needs, the Steering Committee utilized a prioritization process to narrow down indicators and ultimately select the recommended priority heath areas The criteria utilized to rank the identified health concerns included 1) The magnitude of the problem 2) The seriousness of the consequences and potential burden to the community 3) The feasibility of addressing or correcting the problem, and4) The potential yield of measurable data of process or outcome improvement Using this criteria, the three priority areas selected are 1) Diabetes Prevention, 2) Infant Mortality Reduction and, 3) Access to Care

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
Facility 1 -- Providence Hospital Part V, Section B, line 3	The CHNA was conducted with the guidance and oversight of a Steering Committee composed of professionals with a diversity of expertise in health care operations, administration and management, community health, health planning, medicine and other related health disciplines The co-chairs were the Vice President of Mission Integration and the Vice President of Community Health Additional input from approximately 100+ people was received as a result of a survey and focus group of local health department officials, community stakeholders, and community advocates The 6-Step model developed by the Association of Community Health Improvement was utilized to organize and facilitate the process of developing this CHNA Further extensive data from global, national, state and local levels including hospital specific data was reviewed and discussed by the committee as part of the assessment process

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
Facility 1 -- Providence Hospital Part V, Section B, line 4	Providence Hospital conducted its community health needs assessment with the following other facilities - St John Hospital & Medical Center- Providence Park Hospital- St John Macomb Hospital- St John Oakland Hospital- St John River District Hospital- Brighton Recovery Center

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
Facility 1 -- Providence Hospital Part V, Section B, line 5d	The Community Health Needs Assessment ("CHNA") of the hospital facility can be located at the following web address http //www stjohnprovidence org/upload/docs/community%20health/chna-providence%20hospital pdf

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
Facility 1 -- Providence Hospital Part V, Section B, line 7	Providence Park Hospital will not address certain identified health needs and concerns because other programs are currently offering an array of services for the community and those particular health needs and concerns are listed below with the resources, agencies and services currently established to address them - Cardiovascular Disease This is widely addressed through St John Providence Health System and its Cardiovascular Centers of Excellence, the American Heart Association, and other programs such as the Project Healthy Living multi-county screening program - Cancer St John Providence Health System has 4 cancer centers with 2 located in the service area Additionally, the American Cancer Society, primary care standards of practice, and other cancer centers in the area provide screening and community-based education Further, the state of Michigan with its BCCCP (Breast and Cervical Cancer Control Program) provides for routine mammograms for low-income and uninsured women - Asthma Asthma is predominately a condition of children and youth in the service area Through the SJPHS school-based health centers and other school-based health centers in the area, this is being addressed Asthma education, asthma screening, and summer asthma camps are provided along with the handling of acute episodes in the school clinics with parental consent - Obesity It is well-known that obesity is a precursor to the development of type II diabetes There are several model programs in the service area that address childhood obesity in addition to what is available for adults - Behavioral health/substance abuse/mental illness Medicaid and other state funding for behavioral health largely comes through the state to the county-based community mental health agencies and local health departments These agencies continue to provide the lead on addressing these issues The aforementioned services, programs and resources are sufficiently equipped and duly established to provide community-based resources to address cardiovascular disease, cancer, asthma, obesity, behavioral health, substance abuse, and mental illness

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
Facility 1 -- Providence Hospital Part V, Section B, line 14g	Information regarding the availability of the financial assistance policy is on the website and included on the billing statements

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
Facility 1 -- Providence Hospital Part V, Section B, line 20d	Uninsured patients receive a discount off charges which is comparable to the discount provided to the highest paying payor, accounting for at least 3% of the population as measured by volume or gross patient revenue In addition, uninsured patients with income greater that 300% of the FPL may receive an additional discount based on a "Means Test"

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
Facility 2 -- Providence Park Hospital Part V, Section B, line 1j	The CHNA Steering Committee proceeded with a prioritization process of selecting priority health areas for system-wide focus, and to recommend the same priority health areas for inclusion in the SJPHS Strategic Plan for fiscal years 2014-2016 A Problem Importance Worksheet was utilized to facilitate the prioritization process Among the multitude of community health care needs, the Steering Committee utilized a prioritization process to narrow down indicators and ultimately select the recommended priority heath areas The criteria utilized to rank the identified health concerns included 1) The magnitude of the problem 2) The seriousness of the consequences and potential burden to the community 3) The feasibility of addressing or correcting the problem, and4) The potential yield of measurable data of process or outcome improvement Using this criteria, the three priority areas selected are 1) Diabetes Prevention, 2) Infant Mortality Reduction and, 3) Access to Care

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
Facility 2 -- Providence Park Hospital Part V, Section B, line 3	The CHNA was conducted with the guidance and oversight of a Steering Committee composed of professionals with a diversity of expertise in health care operations, administration and management, community health, health planning, medicine and other related health disciplines The co-chairs were the Vice President of Mission Integration and the Vice President of Community Health Additional input from approximately 100+ people was received as a result of a survey and focus group of local health department officials, community stakeholders, and community advocates The 6-Step model developed by the Association of Community Health Improvement was utilized to organize and facilitate the process of developing this CHNA Further extensive data from global, national, state and local levels including hospital specific data was reviewed and discussed by the committee as part of the assessment process

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
Facility 2 -- Providence Park Hospital Part V, Section B, line 4	Providence Park Hospital conducted its community health needs assessment with the following other facilities - Providence Hospital- St John Hospital & Medical Center- St John Macomb Hospital- St John Oakland Hospital- St John River District Hospital- Brighton Recovery Center

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
Facility 2 -- Providence Park Hospital Part V, Section B, line 5d	The Community Health Needs Assessment ("CHNA") of the hospital facility can be located at the following web address http //www stjohnprovidence org/upload/docs/community%20health/chna-providence%20hospital pdf

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
Facility 2 -- Providence Park Hospital Part V, Section B, line 7	Providence Park Hospital will not address certain identified health needs and concerns because other programs are currently offering an array of services for the community and those particular health needs and concerns are listed below with the resources, agencies and services currently established to address them - Cardiovascular Disease This is widely addressed through St John Providence Health System and its Cardiovascular Centers of Excellence, the American Heart Association, and other programs such as the Project Healthy Living multi-county screening program - Cancer St John Providence Health System has 4 cancer centers with 2 located in the service area Additionally, the American Cancer Society, primary care standards of practice, and other cancer centers in the area provide screening and community-based education Further, the state of Michigan with its BCCCP (Breast and Cervical Cancer Control Program) provides for routine mammograms for low-income and uninsured women - Asthma Asthma is predominately a condition of children and youth in the service area Through the SJPHS school-based health centers and other school-based health centers in the area, this is being addressed Asthma education, asthma screening, and summer asthma camps are provided along with the handling of acute episodes in the school clinics with parental consent - Obesity It is well-known that obesity is a precursor to the development of type II diabetes There are several model programs in the service area that address childhood obesity in addition to what is available for adults - Behavioral health/substance abuse/mental illness Medicaid and other state funding for behavioral health largely comes through the state to the county-based community mental health agencies and local health departments These agencies continue to provide the lead on addressing these issues The aforementioned services, programs and resources are sufficiently equipped and duly established to provide community-based resources to address cardiovascular disease, cancer, asthma, obesity, behavioral health, substance abuse, and mental illness

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
Facility 2 -- Providence Park Hospital Part V, Section B, line 14g	Information regarding the availability of the financial assistance policy is on the website and included on the billing statements

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
Facility 2 -- Providence Park Hospital Part V, Section B, line 20d	Uninsured patients receive a discount off charges which is comparable to the discount provided to the highest paying payor, accounting for at least 3% of the population as measured by volume or gross patient revenue In addition, uninsured patients with income greater that 300% of the FPL may receive an additional discount based on a "Means Test"

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

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

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

Name and address	Type of Facility (describe)
Providence CT Center 30055 Northwestern Hwy Farmington Hills, MI 48334	Physician Group
Family Medical Center 210 N Lafayatt South Lyon, MI 48178	Physician Group
Dr Sharp Crumley & Moore 21700 Northwestern Hwy Southfield, MI 48075	Physician Group
Geriatric Clinical Services 25800 W Eleven Mile Southfield, MI 48034	Physician Group
Internal Medicine 23874 Kean Street Dearborn Heights, MI 48125	Physician Group
Michigan Urgent Care 37595 Seven Mile Road Livonia, MI 48152	Physician Group
The Bowman Center 20548 Fenkell Detroit, MI 48223	Physician Group
Providence Cardiac Surgery Institute 22151 Moross Detroit, MI 48236	Physician Group
Milford Family Practice 1050 Corporate Office Drive Milford, MI 48381	Physician Group
Advanced Cardio Vascular Health 37799 Professional Center Drive Livonia, MI 48154	Physician Group
West Oakland Interns 44000 W 12 Mile Road Suite 200 Novi, MI 48377	Physician Group
Brighton OBGYN 8641 West Grand River Brighton, MI 48116	Physician Group

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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
Providence Hospital

Employer identification number
38-1358212

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**		
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**		
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**		No
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 3	St John Health, a related organization of Providence Hospital, uses the following to establish the compensation of the organization's President - Compensation Committee - Independent Compensation Consultant - Compensation Survey or Study - Approval by the Board of Compensation Committee
Part I, Line 4b	Eligible executives participate in a program that provides for supplemental retirement benefits The payment of benefits under the program, if any, is entirely dependent upon the facts and circumstances under which the executive terminates employment with the organization Benefits under the program are unfunded and non-vested Due to the substantial risk of forfeiture provision, there is no guarantee that these executives will ever receive any benefit under the program Any amount ultimately paid under the program to the executive is reported as compensation on Form 990, Schedule J, Part II, Column B in the year paid 457(f) Payments made - Gerald Gilman - $32,936 - Michael Wiemann - $81,233

Additional Data

Software ID:
Software Version:
EIN: 38-1358212
Name: Providence Hospital

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				
Cherolee Trembath MD Sch O Board Member	(I) (II)	228,913 0	21,769 0	0 0	7,288 0	11,867 0	269,837 0	0 0
Michael Wiemann MD President - Providence Hospital	(I) (II)	519,990 0	213,221 0	81,233 0	7,650 0	11,867 0	833,961 0	81,233 0
Peter Karadjoff President - Providence Park Hospital	(I) (II)	360,006 0	83,752 0	0 0	7,650 0	11,867 0	463,275 0	0 0
Douglas Winner Chief Financial Officer	(I) (II)	256,252 0	61,260 0	0 0	7,650 0	11,867 0	337,029 0	0 0
David Dull Chief Medical Officer	(I) (II)	359,985 0	73,808 0	0 0	7,650 0	11,867 0	453,310 0	0 0
Gerald Gilman VP Medical Staff Dev	(I) (II)	179,375 0	50,877 0	32,936 0	5,617 0	11,867 0	280,672 0	32,936 0
Joseph Hurshe VP Operations	(I) (II)	232,049 0	61,099 0	0 0	7,091 0	11,867 0	312,106 0	0 0
Robert Welch Chairman - OB/GYN	(I) (II)	440,113 0	276,958 0	0 0	7,650 0	11,867 0	736,588 0	0 0
William B Blessed Med Dir - Maternal/Fetal Med	(I) (II)	382,490 0	190,362 0	140 0	7,650 0	11,867 0	592,509 0	0 0
Laurence Cheung Chairman - Surgery	(I) (II)	447,036 0	0 0	0 0	7,650 0	11,867 0	466,553 0	0 0
Andrew Vosburgh Med Dir Assoc Health	(I) (II)	313,148 0	110,179 0	0 0	7,650 0	11,867 0	442,844 0	0 0
Kang-Lee Tu MD Physician	(I) (II)	306,929 0	90,215 0	82,800 0	7,650 0	11,867 0	499,461 0	0 0

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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
Providence Hospital

Employer identification number
38-1358212

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section A, line 2	
Form 990, Part VI, Section A, line 6	Providence Hospital has a single corporate member, St John Health
Form 990, Part VI, Section A, line 7a	Providence Hospital has a single corporate member, St John Health, who has the ability to elect members to the governing body of Providence Hospital
Form 990, Part VI, Section A, line 7b	All decisions that have a material impact to Providence Hospital financial information or corporation as a whole are subject to approval by its sole corporate member, St John Heal th
Form 990, Part VI, Section B, line 11	Management works diligently to complete the form 990 and attached schedules in a through m anner Prior to filing the return all board members are provided the Form 990 and manageme nt team members are available to answer any board members questions
Form 990, Part VI, Section B, line 12c	The organization regularly and consistently monitors and enforces compliance with the conf lict of interest policy in that any director, officer, key employee, or member of a commit tee with governing board delegated powers, who has a direct or indirect financial interest , must disclose the existence of the financial interest and be given the opportunity to di sclose all material facts to the directors and members of the committees with governing bo ard delegated powers considering the proposed transaction or arrangement The remaining in dividuals on the governing board or committee will decide if conflicts of interest exist Each director, principal officer and member of a committee with governing board delegated powers annually signs a statement which affirms such person has received a copy of the con flict of interest policy, has read and understands the policy, has agreed to comply with t he policy, and understands that the organization is charitable and in order to maintain it s federal tax exemption it must engage primarily in activities which accomplish its tax-ex empt purpose
Form 990, Part VI, Section B, line 15	In determining compensation of the organization's President, the process, performed by St John Health, a related organization of Providence Hospital, included a review and approva l by independent persons, comparability data and contemporaneous substantiation of the del iberation and decision Management reviewed and approved the compensation In the review o f the compensation, the President was compared with individuals at other organizations in the area who hold the same title During the review and approval of the compensation, docu mentation of the decision was recorded in the board minutes Individual was not present wh en his compensation was decided In determining compensation of other officers or key empl oyees of the organization, the process, performed by St John Health, a related organizati on of Providence Hospital, included a review and approval by independent persons, comparab ility data, and contemporaneous substantiation of the deliberation and decision Managemen t reviewed and approved the compensation In the review of the compensation, the other off icers or key employees of the organizations were compared to individuals at other organiza tions in the area who hold the same title Wage bands are adjusted annually and wages paid for all positions are within those bands During the review and approval of the compensat ion, documentation of the decision was recorded in the committee minutes
Form 990, Part VI, Section C, line 19	The organization will provide any documents open to public inspection upon request
Form 990,Part VII, Section A	Where noted with a "(Sch O)" reference, the compensation listed is for services provided t o this organization or a related organization in an employee capacity and not for particip ation in this organization's board Amounts paid for the services of Sister Betty Granger are paid directly to her religious province, Therefore, her compensation on Form 990, Part VII, Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Em ployees is zero
Form 990, Part XI, line 9	Deferred Pension Costs 2,159,731 Transfer to Affiliates -5,329,570 Other 2,397,229 Deferred Other Post Retirement Costs 1,428,227

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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
Providence Hospital

Employer identification number
38-1358212

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) Hospital Consolidated Laboratories 28000 Dequindre Road Warren, MI 48092 38-3318428	Laboratory Tests	MI	0	0	Providence Hospital and Medical Center

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) Advent Partners LP 28000 Dequindre Road Warren, MI 48092 38-3494197	Rental Real Estate	MI	N/A									
(2) Open MRI of Michigan 28000 Dequindre Road Warren, MI 48092 38-3544539	Diagnostic Imaging Center	MI	N/A									

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) Advent Inc 28000 Dequindre Road Warren, MI 48092 38-2971743	Real Estate Development	MI	N/A	C					No
(2) Affiliated Health Services Inc 28000 Dequindre Road Warren, MI 48092 38-2292922	Medical Services	MI	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		No
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
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		No
l Performance of services or membership or fundraising solicitations for related organization(s)	1l		No
m Performance of services or membership or fundraising solicitations by related organization(s)	1m		No
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o Sharing of paid employees with related organization(s)	1o	Yes	
p Reimbursement paid to related organization(s) for expenses	1p	Yes	
q Reimbursement paid by related organization(s) for expenses	1q	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: 38-1358212
Name: Providence Hospital

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) Ascension Health Alliance PO Box 45998 St Louis, MO 63145 45-3358926	National Health System	MO	Section 501(c)(3)	Schedule A, Line 11a	N/A		No
(1) Ascension Health PO Box 45998 St Louis, MO 63145 31-1662309	National Health System	MO	Section 501(c)(3)	Schedule A, Line 11a	Ascension Health Alliance		No
(2) St John Health 28000 Dequindre Road Warren, MI 48092 38-2244034	Parent	MI	Section 501(c)(3)	Schedule A, Line 11c	Ascension Health		No
(3) Brighton Hospital 12851 Grand River Brighton, MI 48116 38-1576680	Hospital	MI	Section 501(c)(3)	Schedule A, Line 3	St John Health	Yes	
(4) Eastwood Community Clinics 28000 Dequindre Road Warren, MI 48092 38-1958763	Health Care	MI	Section 501(c)(3)	Schedule A, Line 9	St John Health	Yes	
(5) Father Murray Nursing Center 28000 Dequindre Road Warren, MI 48092 38-2601348	Health Care	MI	Section 501(c)(3)	Schedule A, Line 9	St John Health	Yes	
(6) Medical Resources Group 43800 Garfield Clinton Township, MI 48038 38-3494637	Health Care	MI	Section 501(c)(3)	Schedule A, Line 9	St John Health	Yes	
(7) Providence Health Foundation 22101 Moross Detroit, MI 48236 38-3526629	Fundraising	MI	Section 501(c)(3)	Schedule A, Line 11c	St John Health	Yes	
(8) Seton Health Corp of SE Michigan 16001 West Nine Mile Road Southfield, MI 48037 38-2820107	Health Care	MI	Section 501(c)(3)	Schedule A, Line 11c	St John Health	Yes	
(9) St John Community Health Investment Corp 28000 Dequindre Road Warren, MI 48092 38-2262856	Health Care	MI	Section 501(c)(3)	Schedule A, Line 3	St John Health	Yes	
(10) St John Hospital & Medical Center 28000 Dequindre Road Warren, MI 48092 38-1359063	Health Care	MI	Section 501(c)(3)	Schedule A, Line 3	St John Health	Yes	
(11) St John Hospital Foundation 22101 Moross Rd Mack Office Buldg S Detroit, MI 48236 20-2961579	Fundraising	MI	Section 501(c)(3)	Schedule A, Line 7	St John Health	Yes	
(12) St John River District Hospital 4100 River Road East China, MI 48054 38-3160564	Hospital	MI	Section 501(c)(3)	Schedule A, Line 3	St John Health	Yes	
(13) St John Senior Community 28000 Dequindre Road Warren, MI 48092 38-2631907	Health Care	MI	Section 501(c)(3)	Schedule A, Line 9	St John Health	Yes	
(14) Our Lady of Providence League PO Box 2043 Southfield, MI 48037 38-6108200	Fundraising	MI	Section 501(c)(3)	Schedule A, Line 11c	Providence Hospital	Yes	
(15) Providence Park League 47601 Grand River Avenue Novi, MI 48374 38-2058690	Fundraising	MI	Section 501(c)(3)	Schedule A, Line 11c	Providence Hospital	Yes	
(16) St John Macomb-Oakland Hospital 28000 Dequindre Road Warren, MI 48092 38-3322109	Hospital	MI	Section 501(c)(3)	Schedule A, Line 3	St John Health	Yes	

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

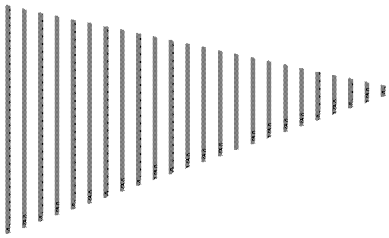
(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
Brighton Hospital	R	119,734	Actual Amount Paid
Eastwood Community Clinics	R	139,958	Actual Amount Paid
St John Macomb-Oakland Hospital	O	60,026	Actual Amount Paid
St John Macomb-Oakland Hospital	Q	128,091	Actual Amount Paid
St John Macomb-Oakland Hospital	S	57,868	Actual Amount Paid
Medical Resources Group	O	277,763	Actual Amount Paid
Medical Resources Group	P	9,713,289	Actual Amount Paid
Medical Resources Group	R	5,288,440	Actual Amount Paid
Providence Health Foundation	C	1,617,240	Actual Amount Paid
Providence Health Foundation	P	1,656,865	Actual Amount Paid
Providence Health Foundation	S	1,383,987	Actual Amount Paid
St John Community Health Investment Corporation	R	1,212,779	Actual Amount Paid
St John Community Health Investment Corporation	P	125,473	Actual Amount Paid
St John Community Health Investment Corporation	R	1,282,789	Actual Amount Paid
St John Health	O	151,602,037	Actual Amount Paid
St John Health	P	446,903,803	Actual Amount Paid
St John Health	R	544,224,396	Actual Amount Paid
St John Hospital & Medical Center	J	439,260	Actual Amount Paid
St John Hospital & Medical Center	O	603,062	Actual Amount Paid
St John Hospital & Medical Center	P	2,016,311	Actual Amount Paid
St John Hospital & Medical Center	R	2,371,069	Actual Amount Paid
Affiliated Health Services Inc	P	1,220,630	Actual Amount Paid
Affiliated Health Services Inc	R	1,069,236	Actual Amount Paid
Open MRI of Michigan	O	495,068	Actual Amount Paid
Open MRI of Michigan	Q	66,150	Actual Amount Paid

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
Open MRI of Michigan	S	572,778	Actual Amount Paid

CONSOLIDATED FINANCIAL STATEMENTS

St John Providence Health System
Member of Ascension Health, a Subsidiary
of Ascension Health Alliance, d/b/a Ascension
Years Ended June 30, 2014 and 2013
With Report of Independent Auditors



Building a better
working world

St. John Providence Health System

Consolidated Financial Statements

Years Ended June 30, 2014 and 2013

Contents

Building a better working world

Report of Independent Auditors

The Board of Trustees
St John Providence Health System

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Building a better working world

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of St John Providence Health System at June 30, 2014 and 2013, and the consolidated results of their operations and their cash flows for the years then ended in conformity with U S generally accepted accounting principles

Ernst & Young LLP

September 10, 2014

St. John Providence Health System

Consolidated Balance Sheets

(In Thousands)

	June 30, 2014	2013
Assets		
Current assets		
Cash and cash equivalents	**$ 31,907**	$ 39,223
Accounts receivable, less allowances for doubtful accounts ($116,755 and $120,579 in 2014 and 2013, respectively)	**165,407**	183,562
Current portion of assets limited as to use	**4,900**	4,897
Estimated third-party payor settlements	**23,863**	16,769
Inventories	**31,688**	26,954
Other	**76,604**	58,277
Total current assets	**334,369**	329,682
Assets limited as to use and other long-term investments	**11,789**	13,307
Interest in investments held by Ascension	**1,077,343**	987,897
Property and equipment, net	**664,705**	687,409
Other assets.		
Investment in unconsolidated entities	**25,428**	28,458
Other intangibles	**48,039**	58,256
Other	**102,662**	82,594
Total other assets	**176,129**	169,308
Total assets	**$ 2,264,335**	$ 2,187,603

	June 30, 2014	2013
Liabilities and net assets		
Current liabilities		
Current portion of long-term debt	**$ 9,193**	$ 9,306
Accounts payable and accrued liabilities	**218,486**	228,722
Estimated third-party payor settlements	**58,575**	60,196
Current portion of self-insurance liabilities	**16,923**	16,766
Other	**12,645**	15,777
Total current liabilities	**315,822**	330,767
Noncurrent liabilities		
Long-term debt	**585,588**	596,701
Self-insurance liabilities	**23,573**	24,107
Pension and other postretirement liabilities	**58,396**	76,743
Other	**55,118**	62,363
Total noncurrent liabilities	**722,675**	759,914
Total liabilities	**1,038,497**	1,090,681
Net assets.		
Unrestricted		
Controlling interest	**1,172,250**	1,048,108
Noncontrolling interests	**2,079**	2,211
Unrestricted net assets	**1,174,329**	1,050,319
Temporarily restricted	**36,130**	36,140
Permanently restricted	**15,379**	10,463
Total net assets	**1,225,838**	1,096,922
Total liabilities and net assets	**$ 2,264,335**	$ 2,187,603

See accompanying notes.

St. John Providence Health System

Consolidated Statements of Operations and Changes in Net Assets

(In Thousands)

	June 30, 2014	2013
Operating revenue:		
Net patient service revenue	$ **1,946,488**	$ 1,937,284
Less provision for doubtful accounts	**144,165**	130,422
Net patient service revenue, less provision for doubtful accounts	**1,802,323**	1,806,862
Other revenue	**137,877**	144,420
(Loss) income from unconsolidated entities	**(435)**	6,147
Net assets released from restrictions for operations	**5,754**	4,945
Total operating revenue	**1,945,519**	1,962,374
Operating expenses		
Salaries and wages	**801,864**	826,116
Employee benefits	**118,880**	133,354
Purchased services	**215,694**	214,190
Professional fees	**142,793**	129,656
Supplies	**287,488**	277,283
Insurance	**11,909**	9,830
Interest	**17,764**	19,658
Depreciation and amortization	**91,534**	94,222
Other	**172,596**	188,471
Total operating expenses before impairment, restructuring, and nonrecurring losses	**1,860,522**	1,892,780
Income from operations before impairment, restructuring, and nonrecurring losses	**84,997**	69,594
Impairment, restructuring, and nonrecurring losses	**(10,841)**	(10,167)
Income from operations	**74,156**	59,427
Nonoperating gains (losses):		
Investment return	**112,501**	63,779
Other	**(5,723)**	(14,625)
Total nonoperating gains (losses), net	**106,778**	49,154
Excess of revenues and gains over expenses and losses	**180,934**	108,581
Less noncontrolling interests	**36**	15
Excess of revenues and gains over expenses and losses attributable to controlling interest	**180,970**	108,596

St. John Providence Health System

Consolidated Statements of Operations and Changes in Net Assets (continued)

(In Thousands)

	June 30, 2014	2013
Unrestricted net assets		
Excess of revenues and gains over expenses and losses	**$ 180,970**	$ 108,596
Pension and other postretirement liability adjustments	**3,616**	6,667
Transfers (to) sponsor and other affiliates, net	**(68,389)**	(29,492)
Net assets released from restrictions for property acquisitions	**7,510**	5,617
Other	**435**	–
Increase in unrestricted net assets, controlling interest	**124,142**	91,388
Unrestricted net assets, noncontrolling interest		
Deficit of expenses and losses over revenues and gains	**(36)**	(15)
Other	**(96)**	(199)
Decrease in unrestricted net assets, noncontrolling interest	**(132)**	(214)
Temporarily restricted net assets, controlling interest		
Contributions and grants	**12,474**	11,516
Investment return	**780**	587
Net assets released from restrictions	**(13,264)**	(10,562)
Other	**–**	(100)
(Decrease) increase in temporarily restricted net assets, controlling interest	**(10)**	1,441
Permanently restricted net assets, controlling interest.		
Contributions	**4,916**	188
Other	**–**	100
Increase in permanently restricted net assets, controlling interest	**4,916**	288
Increase in net assets	**128,916**	92,903
Net assets, beginning of year	**1,096,922**	1,004,019
Net assets, end of year	**$ 1,225,838**	$ 1,096,922

See accompanying notes

St. John Providence Health System

Consolidated Statements of Cash Flows

(In Thousands)

	June 30, 2014	2013
Operating activities		
Increase in net assets	**$ 128,916**	$ 92,903
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation and amortization	**91,534**	94,222
Provision for bad debts	**144,165**	130,422
Interest, dividends, and net (gains) losses on investments	**(121,707)**	(63,779)
Loss (gain) on sale of assets, net	**552**	(169)
Impairment charges	**3,224**	–
Transfers to sponsor and other affiliates, net	**68,389**	29,492
Restricted contributions, investment return and other restricted activity	**(18,170)**	(12,291)
Pension and other postretirement benefits	**(3,616)**	(6,667)
Equity loss (earnings) in unconsolidated entities	**435**	(6,147)
(Increase) decrease in		
Accounts receivable	**(126,010)**	(109,581)
Estimated third-party payor settlements		
Inventories and other current assets	**(23,061)**	(18,181)
Investments classified as trading, including interest in investments held by Ascension	**38,757**	(45,384)
Other assets	–	275
Increase (decrease) in.		
Accounts payable and accrued liabilities	**(10,236)**	(14,187)
Estimated third-party payor settlements	**(8,715)**	2,900
Other current liabilities	**(3,133)**	1,224
Other noncurrent liabilities	**(48,404)**	(13,766)
Net cash provided by operating activities	**112,920**	61,286

St. John Providence Health System

Consolidated Statements of Cash Flows (continued)

(In Thousands)

	June 30, 2014	2013
Investing activities		
Property and equipment additions, net	**$ (53,508)**	$ (36,675)
Proceeds from sale of property and equipment	**75**	774
Increase in self-insurance, net	**(453)**	(1,702)
Increase in restricted net assets	**(4,905)**	(1,730)
Net cash used in investing activities	**(58,791)**	(39,333)
Financing activities		
Repayment of long-term debt	**(11,226)**	(5,087)
Transfers to sponsors and other affiliates, net	**(68,389)**	(29,492)
Restricted contributions, investment return and other	**18,170**	12,291
Net cash used in financing activities	**(61,445)**	(22,288)
Net decrease in cash and cash equivalents	**(7,316)**	(335)
Cash and cash equivalents at beginning of year	**39,223**	39,558
Cash and cash equivalents at end of year	**$ 31,907**	$ 39,223

See accompanying notes.

St. John Providence Health System

Notes to Consolidated Financial Statements
(Dollars in Thousands)

June 30, 2014

1. Organization and Mission

Organizational Structure

St John Providence Health System (SJPHS) is a member of Ascension Health In December 2011, Ascension Health Alliance, doing business as Ascension, became the sole corporate member and parent organization of Ascension Health, a Catholic, national health system consisting primarily of nonprofit corporations that own and operate local health care facilities, or Health Ministries, located in 23 of the United States and the District of Columbia In addition to serving as the sole corporate member of Ascension Health, Ascension serves as the member or shareholder of various other subsidiaries Ascension, its subsidiaries, and the Health Ministries are referred to collectively from time to time hereafter as the System

Ascension is sponsored by Ascension Sponsor, a Public Juridic Person The Participating Entities of Ascension Sponsor are the Daughters of Charity of St. Vincent de Paul, St Louise Province, the Congregation of St Joseph, the Congregation of the Sisters of St Joseph of Carondelet, the Congregation of Alexian Brothers of the Immaculate Conception Province – American Province and the Sisters of the Sorrowful Mother of the Third Order of St Francis of Assisi – US/Caribbean Province

SJPHS located in Southeast Michigan is a nonprofit acute care hospital. SJPHS provides inpatient, outpatient and emergency care services for the residents of Southeastern Michigan Admitting physicians are primarily practitioners in the local area SJPHS is related to Ascension Health's other sponsored organizations through common control. Substantially all expenses of Ascension Health are related to providing health care services

1. Organization and Mission (continued)

Mission

The System directs its governance and management activities toward strong, vibrant, Catholic Health Ministries united in service and healing and dedicates its resources to spiritually centered care which sustains and improves the health of the individuals and communities it serves In accordance with the System's mission of service to those persons living in poverty and other vulnerable persons, each Health Ministry accepts patients regardless of their ability to pay The System uses four categories to identify the resources utilized for the care of persons living in poverty and community benefit programs

- Traditional charity care includes the cost of services provided to persons who cannot afford health care because of inadequate resources and/or who are uninsured or underinsured

- Unpaid cost of public programs, excluding Medicare, represents the unpaid cost of services provided to persons covered by public programs for persons living in poverty and other vulnerable persons

- Cost of other programs for persons living in poverty and other vulnerable persons includes unreimbursed costs of programs intentionally designed to serve the persons living in poverty and other vulnerable persons of the community, including substance abusers, the homeless, victims of child abuse, and persons with acquired immune deficiency syndrome

- Community benefit consists of the unreimbursed costs of community benefit programs and services for the general community, not solely for the persons living in poverty, including health promotion and education, health clinics and screenings, and medical research

Discounts are provided to all uninsured patients, including those with the means to pay Discounts provided to those patients who did not qualify for assistance under charity care guidelines are not included in the cost of providing care of persons living in poverty and other community benefit programs The cost of providing care to persons living in poverty and other community benefit programs is estimated using internal cost data and is estimated by reducing charges forgone by a factor derived from the ratio of total operating expenses to billed charges for patient care.

(Dollars in Thousands)

1. Organization and Mission (continued)

The amount of traditional charity care provided, determined on the basis of cost, was approximately $24,145 and $31,372 for the years ended June 30, 2014 and 2013, respectively The amount of unpaid cost of public programs, cost of other programs for persons living in poverty and other vulnerable persons, and community benefit cost are reported in the accompanying supplementary information

2. Significant Accounting Policies

Principles of Consolidation

All corporations and other entities for which operating control is exercised by SJPHS or one of its member corporations are consolidated, and all significant inter-entity transactions have been eliminated in consolidation

Investments in entities where SJPHS does not have operating control are recorded under the equity or cost method of accounting For entities recorded under the equity method of accounting, the following reflects SJPHS's interest in unconsolidated entities in the consolidated balance sheets, as well as income or loss for such entities included in the consolidated excess of revenues and gains over expenses and losses in the accompanying consolidated statements of operations and changes in net assets

	Investment Recorded in Consolidated Balance Sheets as of June 30		Effect on Consolidated Excess of Revenues and Gains Over Expenses and Losses for the Years Ended June 30	
	2014	**2013**	**2014**	**2013**
PMHC Cancer Center	**$ 10,112**	$ 10,524	**$ 238**	$ 1,138
Mission Health Corporation	**5,806**	6,177	**(121)**	(51)
Partners In Care	**1,885**	1,975	**(90)**	1,642
North Macomb MRT Center	**1,798**	1,686	**313**	500
Providence Ventures LLC	**1,625**	1,385	**790**	791
Tri-Hospital Emergency Medical Services Corp	**1,594**	1,556	**38**	(37)
Reference Home Health	**–**	1,630	**(2,386)**	6
Other	**2,608**	3,525	**783**	2,158
	$ 25,428	$ 28,458	**$ (435)**	$ 6,147

2. Significant Accounting Policies (continued)

SJPHS's equity in the net income (loss) from unconsolidated entities is recorded in operating revenue SJPHS recorded $(435) and $6,147 in other operating revenue for the years ended June 30, 2014 and 2013, respectively

Use of Estimates

Management has made estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

Fair Value of Financial Instruments

Carrying values of financial instruments classified as current assets and current liabilities approximate fair value The fair values of other financial instruments are disclosed in Notes 4 and 5

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and interest-bearing deposits with original maturities of three months or less

Interest in Investments held by Ascension, Investments and Investment Return

At June 30, 2014 and 2013, the SJPHS has an interest in investments held by Ascension, which is reflected in the consolidated balance sheets, and represents SJPHS's pro rata share of Ascension's investment interest in the Ascension Alpha Fund, LLC (Alpha Fund) Ascension has an investment interest in the Alpha Fund, as a member of the Alpha Fund, and invests funds in the Alpha Fund on behalf of SJPHS Ascension Investment Management, LLC (AIM), formerly known as Catholic Healthcare Investment Management Company, LLC, a wholly owned subsidiary of Ascension, acts as manager and serves as the principal investment advisor for the Alpha Fund, overseeing the investment strategies offered to the Alpha Fund's members AIM provides expertise in the areas of asset allocation, selection and monitoring of outside investment managers, and risk management Certain SJPHS assets continue to be held through the Ascension Legacy Portfolio

2. Significant Accounting Policies (continued)

SJPHS also invests in corporate obligations and marketable equity securities that are locally managed Most of these funds are held in locally managed foundations where SJPHS has control over foundation assets

SJPHS reports its interest in investments held by Ascension in the accompanying consolidated balance sheets as long term based on liquidity SJPHS's interest in investments held by Ascension is also classified based on whether such investments are restricted by law or donors or designated for specific purposes by a governing body of the System. SJPHS reports its other investments, including foundation investments in the accompanying consolidated balance sheets based upon the long or short-term nature of the investments and whether such investments are restricted by law or donors or designated for specific purposes by a governing body of SJPHS

SJPHS's investments are measured at fair value and are classified as trading securities The Alpha Fund's and the Ascension Legacy Portfolio's investments include pooled short-term investment funds, U.S. government, state, municipal and agency obligations, corporate and foreign fixed income securities, asset backed securities, and equity securities The Alpha Fund's and the Ascension Legacy Portfolio's investments also include alternative investments and other investments, which are valued based on the net asset value of the investments In addition, the Alpha Fund participates, and the Ascension Legacy Portfolio participated, in securities lending transactions whereby a portion of its investments is loaned to selected established brokerage firms in return for cash and securities from the brokers as collateral for the investments loaned

Purchases and sales of investments are accounted for on a trade-date basis Investment returns consist of dividends, interest, and gains and losses on SJPHS's investments, as well as SJPHS's return on its interest in investments held by Ascension, and are reported as nonoperating gains (losses) in the consolidated statements of operations and changes in net assets, unless the return is restricted by donor or law

Inventories

Inventories, consisting primarily of medical supplies and pharmaceuticals, are stated at the lower of cost or market value utilizing first-in, first-out (FIFO), or a methodology that closely approximates FIFO

(Dollars in Thousands)

2. Significant Accounting Policies (continued)

Intangible Assets

Intangible assets primarily consist of goodwill and capitalized computer software costs, including software internally developed Costs incurred in the development and installation of internal use software are expensed or capitalized depending on whether they are incurred in the preliminary project stage, application development stage, or post-implementation stage Intangible assets are included in other noncurrent assets on the consolidated balance sheets and are comprised of the following.

	June 30	
	2014	**2013**
Capitalized computer software costs	**$ 240,771**	$ 265,380
Less accumulated amortization	**192,732**	207,124
Capitalized software costs, net	**$ 48,039**	$ 58,256

Amortization for capitalized computer software costs is determined on a straight-line basis using estimated useful lives of 1 to 7 years Amortization expense in 2014 and 2013 was $19,174 and $22,833, respectively

Property and Equipment

Property and equipment are stated at cost or, if donated, at fair market value at the date of the gift A summary of property and equipment at June 30, 2014 and 2013 is as follows

	June 30	
	2014	**2013**
Land and improvements	**$ 83,149**	$ 59,439
Building and equipment	**1,759,712**	1,826,098
	1,842,861	1,885,537
Less accumulated depreciation	**1,194,113**	1,207,758
	648,748	677,779
Construction in progress	**15,957**	9,630
Total property and equipment, net	**$ 664,705**	$ 687,409

2. Significant Accounting Policies (continued)

Depreciation, including amounts related to capital leases, is determined on a straight-line basis over the estimated useful lives of the related assets Depreciation expense in 2014 and 2013 was $72,360 and $71,389, respectively

Estimated useful lives by asset category are as follows land improvements – 20 years, buildings – 8 to 40 years, and equipment – 4 to 15 years Interest costs incurred as part of related construction are capitalized during the period of construction

Several capital projects have remaining construction and related equipment purchase commitments of approximately $70,571 as of June 30, 2014

Noncontrolling Interest

The consolidated financial statements include all assets, liabilities, revenue and expenses of less than 100% owned or controlled entities SJPHS controls in accordance with applicable accounting guidance Accordingly, SJPHS has reflected a noncontrolling interest for the portion of net assets not owned or controlled by SJPHS separately on the consolidated balance sheets

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those assets whose use by the System has been limited by donors to a specific time period or purpose Permanently restricted net assets consist of gifts with corpus values that have been restricted by donors to be maintained in perpetuity, which include endowment funds Temporarily restricted net assets and earnings on permanently restricted net assets, including earnings on endowment funds, are used in accordance with the donor's wishes, primarily to purchase equipment and to provide charity care and other health and educational services Contributions with donor-imposed restrictions that are met in the same reporting period are reported as unrestricted

Performance Indicator

The performance indicator is excess of revenues and gains over expenses and losses Changes in unrestricted net assets that are excluded from the performance indicator primarily include pension and other postretirement liability adjustments, transfers to or from sponsors and other affiliates, net assets released from restrictions for property acquisitions, and contributions of property and equipment.

2. Significant Accounting Policies (continued)

Operating and Nonoperating Activities

SJPHS's primary mission is to meet the health care needs in its market area through a broad range of general and specialized health care services, including inpatient acute care, outpatient services, long-term care, and other health care services Activities directly associated with the furtherance of this purpose are considered to be operating activities Other activities that result in gains or losses peripheral to SJPHS's primary mission are considered to be nonoperating, consisting primarily of investment activity. Several primary care clinics that are not associated with an acute care hospital and that rely significantly on contributions from foundations are also considered nonoperating

Net Patient Service Revenue, Accounts Receivable and Allowance for Doubtful Accounts

Net patient service revenue is reported at the estimated realizable amounts from patients, third-party payors, and others for services provided and includes estimated retroactive adjustments under reimbursement agreements with third-party payors SJPHS recognizes patient service revenue at the time services are rendered, even though the patient's ability to pay may not be completely assessed at that time. Revenue under certain third-party payor agreements is subject to audit, retroactive adjustments, and significant regulatory actions Provisions for third-party payor settlements and adjustments are estimated in the period the related services are provided and adjusted in future periods as additional information becomes available and as final settlements are determined. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation As a result, there is at least a possibility that recorded estimates will change by a material amount in the near term Adjustments to revenue related to prior periods increased net patient service revenue by approximately $27,013 and $26,270 for the years ended June 30, 2014 and 2013, respectively

(Dollars in Thousands)

2. Significant Accounting Policies (continued)

The percentage of net patient service revenue earned by payor for the years ended June 30, 2014 and 2013 is as follows

	Year Ended June 30	
	2014	**2013**
Medicare	**38%**	39%
Medicaid	**12**	11
Blue Cross of Michigan	**23**	23
Self Pay	**2**	4
Other	**25**	23
	100%	100%

SJPHS grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor arrangements Significant concentrations of accounts receivable at June 30, 2014 and 2013 are as follows

	Year Ended June 30	
	2014	**2013**
Medicare	**25%**	25%
Medicaid	**9**	10
Blue Cross of Michigan	**6**	6
Self Pay	**21**	20
Other	**39**	39
	100%	100%

2. Significant Accounting Policies (continued)

The provision for doubtful accounts is based upon management's assessment of expected net collections considering economic conditions, historical experience, trends in health care coverage, and other collection indicators Periodically throughout the year, management assesses the adequacy of the allowance for doubtful accounts based upon historical write-off experience by payor category, including those amounts not covered by insurance The results of this review are then used to make any modifications to the provision for doubtful accounts to establish an appropriate allowance for doubtful accounts After satisfaction of amounts due from insurance and reasonable efforts to collect from the patient have been exhausted, SJPHS follows established guidelines for placing certain past-due patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by Ascension Health Accounts receivable are written off after collection efforts have been followed in accordance with the SJPHS's policies

For patient receivables associated with self-pay patients, including patients with deductibles and copayment balances for which third-party coverage provides for a portion of the services provided, SJPHS records an estimated provision for uncollectible accounts in the year of service SJPHS has experienced an increase in the provision for uncollectible accounts as a result of high unemployment, loss of employer-sponsored insurance plans, and rising patient responsibility balances Self-pay write-offs increased $23,000 in 2014 compared to 2013 The methodology for determining the allowance for uncollectible accounts and related write-offs for self-pay patients has remained consistent with the prior year SJPHS does not maintain a material allowance for uncollectible accounts from third-party payors.

Electronic Health Record Incentive Payments

The American Recovery and Reinvestment Act of 2009 (ARRA) included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health Act (HITECH) The provisions were designed to increase the use of electronic health record (EHR) technology and establish the requirements for a Medicare and Medicaid incentive payment program beginning in 2011 for eligible providers that adopt and meaningfully use certified EHR technology Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period Initial Medicaid incentive payments are available to providers that adopt, implement or upgrade certified EHR technology Providers must demonstrate meaningful use of such technology in subsequent years to qualify for additional Medicaid incentive payments

2. Significant Accounting Policies (continued)

SJPHS accounts for HITECH incentive payments as a gain contingency. Income from Medicare incentive payments is recognized as revenue after SJPHS has demonstrated that it complied with the meaningful use criteria over the entire applicable compliance period and the cost report period that will be used to determine the final incentive payment has ended SJPHS recognized revenue when qualifying patient volume thresholds and meaningful use objectives have been met for the applicable reporting period Incentive payments totaling $10,607 and $10,475 for the years ended June 30, 2014 and 2013, respectively, are included in total operating revenue in the accompanying consolidated statements of operations and changes in net assets. Income from incentive payments is subject to retrospective adjustment as the incentive payments are calculated using Medicare cost report data that is subject to audit. In addition, SJPHS's compliance with the meaningful use criteria is subject to audit by the federal government

Impairment, Restructuring and Nonrecurring Losses, net

Long-lived assets are reviewed for impairment whenever events or business conditions indicate the carrying amount of such assets may not be fully recoverable Initial assessments of recoverability are based on estimates of undiscounted future net cash flows associated with an asset or group of assets Where impairment is indicated, the carrying amount of these long-lived assets is reduced to fair value based on discounted net cash flows or other estimates of fair value

During the years ended June 30, 2014 and 2013, SJPHS recorded total impairment, restructuring, and nonrecurring expenses of $10,841 and $10,167, respectively. For the year ended June 30, 2014, this amount was made up nonrecurring expenses of approximately $697 related to severance costs and $6,920 related to Symphony readiness The amount also includes an impairment charge of $3,224 related to the River District hospital

Amortization

Bond issuance costs, discounts, and premiums are amortized over the term of the bonds using a method approximating the effective interest method

2. Significant Accounting Policies (continued)

Hospital or Health Ministry Income Taxes

The member health care entities of SJPHS are primarily tax-exempt organizations under Internal Revenue Code (the Code) Section 501(c)(3) or 501(c)(2), and their related income is exempt from federal income tax under Section 501(a). SJPHS accounts for uncertainty in income tax positions by applying a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return

Regulatory Compliance

Various federal and state agencies have initiated investigations regarding reimbursement claimed by SJPHS The investigations are in various stages of discovery, and the ultimate resolution of these matters, including the liabilities, if any, cannot be readily determined, however, in the opinion of management, the results of these investigations will not have a material adverse impact on the consolidated financial statements of SJPHS.

Subsequent Events

SJPHS evaluates the impact of subsequent events, which are events that occur after the balance sheet date but before the consolidated financial statements are issued, for potential recognition in the consolidated financial statements as of the balance sheet date For the year ended June 30, 2014, SJPHS evaluated subsequent events through September 10, 2014, representing the date on which the financial statements were available to be issued During this period, there were no material subsequent events that required recognition or disclosure in the consolidated financial statements In addition, there were no nonrecognized subsequent events that required disclosure

(Dollars in Thousands)

2. Significant Accounting Policies (continued)

Adoption of New Accounting Standard

In December 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No 2011-11, *Disclosures about Offsetting Assets and Liabilities*, an amendment to the accounting guidance for disclosures of offsetting assets and liabilities In January 2013, the FASB issued ASU No 2013-01, *Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities*. These ASUs expand the disclosure requirements in that entities will be required to disclose both gross and net information about instruments and transactions eligible for offset in the balance sheet This new guidance is effective for fiscal years and interim periods within those fiscal years beginning after January 1, 2013 The adoption of this guidance did not have a material impact on SJPHS's consolidated financial statements for the year ended June 30, 2014

3. Cash and Cash Equivalents, Interest in Investments Held by Ascension and Assets Limited as to Use and Other Long-Term Investments

At June 30, 2014 and 2013, SJPHS investments are comprised of its interest in investments held by Ascension Health Alliance and certain other investments Assets limited as to use primarily include investments restricted by donors SJPHS's cash, cash equivalents, interest in investments held by Ascension Health Alliance, and assets limited as to use and other long-term investments are reported in the accompanying consolidated balance sheets as presented in the following table

	June 30	
	2014	**2013**
Cash and cash equivalents	**$ 31,907**	$ 39,223
Current portion of assets limited as to use	**4,900**	4,897
Assets limited as to use and other long-term investments		
Donor restricted	**11,789**	13,307
	48,596	57,427
Interest in investments held by Ascension Health Alliance	**1,077,343**	987,897
Total	**$ 1,125,939**	$ 1,045,324

(Dollars in Thousands)

3. Cash and Cash Equivalents, Interest in Investments Held by Ascension and Assets Limited as to Use and Other Long-Term Investments (continued)

The composition of cash and investments classified as cash and cash equivalents, short-term investments, assets limited as to use, and other investments is summarized as follows.

	June 30	
	2014	**2013**
Cash and cash equivalents	**$ 33,035**	$ 40,495
U S government, state, municipal, and agency obligations	**3,045**	2,559
Corporate and foreign fixed income securities	**1,583**	1,716
Asset-backed securities	**26**	252
Equity securities	**2,018**	1,821
Pledges receivable, net	**8,748**	10,448
Other assets limited as to use	**141**	136
Subtotal, included in cash and cash equivalents, short-term investments, assets limited as to use, and other long-term investments	**48,596**	57,427
Interest in investments held by Ascension Health Alliance	**1,077,343**	987,897
Cash and cash equivalents, short-term investments, interest in investments held by Ascension Health Alliance, assets limited as to use, and other long-term investments	**$ 1,125,939**	$ 1,045,324

(Dollars in Thousands)

3. Cash and Cash Equivalents, Interest in Investments Held by Ascension and Assets Limited as to Use and Other Long-Term Investments (continued)

As of June 30, 2014 and 2013, the composition of total Alpha Fund investments is as follows

	June 30	
	2014	**2013**
Cash, cash equivalents, and short-term investments	**2.5%**	3 3%
U S government obligations	**21.8**	24 7
Asset-backed securities	**6.7**	8 6
Corporate and foreign fixed income investments	**11.0**	12 0
Equity securities	**19.6**	17 4
Alternative investments and other investments		
Private equity and real estate funds	**7.0**	5 8
Hedge funds	**23.0**	21 9
Commodities funds and other investments	**8.4**	6 3
Total	**100.0%**	100 0%

Investment return (loss) recognized by SJPHS is summarized as follows

	Years Ended June 30	
	2014	**2013**
Return on interest in investments held by Ascension Health Alliance and investment return in Ascension Legacy portfolio	**$ 112,993**	$ 63,482
Interest and dividends	**393**	914
Net (loss) gains on investments reported at fair value	**(1)**	189
Total investment return	**$ 113,385**	$ 64,585
Investment return included in operating income	**$ 104**	$ 219
Investment return included in nonoperating gains	**112,501**	63,779
Increase in restricted net assets	**780**	587
Total investment return	**$ 113,385**	$ 64,585

4. Fair Value Measurements

The SJPHS categorizes, for disclosure purposes, assets and liabilities measured at fair value in the financial statements based upon whether the inputs used to determine their fair values are observable or unobservable Observable inputs are inputs which are based on market data obtained from sources independent of the reporting entity Unobservable inputs are inputs that reflect the reporting entity's own assumptions about pricing the asset or liability, based on the best information available in the circumstances

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy In such cases, an asset's or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement of the asset or liability The SJPHS's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability

The SJPHS follows the three-level fair value hierarchy to categorize these assets and liabilities recognized at fair value at each reporting period, which prioritizes the inputs used to measure such fair values Level inputs are defined as follows.

Level 1 – Quoted prices (unadjusted) that are readily available in active markets or exchanges for identical assets or liabilities on the reporting date

Level 2 – Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly Level 2 pricing inputs include prices quoted for similar investments in active markets or exchanges or prices quoted for identical or similar investments in markets that are not active If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability

Level 3 – Significant pricing inputs that are unobservable for the asset or liability, including assets or liabilities for which there is little, if any, market activity for such asset or liability Inputs to the determination of fair value for Level 3 assets and liabilities require management judgment and estimation

There were no significant transfers between Levels 1 and 2 during the years ended June 30, 2014 and 2013, respectively.

4. Fair Value Measurements (continued)

As of June 30, 2014 and 2013, the Level 2 and Level 3 assets and liabilities listed in the fair value hierarchy tables below utilize the following valuation techniques and inputs

Cash and cash equivalents and short-term investments

Cash and cash equivalents and additional short-term investments include certificates of deposit, whose fair value is based on cost plus accrued interest Significant observable inputs include security cost, maturity, and relevant short-term interest rates. Short-term investments designated as Level 2 investments are primarily comprised of commercial paper, whose fair value is based on amortized cost Significant observable inputs include security cost, maturity, and credit rating, interest rate and par value

Pooled short-term investment funds

The fair value of pooled short-term investment funds is based on cost plus guaranteed, annuity contract-based interest rates Significant unobservable inputs to the guaranteed rate include the fair value and average duration of the portfolio of investments underlying the annuity contract, the contract value, and the annualized weighted-average yield to maturity of the underlying investment portfolio

U.S. government, state, municipal and agency obligations

The fair value of investments in U S government, state, municipal and agency obligations is primarily determined using techniques consistent with the income approach Significant observable inputs to the income approach include data points for benchmark constant maturity curves and spreads

Corporate and foreign fixed-income securities

The fair value of investments in U S. and international corporate bonds, including commingled funds that invest primarily in such bonds, and foreign government bonds is primarily determined using techniques that are consistent with the market approach Significant observable inputs include benchmark yields, reported trades, observable broker/dealer quotes, issuer spreads and security specific characteristics, such as early redemption options

4. Fair Value Measurements (continued)

Asset-backed securities

The fair value of U S agency and corporate asset-backed securities is primarily determined using techniques consistent with the income approach Significant observable inputs include prepayment speeds and spreads, benchmark yield curves, volatility measures, and quotes

Equity securities

The fair value of investments in U S and international equity securities is primarily determined using techniques consistent with the income approach The values for underlying investments are fair value estimates determined by external fund managers based on quoted market prices, operating results, balance sheet stability, growth, dividend, dividend yield, and other business and market sector fundamentals

Alternative investments and other investments

Alternative investments consist of private equity, hedge funds, private equity funds, commodity funds, and real estate partnerships The fair value of private equity is primarily determined using techniques consistent with both the market and income approaches, based on the System's estimates and assumptions in the absence of observable market data The market approach considers comparable company, comparable transaction, and company-specific information, including but not limited to restrictions on disposition, subsequent purchases of the same or similar securities by other investors, pending mergers or acquisitions, and current financial position and operating results The income approach considers the projected operating performance of the portfolio company

The fair value of hedge funds, private equity funds, commodity funds, and real estate partnerships is primarily determined using net asset values, which approximate fair value, as determined by an external fund manager based on quoted market prices, operating results, balance sheet stability, growth and other business and market sector fundamentals

4. Fair Value Measurements (continued)

The fair value of derivative contracts is primarily determined using techniques consistent with the market approach Derivative contracts include interest rate, credit default, and total return swaps Significant observable inputs to valuation models include interest rates, Treasury yields, volatilities, credit spreads, maturity, and recovery rates

As discussed in Notes 2 and 3, SJPHS has an interest in investments held by Ascension As of June 30, 2014, 21%, 38% and 41% of total Alpha Fund assets that are measured at fair value on a recurring basis were measured based on Level 1, Level 2 and Level 3 inputs, respectively, while 0%, 100% and 0% of total Alpha Fund liabilities that are measured at fair value on a recurring basis were measured at such fair values based on Level 1, Level 2 and Level 3 inputs, respectively As of June 30, 2013, 20% 42% and 37% of total Alpha Fund assets that were measured at fair value on a recurring basis were measured based on Level 1, Level 2 and Level 3 inputs, respectively, while 0%, 100% and 0% of total Alpha Fund liabilities that were measured at fair value on a recurring basis were measured based on Level 1, Level 2 and Level 3 inputs, respectively.

(Dollars in Thousands)

4. Fair Value Measurements (continued)

The following table summarizes fair value measurements, by level, at June 30, 2014, for all other financial assets and liabilities which are measured at fair value on a recurring basis in the consolidated financial statements.

	Level 1	Level 2	Level 3	Total
June 30, 2014				
Cash and cash equivalents	**$ 1,392**	**$ –**	**$ –**	**$ 1,392**
U S government, state, municipal, and agency obligations	**–**	**3,045**	**–**	**3,045**
Corporate and foreign fixed income securities	**–**	**1,583**	**–**	**1,583**
Marketable equity securities	**1,759**	**285**	**–**	**2,044**
Subtotal, included in cash and cash equivalents, short-term investments, assets limited as to use and other long–term investments	**3,151**	**4,913**	**–**	**8,064**
Deferred compensation assets, included in other noncurrent assets, invested in Guaranteed pool fund	**–**	**–**	**4,602**	**4,602**
Total	**$ 3,151**	**$ 4,913**	**$ 4,602**	**$ 12,666**

(Dollars in Thousands)

4. Fair Value Measurements (continued)

The following table summarizes fair value measurements, by level, at June 30, 2013, for all other financial assets and liabilities, measured at fair value on a recurring basis in the SJPHS's consolidated financial statements.

	Level 1	Level 2	Level 3	Total
June 30, 2013				
Cash and cash equivalents	$ 1,372	$ –	$ –	$ 1,372
U S government, state, municipal, and agency obligations	–	2,559	–	2,559
Corporate and foreign fixed income securities	–	1,716	–	1,716
Marketable equity securities	1,637	436	–	2,073
Subtotal, included in cash and cash equivalents, short-term investments, assets limited as to use and other long-term investments	3,009	4,711	–	7,720
Deferred compensation assets, included in other noncurrent assets, invested in Guaranteed pool fund	–	–	3,051	3,051
Total	$ 3,009	$ 4,711	$ 3,051	$ 10,771

Assets and liabilities classified as Level 1 are valued using unadjusted quoted market prices for identical assets or liabilities in active markets. The System uses techniques consistent with the market approach and income approach for measuring fair value of its Level 2 and Level 3 assets and liabilities The market approach is a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities The income approach generally converts future amounts (cash flows or earnings) to a single present value amount (discounted)

(Dollars in Thousands)

4. Fair Value Measurements (continued)

During the years ended June 30, 2014 and 2013, the changes in the fair value of the foregoing assets measured using significant unobservable inputs (Level 3) were comprised of the following

	Year ended June 30, 2014	2013
Beginning balance:	**$ 3,051**	$ 2,875
Purchases	**42,500**	2,160
Sales	**(47,909)**	(1,846)
Transfers into Level 3	**18,171**	551
Transfers out of Level 3	**(11,211)**	(689)
Ending balance	**$ 4,602**	$ 3,051

5. Long Term Debt

Long-term debt consists of the following

	June 30, 2014	2013
Intercompany debt with Ascension, payable in installments through 2054, interest (3 09% and 3 54% at June 30, 2014 and 2013, respectively) adjusted based on prevailing blended market interest rate of underlying debt obligations	**$ 587,506**	$ 598,035
Obligations under capital leases	**7,275**	7,972
	594,781	606,007
Less current portion	**9,193**	9,306
Long-term debt, less current portion	**$ 585,588**	$ 596,701

(Dollars in Thousands)

5. Long Term Debt (continued)

Scheduled principal repayments of long-term debt are as follows.

Year ending June 30.	
2015	$ 9,193
2016	8,000
2017	9,627
2018	9,843
2019	11,644
Thereafter	546,474
Total	$ 594,781

Certain members of Ascension formed the Ascension Health Credit Group (Senior Credit Group) Each Senior Credit Group member is identified as either a senior obligated group member, senior designated affiliate, or senior limited designated affiliate Senior obligated group members are jointly and severally liable under a Senior Master Trust Indenture (Senior MTI) to make all payments required with respect to obligations under the Senior MTI and may be entities not controlled directly or indirectly by Ascension Though senior designated affiliates and senior limited designated affiliates are not obligated to make debt service payments on the obligations under the Senior MTI, Ascension may cause each senior designated affiliate to transfer such amounts as are necessary to enable the obligated group to comply with the terms of the Senior MTI, including repayment of the outstanding obligations Additionally, each senior limited designated affiliate has an independent limited designated affiliate agreement and promissory note with Ascension with stipulated repayment terms and conditions, each subject to the governing law of the senior limited designated affiliate's state of incorporation The SJPHS is a senior obligated group member under the terms of the Senior MTI

Pursuant to a Supplemental Master Indenture dated February 1, 2005, senior obligated group members, which are operating entities, have pledged and assigned to the Master Trustee a security interest in all of their rights, title, and interest in their pledged revenues and proceeds thereof

5. Long Term Debt (continued)

A Subordinate Credit Group, which is comprised of subordinate obligated group members, subordinate designated affiliates and subordinate limited designated affiliates, was created under the Subordinate Master Trust Indenture (Subordinate MTI) The subordinate obligated group members are jointly and severally liable under the Subordinate MTI to make all payments required with respect to obligations under the Subordinate MTI and may be entities not controlled directly or indirectly by Ascension Though subordinate designated affiliates and subordinate limited designated affiliates are not obligated to make debt service payments on the obligations under the Subordinate MTI, Ascension may cause each subordinate designated affiliate to transfer such amounts as are necessary to enable the obligated group members to comply with the terms of the Subordinate MTI, including payment of the outstanding obligations Additionally, each subordinate limited designated affiliate has an independent subordinate limited designated affiliate agreement and promissory note with Ascension, with stipulated repayment terms and conditions, each subject to the governing law of the subordinate limited designated affiliate's state of incorporation The SJPHS is a subordinate obligated group member under the terms of the Subordinate MTI.

The borrowing portfolio of the Senior and Subordinate Credit Group includes a combination of fixed and variable rate hospital revenue bonds, commercial paper and other obligations, the proceeds of which are in turn loaned to the Senior and Subordinate Credit Group members subject to a long-term amortization schedule of 1 to 39 years

Certain portions of Senior and Subordinate Credit Group borrowings may be periodically subject to interest rate swap arrangements to effectively convert borrowing rates on such obligations from a floating to a fixed interest rate or vice versa based on market conditions Additionally, Senior and Subordinate Credit Group borrowings may, from time to time, be refinanced or restructured in order to take advantage of favorable market interest rates or other financial opportunities Any gain or loss on refinancing, as well as any bond premiums or discounts, are allocated to the Senior and Subordinate Credit Group members based on their pro rata share of the Senior and Subordinate Credit Group's obligations. Senior and Subordinate Credit Group refinancing transactions rarely have a significant impact on the outstanding borrowings or intercompany debt amortization schedule of any individual Senior and Subordinate Credit Group member

The carrying amounts of intercompany debt with Ascension and other debt approximate fair value based on a portfolio market valuation provided by a third party

5. Long Term Debt (continued)

The Senior and Subordinate Credit Group financing documents contain certain restrictive covenants, including a debt service coverage ratio

As of June 30, 2014, the Senior Credit Group has a line of credit of $1,000,000 which may be used as a source of funding for unremarketed variable rate debt (including commercial paper) or for general corporate purposes, toward which bank commitments totaling $1,000,000 extend to November 9, 2014 As of June 30, 2014 and 2013, there were no borrowings under the line of credit.

As of June 30, 2014, the Subordinate Credit Group has a $75,000 revolving line of credit related to its letters of credit program toward which a bank commitment of $75,000 extends to November 27, 2014 As of June 30, 2014, $58,688 of letters of credit had been extended under the revolving line of credit, although there were no borrowings under any of the letters of credit

The outstanding principal amount of all hospital revenue bonds is $5,119,505 which represents 36% of the combined unrestricted net assets of the Senior and Subordinate Credit Group members at June 30, 2014

Guarantees are contingent commitments issued by the Senior and Subordinate Credit Groups, generally to guarantee the performance of a sponsored organization or an affiliate to a third party in borrowing arrangements such as commercial paper issuances, bond financing and similar transactions. The term of the guarantee is equal to the term of the related debt which can be as short as 30 days or as long as 26 years The maximum potential amount of future payments the Senior and Subordinate Credit Groups could be required to make under its guarantees and other commitments at June 30, 2014 is approximately $380,000

During the years ended June 30, 2014 and 2013, interest paid was approximately $19,904 and $21,931, respectively

6. Pension Plans

SJPHS participates in the Ascension Health Pension Plan (the Ascension Plan), the Ascension Health Defined Contribution Plan, the St John Health System Retirement Plan (the St John Plan), and the Brighton Hospital Retirement Plan (the Brighton Plan) Details of these plans are as follows

Ascension Health Pension Plan

SJPHS participates in the Ascension Plan, a noncontributory defined benefit pension plan which covers substantially all eligible employees of certain System entities Benefits are based on each participant's years of service and compensation The Ascension Plan's assets are invested in the Ascension Health Master Pension Trust (the Trust), a master trust primarily consisting of cash and cash equivalents, equity, fixed income funds and alternative investments, consisting of various private equity, hedge funds, real estate funds, private equity funds, commodity funds, private credit funds and certain other private funds The Trust also invests in derivative instruments, the purpose of which is to economically hedge the change in the net funded status of the Ascension Plan for a significant portion of the total pension liability that can occur due to changes in interest rates Contributions to the Ascension Plan are based on actuarially determined amounts sufficient to meet the benefits to be paid to plan participants Net periodic pension (credit) cost of $(15,226) in 2014 and $(10,648) in 2013 was charged to the System The service cost component of net periodic pension cost charged to the SJPHS is actuarially determined while all other components are allocated based on the SJPHS's pro rata share of Ascension Health's overall projected benefit obligation.

The assets of the Ascension Plan are available to pay the benefits of eligible employees of all participating entities In the event participating entities are unable to fulfill their financial obligations under the Ascension Plan, the other participating entities are obligated to do so As of June 30, 2014, the Ascension Plan had a net unfunded liability of $73,655 The SJPHS's allocated share of the Ascension Plan's net unfunded liability reflected in the accompanying consolidated balance sheets at June 30, 2014 and 2013, was $36,231 and $18,846, respectively. As a result of updating the funded status of the Ascension Plan, Ascension Health transferred an additional pension asset (liability) of $2,123 and $(1,210) to the SJPHS during 2014 and 2013, respectively

6. Pension Plans (continued)

As of June 30, 2014 and 2013, the fair value of the Ascension Plan's assets available for benefits was $4,249,592 and $3,849,706, respectively As discussed in Note 4, the Ascension Plan, as well as SJPHS, follows a three-level hierarchy to categorize assets and liabilities measured at fair value In accordance with this hierarchy, as of June 30, 2014, 23%, 39% and 38% of the Ascension Plan's assets which are measured at fair value on a recurring basis were categorized as Level 1, Level 2 and Level 3, respectively With respect to the Ascension Plan's liabilities measured at fair value on a recurring basis, 0%, 98% and 2% were categorized as Level 1, Level 2 and Level 3, respectively, as of June 30, 2014. Additionally, as of June 30, 2013, 21%, 39% and 40% of the Ascension Plan's assets which are measured at fair value on a recurring basis were categorized as Level 1, Level 2 and Level 3, respectively With respect to the Ascension Plan's liabilities measured at fair value on a recurring basis, 0%, 0% and 100% were categorized as Level 1, Level 2 and Level 3, respectively, as of June 30, 2013

St. John Health System Retirement Plan

System entities, with the exception of Providence and Brighton, participate in the St John Health System Retirement Plan (the St John Plan), a noncontributory defined benefit pension plan, which substantially all employees are eligible to participate St John Plan benefits are based on each participant's years of service and compensation during the last five years of credited service During the year ended June 30, 2012, the System approved and communicated to employees a redesign of associate retirement benefits, which affects the St John Plan, as well as provides an enhanced comprehensive defined contribution plan. These changes became effective January 1, 2013 The St John Plan assets are invested principally in equity and fixed income funds Contributions to the St John Plan are equal to an amount necessary to meet or exceed the minimum funding requirements of the Employee Retirement Income Security Act (ERISA) Contributions are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future The following table provides a reconciliation of the changes in the St John Plan benefit obligation and fair value of assets for the years ended June 30, 2014 and 2013, and a statement of the funded status as of June 30, 2014 and 2013.

(Dollars in Thousands)

6. Pension Plans (continued)

	Years Ended June 30 2014	2013
Change in benefit obligation		
Benefit obligation at beginning of year	**$ 669,179**	$ 697,051
Service cost	**–**	11,826
Interest cost	**31,946**	30,306
Actuarial (gain) loss	**1,175**	(4,324)
Amendments and assumptions	**40,169**	(34,944)
Benefits paid	**(28,246)**	(30,736)
Benefit obligation at end of year	**714,223**	669,179
Change in plan assets		
Fair value of plan assets at beginning of year	**592,662**	609,041
Actual return on plan assets	**92,117**	14,357
Benefits paid	**(28,246)**	(30,736)
Fair value of plan assets at end of year	**656,533**	592,662
Funded status and accrued benefit cost	**$ (57,690)**	$ (76,517)
Accumulated benefit obligation at end of year	**$ (714,223)**	$ (669,179)

Included in unrestricted net assets at June 30, 2014 and 2013, respectively, are the following amounts that have not yet been recognized in net periodic pension cost

	Years Ended June 30 2014	2013
Unrecognized prior service credit	**$ 1,062**	$ 1,341
Unrecognized net loss	**(59,372)**	(60,374)
Net amount recognized	**$ (58,310)**	$ (59,033)

(Dollars in Thousands)

6. Pension Plans (continued)

The adjustment to unrestricted net assets represents the net unrecognized actuarial losses and unrecognized prior service credit which were previously netted against SJPHS's funded status in SJPHS's consolidated balance sheets pursuant to the provisions of Accounting Standards Codification (ASC) 715, *Compensation Retirement Benefits* These amounts will be subsequently recognized as net periodic pension cost pursuant to the SJPHS's historical accounting policy for amortizing such amounts Further, actuarial gains and losses that arise in subsequent periods and are not recognized as net periodic pension cost in the same periods will be recognized as a component of unrestricted net assets. These amounts will be subsequently recognized as a component of net periodic pension costs on the same basis as the amounts recognized in unrestricted net assets

Changes in plan assets and obligations recognized in unrestricted net assets during 2014 and 2013 include

	Years Ended June 30	
	2014	**2013**
Current year actuarial gain	**$ 1,002**	$ 3,568
Amortization of actuarial loss	**–**	464
Current year prior service (credit) cost	**(49)**	1,341
Amortization of service cost	**(230)**	(13)
Net amount recognized	**$ 723**	$ 5,360

The assumptions used to determine the accrued pension cost are set forth below

	Years Ended June 30	
	2014	**2013**
Weighted-average discount rate	**4.40%**	4 95%

(Dollars in Thousands)

6. Pension Plans (continued)

	Years Ended June 30 2014	2013
Components of net periodic benefit cost		
Service cost	**$ –**	$ 11,826
Interest cost	**31,946**	30,305
Expected return on plan assets	**(49,819)**	(48,716)
Amortization of prior year service cost	**(230)**	(13)
Amortization of actuarial loss	**–**	464
Net St John Plan pension benefit credit	**$ (18,103)**	$ (6,134)

The prior service credit and actuarial loss included in unrestricted net assets and expected to be recognized in net periodic pension cost during the year ended June 30, 2014, is $0

The assumptions used to determine net periodic pension cost are set forth below

	Years Ended June 30 2014	2013
Weighted-average discount rate	**4.95%**	4 45%
Weighted-average rate of expected long-term rate of return on plan assets	**8.5%**	8 5%

Asset Allocation

The weighted-average asset allocation for the St John's plan at the end of fiscal 2014 and 2013, and the target allocation for fiscal 2015, by asset category, is as follows

Asset category	Target Allocation 2015	Percentage of Plan Assets at Year End 2014	2013
Growth	50%	53%	52%
Recession/deflation	30	29	29
Inflation	20	18	19
Total	100%	100%	100%

6. Pension Plans (continued)

Investment Strategy

The St John Plan pension assets are commingled with the Ascension Health Pension Plan assets and are managed by Ascension Health The Ascension Health Pension Plans' asset allocation and investment strategies are designed to earn superior returns on plan assets consistent with a reasonable and prudent level of risk Investments are diversified across classes, sectors and manager style to minimize the risk of large losses Derivatives may be used to bridge specific exposure, reduce transaction costs or modify the portfolio's duration or yield. Ascension Health uses investment management specializing in each asset category and, where appropriate, provides the investment manager with specific guidelines, which include allowable and/or prohibited investment types Ascension Health regularly monitors manager performance and compliance with investment guidelines

Expected Rate of Return

The expected long-term rate of return on plan assets is based on historical and projected rates of return for current and planned asset categories in the Ascension Health Pension Plans' investment portfolio Assumed projected rates of return for each asset category were selected after analyzing historical experience and future expectations of the returns and volatility for assets of that category using benchmark rates Based on the target asset allocation among the asset categories, the overall expected rate of return for the portfolio was developed and adjusted for historical and expected experience of active portfolio management results compared to benchmark returns and for the effect of expenses paid from plan assets

(Dollars in Thousands)

6. Pension Plans (continued)

Expected Cash Flows

Information about the expected cash flows for the pension plans follows.

Expected employer contributions in 2015	$ –
Expected benefit payments	
2015	41,200
2016	42,000
2017	43,600
2018	45,200
2019	43,500
2020–2024	222,400

The contribution amounts above include amounts paid to the trust The benefit payment amounts above also reflect the total benefits expected to be paid from the trust.

The majority of the St. John Plan's assets are included in the Trust The Trust has entered into a series of interest rate swap agreements with a net notional amount of approximately $2,958,450 The combined targeted duration of these swaps and the Trust's fixed income investments approximates the duration of the liabilities of the Trust Currently, 75% of the dollar duration of the liability is subject to this economic hedge The purpose of this strategy is to economically hedge the change in the net funded status for a significant portion of the liability that can occur due to changes in interest rates

As discussed in Note 4, the St John Plan follows a three-level hierarchy to categorize assets and liabilities measured at fair value In accordance with this hierarchy, as of June 30, 2014, 21%, 39%, and 40% of the St John Plan's assets, which are measured at fair value on a recurring basis, were categorized as Level 1, Level 2, and Level 3, respectively With respect to the St. John Plan's liabilities measured at fair value on a recurring basis, 0%, 0%, and 100% were categorized as Level 1, Level 2, and Level 3, respectively, as of June 30, 2014

(Dollars in Thousands)

6. Pension Plans (continued)

The following tables summarize fair value measurements at June 30, 2014 and 2013, by asset class and by level, for the St John Health System Retirement Plans' assets and liabilities, which are not included in the Trust, in accordance with that guidance.

	Level 1	Level 2	Level 3	Total
June 30, 2014				
Corporate and foreign fixed income investments	**$ –**	**$ 6,510**	**$ –**	**$ 6,510**
Equity securities	**25,499**	**–**	**1,110**	**26,609**
Fair value of plan assets, excluded from Trust	**$ 25,499**	**$ 6,510**	**$ 1,110**	**$ 33,119**

	Level 1	Level 2	Level 3	Total
June 30, 2013				
Corporate and foreign fixed income investments	$ –	$ 6,263	$ –	$ 6,263
Equity securities	20,138	–	1,288	21,426
Fair value of plan assets, excluded from Trust	$ 20,138	$ 6,263	$ 1,288	$ 27,689

For the years ended June 30, 2014 and 2013, the changes in the fair value of the St John Plan's assets measured using significant unobservable inputs (Level 3) were comprised of the following

	Year Ended June 30 2014	2013
Beginning balance	**$ $1,288**	$ 1,510
Total actual loss on plan assets	**(178)**	(222)
Ending balance	**$ $1,110**	$ 1,288

6. Pension Plans (continued)

Ascension Health Defined Contribution Plan

SJPHS participates in the Ascension Health Defined Contribution Plan (the Defined Contribution Plan), a contributory and noncontributory, defined contribution plan sponsored by Ascension Health which covers all eligible associates There are three primary types of contributions to the Defined Contribution Plan employer automatic contributions, employee contributions and employer matching contributions Benefits for employer automatic contributions are determined as a percentage of a participant's salary and increases over specified periods of employee service These benefits are funded annually and participants become fully vested over a period of time Benefits for employer matching contributions are determined as a percentage of an eligible participant's contributions each payroll period. These benefits are funded each payroll period and participants become fully vested in all employer contributions immediately Defined contribution expense, representing both employer automatic contributions and employer matching contributions, was $36,387 and $27,585 for the years ended June 30, 2014 and 2013, respectively.

Brighton Hospital Retirement Plan

Brighton Hospital (Brighton) participates in the Brighton Plan, a noncontributory defined benefit pension plan, which covers all eligible employees of Brighton Hospital Benefits are based on each participant's years of service and compensation The Brighton Plan assets are invested principally in equity and fixed income funds. Contributions to the Brighton Plan are based on actuarially determined amounts sufficient to meet the benefits to be paid to the Brighton Plan participants Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future

(Dollars in Thousands)

6. Pension Plans (continued)

The following table provides a reconciliation of the changes in the Brighton Plan benefit obligation and fair value of assets for the years ended June 30, 2014 and 2013, and a statement of the funded status as of June 30, 2014 and 2013

	Year Ended June 30	
	2014	**2013**
Change in benefit obligation		
Benefit obligation at beginning of year	**$ 6,308**	$ 6,817
Interest cost	**307**	296
Actuarial loss (gain)	**447**	(441)
Benefits paid	**(365)**	(364)
Benefit obligation at end of year	**6,697**	6,308
Change in plan assets		
Fair value of plan assets at beginning of year	**5,746**	5,840
Actual return on plan assets	**852**	270
Benefits paid	**(365)**	(364)
Fair value of plan assets at end of year	**6,233**	5,746
Funded status and accrued benefit cost	**$ (464)**	$ (562)

Included in unrestricted net assets are unrecognized net gains of $1,072 and $1,184 at June 30, 2014 and 2013, respectively

The adjustment to unrestricted net assets represents the net unrecognized actuarial losses and unrecognized prior service credits which were previously netted against SJPHS's funded status in SJPHS's consolidated balance sheets pursuant to the provisions of ASC 715, *Compensation Retirement Benefits* These amounts will be subsequently recognized as net periodic pension cost pursuant to the SJPHS's historical accounting policy for amortizing such amounts Further, actuarial gains and losses that arise in subsequent periods and are not recognized as net periodic pension cost in the same periods will be recognized as a component of unrestricted net assets These amounts will be subsequently recognized as a component of net periodic pension costs on the same basis as the amounts recognized in unrestricted net assets

(Dollars in Thousands)

6. Pension Plans (continued)

Changes in plan assets and obligations recognized in unrestricted net assets during 2014 and 2013 include

	Year Ended June 30	
	2014	**2013**
Current year actuarial loss (gain)	**$ (68)**	$ 426
Amortization of actuarial loss	**180**	289
Net amount recognized	**$ 112**	$ 715

The assumptions used to determine the accrued pension cost are set forth below

	June 30	
	2014	**2013**
Weighted-average discount rate	**4.40%**	5 00%

	Year Ended June 30	
	2014	**2013**
Components of net periodic benefit cost		
Interest cost	**$ 307**	$ 296
Expected return on plan assets	**(474)**	(283)
Amortization of actuarial loss	**180**	289
Net Brighton Hospital pension benefit cost	**$ 13**	$ 302

The actuarial loss included in unrestricted net assets and expected to be recognized in net periodic pension cost during the year ended June 30, 2015, is $200 The assumptions used to determine net periodic pension cost are set forth below

	Year Ended June 30	
	2014	**2013**
Weighted-average discount rate	**5.00%**	4 45%
Weighted-average rate of expected long-term rate of return on plan assets	**8.50%**	5 00%

(Dollars in Thousands)

6. Pension Plans (continued)

Investment Strategy

The Brighton Plans' asset allocation and investment strategies are designed to earn superior returns on plan assets consistent with a reasonable and prudent level of risk Investments are diversified across classes, sectors, and manager style to minimize the risk of large losses Derivatives may be used to bridge specific exposure, reduce transaction costs or modify the portfolio's duration or yield Brighton Hospital uses investment management specializing in each asset category and, where appropriate, provides the investment manager with specific guidelines, which include allowable and/or prohibited investment types Brighton Hospital regularly monitors manager performance and compliance with investment guidelines

Expected Rate of Return

The expected long-term rate of return on plan assets is based on historical and projected rates of return for current and planned asset categories in the Brighton Plans' investment portfolio. Assumed projected rates of return for each asset category were selected after analyzing historical experience and future expectations of the returns and volatility for assets of that category using benchmark rates Based on the target asset allocation among the asset categories, the overall expected rate of return for the portfolio was developed and adjusted for historical and expected experience of active portfolio management results compared to benchmark returns and for the effect of expenses paid from plan assets

Expected Cash Flows

Information about the expected cash flows for the pension plans follows

Expected employer contributions in 2015	$	–
Expected benefit payments		
2015		400
2016		400
2017		400
2018		400
2019		400
2020–2024		2,100

6. Pension Plans (continued)

The contribution amounts above include amounts paid to the trust. The benefit payment amounts above also reflect the total benefits expected to be paid from the trust

As discussed in Note 4, the Brighton Plan follows a three-level hierarchy to categorize assets and liabilities measured at fair value In accordance with this hierarchy, as of June 30, 2014, 23%, 39%, and 38% of the Plan's assets, which are measured at fair value on a recurring basis, were categorized as Level 1, Level 2, and Level 3, respectively With respect to the Plan's liabilities measured at fair value on a recurring basis, 0%, 98% and 2% were categorized as Level 1, Level 2, and Level 3, respectively, as of June 30, 2014

7. Other Postretirement Benefits

In addition to the retirement plan described above, Providence Hospital sponsors a defined benefit health care plan (Providence Plan) for employees hired prior to June 1, 1990, that provides postretirement medical benefits to employees who reached the age of 55 and satisfy certain service requirements Employees hired subsequent to June 1, 1990, are not eligible to participate in the plan The Providence Plan is contributory for retirees who retired after June 30, 1991, with retiree contributions adjusted annually, and contains other cost-sharing features such as deductibles and coinsurance based on where the medical benefits are received within the Providence Hospital network Providence Hospital has fully funded the benefit with an actuarially determined deposit to an irrevocable trust fund The total benefit obligation at June 30, 2014 and 2013, is approximately $3,441 and $4,183, respectively. The net prepayment recognized in the consolidated balance sheets at June 30, 201 and 2013, is $13,382 and $10,405, respectively

(Dollars in Thousands)

7. Other Postretirement Benefits (continued)

The following tables summarize fair value measurements at June 30, 2014 and 2013, by asset class and by level, for the Providence Plans' assets and liabilities in accordance with that guidance.

	Level 1	Level 2	Level 3	Total
June 30, 2014				
Cash and short-term investments	**$ 536**	**$ –**	**$ –**	**$ 536**
U S government obligations	**–**	**1,627**	**–**	**1,627**
Corporate obligations	**–**	**2,873**	**–**	**2,873**
International securities	**783**	**–**	**–**	**783**
Marketable equity securities	**8,153**	**–**	**–**	**8,153**
Asset-backed securities	**–**	**2,789**	**–**	**2,789**
Fair value of plan assets	**$ 9,472**	**$ 7,289**	**$ –**	**$ 16,761**

	Level 1	Level 2	Level 3	Total
June 30, 2013				
Cash and short-term investments	$ 1,847	$ –	$ –	$ 1,847
U.S. government obligations	–	1,538	–	1,538
Corporate obligations	–	2,505	–	2,505
International securities	535	–	–	535
Marketable equity securities	6,545	–	–	6,545
Asset-backed securities	–	1,535	–	1,535
Fair value of plan assets	$ 8,927	$ 5,578	$ –	$ 14,505

For the year ended June 30, 2014, there was no change in the fair value of the Providence Plans' assets measured using significantly unobservable inputs (Level 3)

8. Self-Insurance Programs

SJPHS participates in pooled risk programs to insure professional and general liability risks and workers' compensation risks to the extent of certain self-insured limits In addition, various umbrella insurance policies have been purchased to provide coverage in excess of the self-insured limits Actuarially determined amounts, discounted at 6%, are contributed to the trusts and the captive insurance company to provide for the estimated cost of claims The loss reserves recorded for estimated self-insured professional, general liability and workers' compensation claims include estimates of the ultimate costs for both reported claims and claims incurred but not reported and are discounted at 6% in 2014 and 2013. In the event that sufficient funds are not available from the self-insurance programs, each participating entity may be assessed its pro rata share of the deficiency If contributions exceed the losses paid, the excess may be returned to participating entities

Professional and General Liability Programs

SJPHS participates in Ascension's professional and general liability self-insured program which provides claims-made coverage through a wholly owned on-shore trust and offshore captive insurance company, Ascension Health Insurance, Ltd (AHIL), with a self-insured retention of $10,000 per occurrence with no aggregate SJPHS has a deductible of $100 per claim Excess coverage is provided through AHIL with limits up to $205,000 AHIL retains $5,000 per occurrence and $5,000 annual aggregate for professional liability AHIL also retains a 20% quota share of the first $25,000 of umbrella excess The remaining excess coverage is reinsured by commercial carriers.

Included in operating expenses in the accompanying consolidated statements of operations and changes in net assets is professional and general liability expense of $12,013 and $10,183 for the years ended June 30, 2014 and 2013, respectively For the years ended June 30, 2014 and 2013, the expense has been reduced by $15,465 and $16,712 respectively, of excess premiums previously retained by Ascension's professional and general liability self-insured program which has been returned to SJPHS. Included in current and long-term self-insurance liabilities on the accompanying consolidated balance sheets are liabilities for deductibles and reserves for claims incurred but not yet reported of approximately $36,730 and $36,557, at June 30, 2014 and 2013, respectively

(Dollars in Thousands)

8. Self-Insurance Programs (continued)

Workers' Compensation

SJPHS participates in Ascension's workers' compensation program which provides occurrence coverage through a grantor trust The trust provides coverage up to $1,000 per occurrence with no aggregate On July 1, 2004, SJPHS implemented a $100 deductible, thereby assuming responsibility for indemnity and expenses for each and every claim occurring and reported after that date, up to the deductible amount The trust provides a mechanism for funding the workers' compensation obligations of its members. Excess insurance against catastrophic loss is obtained through commercial insurers Premium payments made to the trust are expensed and reflect both claims reported and claims incurred but not reported

Included in operating expenses in the accompanying consolidated statements of operations and changes in net assets is workers' compensation expense of $4,004 and $4,593 for the years ended June 30, 2014 and 2013, respectively Included in current self-insurance liabilities on the accompanying consolidated balance sheets are workers' compensation loss reserves of $3,766 and $4,316 at June 30, 2014 and 2013, respectively

9. Lease Commitments

Future minimum payments under noncancelable operating leases with terms of one year or more are as follows

Year ending June 30	
2014	$ 13,053
2015	11,894
2016	7,675
2017	3,747
2018	929
Thereafter	2,885
Total	$ 40,183

SJPHS has subleased certain of its space under the operating leases reported above Total future minimum rents to be received under noncancelable subleases with terms of one year or more are $2,222

(Dollars in Thousands)

9. Lease Commitments (continued)

In addition, SJPHS is a lessor under certain operating lease agreements, primarily ground leases related to third-party owned medical office buildings on land owned by SJPHS

Future minimum rental receipts under all noncancelable operating leases with terms of one year or more are as follows

Year ending June 30	
2014	$ 5,752
2015	5,324
2016	4,932
2017	4,547
2018	3,662
Thereafter	53,419
Total	$ 77,636

Rental expense under operating leases amounted to $32,932 and $32,011 in 2014 and 2013, respectively

During 2007, SJPHS sold condo units in a medical office building and leased back certain space in these buildings to support their ongoing operations for a period of five to seven years. Such leases are considered operating leases based on their terms

Future minimum payments under these leases are included in the payment amounts above In connection with this sale, SJPHS recognized immediate operating gains and deferred a gain of $1,960, which is being recognized as operating gains over the related leaseback term. The net remaining deferred gain as of June 30, 2014, is $0

During 2009, SJPHS sold a medical office building (MOB) to a third party and contemporaneously leased back certain space in the building to support ongoing ministry operations for a period of five years. These space leases are being accounted for as operating leases based on their terms, and future minimum lease payments under these leases are included in the amounts reported above The building sales were accounted for under ASC 840, *Leases* As of June 30, 2014 and 2013, net deferred gains of $0 and $17, respectively, were included in other noncurrent liabilities in the accompanying consolidated balance sheets These gains are being recognized as operating income over the related leaseback terms

10. Related-Party Transactions

SJPHS utilizes various centralized programs and overhead services of Ascension Health or its other sponsored organizations, including risk management, retirement services, treasury, debt management, executive management support, administrative services and information technology services The charges allocated to SJPHS for these services represent both allocations of common costs and specifically identified expenses that are incurred by the System on behalf of SJPHS Allocations are based on relevant metrics, such as SJPHS's pro rata share of revenues, certain costs, debt or investments to the consolidated totals of Ascension Health The amounts charged to SJPHS for these services may not necessarily result in the net costs that would be incurred by SJPHS on a stand-alone basis The charges allocated to the SJPHS were approximately $1,988 and $14,767 for the years ended June 30, 2014 and 2013, respectively These payments are included in operating expenses in the statements of operations and changes in net assets

In addition to the charges discussed above, SJPHS made payments to Ascension Health of $16,768 and $17,987 for the years ended June 30, 2014 and 2013, representing SJPHS's share of costs to fund a system-wide information technology and process standardization project that is expected to continue through December 2015 These payments are included in transfers to sponsor and other affiliates, net, in the accompanying statements of operations and changes in net assets

During the years ended June 30, 2014 and 2013, the SJPHS transferred cash and investments of $68,389 and $29,492, respectively, in support of the System's strategic initiatives and related capital funding needs, including the amounts in the paragraph above The fiscal 2014 amount reflects a change in the System's methodology regarding allocation of the costs to fund certain strategic initiatives and capital projects If the 2014 allocation methodology had been consistently applied, the excess of revenues over expenses for the year ended June 30, 2013, would have increased by $13,009

The System incurred expenses with various Ascension Health affiliates. These services included medical equipment maintenance, internal audit and information systems These expenses amount to $98,501 and $100,395 for the years ended June 30, 2014 and 2013, respectively

11. Contingencies and Commitments

In addition to professional liability claims, SJPHS is involved in litigation and regulatory investigations arising in the ordinary course of business In the opinion of management, after consultation with legal counsel, these matters are expected to be resolved without material adverse effect on SJPHS's consolidated balance sheets

In March 2013, Ascension and some of its subsidiaries were named as defendants to litigation surrounding the Church Plan status of the Ascension Plan On May 9, 2014, the United States District Court, Eastern District of Michigan, Southern Division, issued its Decision and Order Granting Defendants' Motion to Dismiss, which effectively dismissed the case against the System While the plaintiff in the case could appeal the decision, in such event, SJPHS does not believe that this matter would have a material adverse effect on SJPH's financial position or results of operations

In September 2010, Ascension Health received a letter from the U S Department of Justice (the DOJ) in connection with its nationwide review to determine whether, in certain cases, implantable cardioverter defibrillators (ICDs) were provided to certain Medicare beneficiaries in accordance with national coverage criteria In connection with this nationwide review, SJPHS will be reviewing applicable medical records for response to the DOJ The DOJ's investigation spans a time frame beginning in 2003 and extending through the present time. To date, the System has entered into settlement discussions with the DOJ regarding three System hospitals subject to the ICD investigation.

Supplementary Information

Building a better working world

Report of Independent Auditors on Supplementary Information

The Board of Trustees
St John Providence Health System

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of net cost of providing care of persons living in poverty and community benefit programs is presented for purposes of additional analysis and is not a required part of the 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 financial statements The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Ernst & Young LLP

September 10, 2014

St. John Providence Health System

Schedule of Net Cost of Providing Care of Persons Living in Poverty and Other Community Benefit Programs

(Dollars in Thousands)

The net cost excluding the provision for bad debt expense of providing care of persons living in poverty and other community benefit programs is as follows.

	Year Ended June 30	
	2014	**2013**
Traditional charity care provided	**$ 24,145**	$ 31,372
Unpaid cost of public programs for persons living in poverty	**26,131**	27,035
Other programs for persons living in poverty and other vulnerable persons	**2,780**	2,484
Community benefit programs	**50,396**	39,788
Care of persons living in poverty and community benefit programs	**$ 103,452**	$ 100,679

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