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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
ASPIRUS KEWEENAW HOSPITAL

Doing Business As

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

City or town, state or province, country, and ZIP or foreign postal code
LAURIUM, MI 49913

D Employer identification number
38-1443361

E Telephone number
(906) 337-6500

G Gross receipts $ 42,725,162

F Name and address of principal officer
CHUCK NELSON
205 OSCEOLA STREET
LAURIUM,MI 49913

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW ASPIRUSKEWEENAW ORG

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

L Year of formation 1939

M State of legal domicile MI

Part I Summary

1 Briefly describe the organization's mission or most significant activities
ASPIRUS KEWEENAW HOSPITAL PROVIDES COMPREHENSIVE INPATIENT, OUTPATIENT, EMERGENCY, MEDICAL AND PHYSICIAN CLINIC SERVICES

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	3	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	6
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	448
6	Total number of volunteers (estimate if necessary)	6	97
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	-695
b	Net unrelated business taxable income from Form 990-T, line 34	7b	-695

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	48,379	37,883
9	Program service revenue (Part VIII, line 2g)	39,922,092	37,698,743
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	153,578	528,184
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	114,713	2,575,013
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	40,238,762	40,839,823
Expenses			
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)	22,886,026	24,282,960
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	15,264,587	15,862,376
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	38,150,613	40,145,336
19	Revenue less expenses Subtract line 18 from line 12	2,088,149	694,487

		Beginning of Current Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	29,541,483	32,573,455
21	Total liabilities (Part X, line 26)	9,479,565	11,664,523
22	Net assets or fund balances Subtract line 21 from line 20	20,061,918	20,908,932

Part II Signature Block

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

Sign Here

****** | 2015-05-11
Signature of officer | Date

CHUCK NELSON CEO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
TERRI REXRODE CPA MST		2015-05-11		P00096513

Firm's name ▶ WIPFLI LLP | Firm's EIN ▶ 39-0758449

Firm's address ▶ PO BOX 12237
GREEN BAY, WI 543072237 | Phone no (920) 662-0016

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

TO PROVIDE COMPREHENSIVE INPATIENT, OUTPATIENT, EMERGENCY, MEDICAL, AND PHYSICIAN CLINIC SERVICES

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 $ 34,959,790 including grants of $) (Revenue $ 37,527,209)

ASPIRUS KEWEENAW HOSPITAL PROVIDES COMPREHENSIVE INPATIENT, OUTPATIENT, EMERGENCY, MEDICAL, AND PHYSICIAN CLINIC SERVICES

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

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ 34,959,790

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		No
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**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
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**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
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**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	89		
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		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	448		
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**	14		
	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**	6		
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**	Yes	
b	Other officers or key employees of the organization	**15b**	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	**16a**		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	**16b**		

Section C. Disclosure

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

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

▶CHUCK NELSON 205 OSCEOLA STREET
LAURIUM,MI 49913 (906) 337-6500

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) DANIEL DALQUIST CHAIRMAN	50 1 00	X		X				0	0	0
(2) EDWARD JENICH VICE CHAIRMAN	50 1 00	X		X				0	0	0
(3) DAVID GILBERT MD SECRETARY	50 1 00	X		X				0	0	0
(4) MATTHEW HEYWOOD BOARD MEMBER & PRESIDENT/CEO OF ASPIRUS, INC	50 39 50	X						0	340,183	62,474
(5) CHUCK NELSON BOARD MEMBER & ASPIRUS UP REGIONAL CEO	24 00 17 00	X		X				0	291,946	67,232
(6) SANDRA HUUKI BOARD MEMBER	50 1 00	X						0	0	0
(7) DARRELL LENTZ BOARD MEMBER & PRESIDENT OF ASPIRUS WAUSAU HOSPITA	50 39 50	X						0	262,768	54,894
(8) JERRY LUOMA MD BOARD MEMBER & MEDICAL DIRECTOR	20 00 1 00	X						99,826	0	34,277
(9) MICHAEL LUOMA MD BOARD MEMBER & CHIEF OF STAFF	40 00	X						220,536	0	46,094
(10) RICK NEVERS BOARD MEMBER & SR VP OF REGIONAL OPERATIONS	50 39 50	X						0	262,069	66,517
(11) MARIANA PERINOT MD BOARD MEMBER & MEDICAL STAFF REP	40 00	X						118,290	0	4,508
(12) DARRYL PIERCE BOARD MEMBER	50 1 00	X						0	0	0
(13) DALE R TAHTINEN BOARD MEMBER	50 1 00	X						0	0	0
(14) JOEL TUORINIEMI BOARD MEMBER	50 1 00	X						0	0	0
(15) DUANE ERWIN FORMER BOARD MEMBER & PRESIDENT/CEO OF ASPIRUS, IN	50 39 50	X						0	781,943	138,308
(16) MICHAEL HAUSWIRTH COO	40 00			X				198,628	0	42,292
(17) SHANE JACQUES CFO	40 00			X				24,201	0	3,332

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) GRACE TOUSIGNANT CNO	40 00			X				149,392	0	33,602
(19) FREDERICK RAU ORTHOPEDIC SURGEON	40 00					X		442,782	0	44,474
(20) KENNETH PHERSON ORTHOPEDIC SURGEON	40 00					X		374,579	0	16,706
(21) BONNIE HAFEMAN PHYSICIAN	40 00					X		363,639	0	43,896
(22) JOHN NOVOSAD ANESTHESIOLOGIST	40 00					X		291,978	0	24,972
(23) JAMES BLACK ED PHYSICIAN	40 00					X		304,980	0	52,490

1b	**Sub-Total** . . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . . ▶	2,588,831	1,938,909	736,068

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 ▶ 31

			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
MIRON CONSTRUCTION CO INC PO BOX 1372 GREEN BAY WI 54305	CONSTRUCTION SERVICES	4,382,652
WEATHERBY LOCUMS INC PO BOX 972633 DALLAS TX 75397	CONTRACTED PROVIDERS	684,482
COAST TO COAST HEALTH CARE 5195 HAMPSTED VILLAGE CENTER SUITE NEW ALBANY OH 43054	CONTRACTED PROVIDERS	430,775
CHG COMPANIES INC 6440 SOUTH MILLROCK DRIVE SUITE 175 SALT LAKE CITY UT 84121	CONTRACTED PROVIDERS	329,540
MARK R SHEBUSKI MD PC, 301 W LAKE AVENUE HOUGHTON MI 49931	PROVIDER SERVICES & BUILDING	304,584

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 ▶ 9

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	7,956			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	29,927			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		37,883			
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE REVENUE	621990	37,527,209	37,527,209		
	b	CAFETERIA REVENUE	624200	109,808			109,808
	c	MEDICAL OFFICE RENTAL	900099	51,050			51,050
	d	VENDING REVENUE	624200	10,676			10,676
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		37,698,743			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		219,551			219,551
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					

		(i) Real	(ii) Personal				
	6a	Gross rents	123,158					
	b	Less rental expenses	116,054					
	c	Rental income or (loss)	7,104					
	d	Net rental income or (loss) . . . . . ▶		7,104		-695	7,799

		(i) Securities	(ii) Other				
	7a	Gross amount from sales of assets other than inventory	1,973,502	104,416			
	b	Less cost or other basis and sales expenses	1,602,706	166,579			
	c	Gain or (loss)	370,796	-62,163			
	d	Net gain or (loss) . . . . . ▶		308,633			308,633
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	340B REVENUE	999999	2,212,189			2,212,189
	b	OTHER REVENUE	999999	355,720			355,720
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶		2,567,909			
	12	**Total revenue.** See Instructions . . . . . ▶		40,839,823	37,527,209	-695	3,275,426

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	1,190,485	706,525	483,960	
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	17,317,208	15,774,838	1,542,370	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	592,875	528,001	64,874	
9 Other employee benefits	3,915,484	3,487,389	428,095	
10 Payroll taxes	1,266,908	1,128,279	138,629	
11 Fees for services (non-employees)				
a Management				
b Legal	78,371		78,371	
c Accounting	83,525		83,525	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees	19,299		19,299	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	4,409,903	3,721,517	688,386	
12 Advertising and promotion	238,498	28,489	210,009	
13 Office expenses	4,374,118	4,280,028	94,090	
14 Information technology	139,031	75,313	63,718	
15 Royalties . .				
16 Occupancy	493,193	493,193		
17 Travel	239,959	168,872	71,087	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	123,879	123,879		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,033,724	940,656	93,068	
23 Insurance	97,122	91,492	5,630	
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 EQUIPMENT RENTAL AND MA	1,996,589	1,785,484	211,105	
b PROVISION FOR BAD DEBTS	1,381,121	1,381,121		
c DUES AND SUBSCRIPTIONS/	1,022,288	119,217	903,071	
d RECRUITMENT EXPENSE	119,390	119,390		
e All other expenses	12,366	6,107	6,259	
25 **Total functional expenses.** Add lines 1 through 24e	40,145,336	34,959,790	5,185,546	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		1,024,969	1	218,165
	2	Savings and temporary cash investments		9,062,674	2	7,002,868
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		4,555,966	4	4,285,153
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		431,100	8	392,746
	9	Prepaid expenses and deferred charges		847,336	9	926,915
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 28,937,914			
	b	Less accumulated depreciation	10b 16,024,707	7,103,617	10c	12,913,207
	11	Investments—publicly traded securities		3,054,478	11	2,317,190
	12	Investments—other securities See Part IV, line 11		1,412,643	12	1,505,234
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		91,833	14	0
	15	Other assets See Part IV, line 11		1,956,867	15	3,011,977
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		29,541,483	16	32,573,455
Liabilities	17	Accounts payable and accrued expenses		3,701,434	17	4,955,498
	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		3,655,860	23	6,337,654
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		2,122,271	25	371,371
	26	**Total liabilities.** Add lines 17 through 25		9,479,565	26	11,664,523
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		19,805,016	27	20,908,932
	28	Temporarily restricted net assets		256,902	28	0
	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		20,061,918	33	20,908,932
	34	Total liabilities and net assets/fund balances		29,541,483	34	32,573,455

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	40,839,823
2	Total expenses (must equal Part IX, column (A), line 25)	2	40,145,336
3	Revenue less expenses Subtract line 2 from line 1	3	694,487
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	20,061,918
5	Net unrealized gains (losses) on investments	5	152,527
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	0
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	20,908,932

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		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

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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
ASPIRUS KEWEENAW HOSPITAL

Employer identification number
38-1443361

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
ASPIRUS KEWEENAW HOSPITAL	38-1443361

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		7,765
j	Total Add lines 1c through 1i			7,765
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	ORGANIZATION HAS INDIRECT LOBBYING ACTIVITIES THROUGH THE PAYMENT OF HOSPITAL ASSOCIATION DUES

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
ASPIRUS KEWEENAW HOSPITAL

Employer identification number
38-1443361

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	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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 ▶
- c Temporarily restricted endowment ▶

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		871,587		871,587
b Buildings		18,355,354	10,857,174	7,498,180
c Leasehold improvements				
d Equipment		8,616,133	5,167,533	3,448,600
e Other		1,094,840		1,094,840
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				12,913,207

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) DUE FROM ASPIRUS KEWEENAW ENTERPRISES	1,270,359
(2) DUE FROM ASPIRUS KEWEENAW FOUNDATION	9,818
(3) NOTE RECEIVABLE	892,500
(4) DUE FROM OTHER ENTITIES	26,274
(5) THIRD PARTY RECEIVABLES	813,026
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	3,011,977

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	
LONG TERM INSURANCE PAYABLE	291,371
ASBESTOS LIABILITY	80,000
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	371,371

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	39,396,080
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	-1,384,680		
e	Add lines **2a** through **2d**			2e	-1,384,680
3	Subtract line **2e** from line **1**			3	40,780,760
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	19,299		
b	Other (Describe in Part XIII)	4b	39,764		
c	Add lines **4a** and **4b**			4c	59,063
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	40,839,823

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	38,701,593
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	-39,764		
e	Add lines **2a** through **2d**			2e	-39,764
3	Subtract line **2e** from line **1**			3	38,741,357
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	19,299		
b	Other (Describe in Part XIII)	4b	1,384,680		
c	Add lines **4a** and **4b**			4c	1,403,979
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	40,145,336

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 X, LINE 2	IN ORDER TO ACCOUNT FOR ANY UNCERTAIN TAX POSITIONS, THE ORGANIZATION DETERMINES WHETHER IT IS MORE LIKELY THAN NOT THAT A TAX POSITION WILL BE SUSTAINED UPON EXAMINATION OF THE TECHNICAL MERITS OF THE POSITION, ASSUMING THE TAXING AUTHORITY HAS FULL KNOWLEDGE OF ALL INFORMATION IF THE TAX POSITION DOES NOT MEET THE MORE-LIKELY-THAN-NOT RECOGNITION THRESHOLD, THE BENEFIT OF THAT POSITION IS NOT RECOGNIZED IN THE CONSOLIDATED FINANCIAL STATEMENTS THE ORGANIZATION HAS NOT RECORDED ANY ASSETS OR LIABILITIES RELATED TO UNCERTAIN TAX POSITIONS OR UNRECOGNIZED TAX BENEFITS AS OF JUNE 30, 2014 OR 2013 FEDERAL RETURNS FOR THE YEAR ENDED JUNE 30, 2011, AND BEYOND REMAIN SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE
PART XI, LINE 2D - OTHER ADJUSTMENTS	RENTAL EXPENSES 109,262 BAD DEBT EXPENSE -1,381,121 RECRUITMENT EXPENSE -112,821
PART XI, LINE 4B - OTHER ADJUSTMENTS	DONATIONS 39,764
PART XII, LINE 2D - OTHER ADJUSTMENTS	DONATIONS -39,764
PART XII, LINE 4B - OTHER ADJUSTMENTS	RENTAL EXPENSE -109,262 BAD DEBT EXPENSE 1,381,121 RECRUITMENT EXPENSE 112,821

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
ASPIRUS KEWEENAW HOSPITAL

Employer identification number
38-1443361

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☐ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care ☐ 100% ☑ 150% ☐ 200% ☐ Other _____ %	3a	Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☑ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b	Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a		No
b	If "Yes," did the organization make it available to the public?	6b		
	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)			289,988		289,988	0 760 %
b Medicaid (from Worksheet 3, column a)			5,069,979	3,669,655	1,400,324	3 660 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			5,359,967	3,669,655	1,690,312	4 420 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			102,396		102,396	0 270 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			26,014		26,014	0 070 %
j **Total.** Other Benefits			128,410		128,410	0 340 %
k **Total.** Add lines 7d and 7j			5,488,377	3,669,655	1,818,722	4 760 %

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
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	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount 2 1,087,970			
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit 3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME) 5 12,709,933			
6	Enter Medicare allowable costs of care relating to payments on line 5 6 12,891,366			
7	Subtract line 6 from line 5 This is the surplus (or shortfall) 7 -181,433			
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? 1

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group ASPIRUS KEWEENAW HOSPITAL

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

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years begining 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 FOR FULL ADDRESS			
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 150 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? **5**

	Name and address	Type of Facility (describe)
1	ASPIRUS HOUGHTON CLINIC 1000 CEDAR STREET HOUGHTON,MI 49931	CLINIC
2	ASPIRUS KEWEENAW OUTPATIENT THERAPIES 342 HECLA STREET LAURIUM,MI 49913	OUTPATIENT THERAPY
3	LAURIUM WELLNESS 300 HECLA STREET LAURIUM,MI 49913	CLINIC
4	ASPIRUS KEWEENAW LAKE LINDEN CLINIC 110 CALUMET STREET LAKE LINDEN,MI 49945	CLINIC
5	ASPIRUS KEWEENAW FASTCARE 9900 MEMORIAL ROAD HOUGHTON,MI 49931	CLINIC
6		
7		
8		
9		
10		

Part VI Supplemental Information

Provide the following information

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

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

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

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

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

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

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

Form and Line Reference	Explanation
PART I, LINE 7	THE COST METHOD THAT IS USED ON THE FORM 990 IS BASED ON A COST TO CHARGE RATIO WHICH IS DEVELOPED BASED ON THE HOSPITAL'S TOTAL OPERATING EXPENSES LESS THE PROVISION FOR BAD DEBTS THIS IS THEN DIVIDED BY GROSS PATIENT SERVICES REVENUE

Form and Line Reference	Explanation
PART I, LINE 7, COLUMN (F)	THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $ 1,936,589

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	WHILE THERE IS GROWING AGREEMENT IN THE UNITED STATES ABOUT WHAT CONSTITUTES A NON-PROFITS HOSPITAL'S COMMUNITY BENEFIT AND CHARITY CARE, THESE EFFORTS CONTINUE TO BE A WORK IN PROGRESS ASPIRUS KEWEENAW HOSPITAL, INC , IN ADDITION TO PROVIDING SIGNIFICANT CHARITY CARE AND OTHER COMMUNITY BENEFITS AS DEFINED BY THE IRS, THE ORGANIZATION BELIEVES THAT IT PROVIDES A CRITICALLY IMPORTANT BENEFIT WHICH IS NOT QUANTIFIED ASPIRUS KEWEENAW HOSPITAL, LIKE MOST COMMUNITY HOSPITALS, WAS CREATED AND IS MAINTAINED IN ORDER TO PROVIDE CARE LOCALLY WHICH WITHOUT THE HOSPITAL WOULD NOT BE AVAILABLE LOCALLY IN ADDITION TO INPATIENT HOSPITALIZATIONS, THE ORGANIZATION PROVIDES LOCAL ACCESS TO MANY SERVICES INCLUDING EMERGENCY SERVICES, RESPIRATORY THERAPY, OCCUPATIONAL THERAPY, PHYSICAL THERAPY, FAMILY PRACTICE CLINICS, AND LABORATORY AND PATHOLOGY SERVICES

Form and Line Reference	Explanation
PART III, LINE 4	IN EVALUATING THE COLLECTABILITY OF ACCOUNTS RECEIVABLE, THE ORGANIZATION ANALYZES PAST RESULTS AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND THE PROVISION FOR BAD DEBTS MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYOR SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS SPECIFICALLY, FOR RECEIVABLES RELATING TO SERVICES PROVIDED TO PATIENTS HAVING THIRD-PARTY COVERAGE, THE ORGANIZATION ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS AND A PROVISION FOR BAD DEBTS FOR EXPECTED UNCOLLECTIBLE DEDUCTIBLES AND COPAYMENTS ON ACCOUNTS FOR WHICH THE THIRD-PARTY PAYOR HAS NOT YET PAID, OR FOR PAYORS WHO ARE KNOWN TO BE HAVING FINANCIAL DIFFICULTIES THAT MAKE THE REALIZATION OF AMOUNTS DUE UNLIKELY FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS (WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL), THE ORGANIZATION RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE THE DIFFERENCE BETWEEN THE STANDARD RATES (OR THE DISCOUNTED RATES IF NEGOTIATED) AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS THE HOSPITAL ESTIMATES THAT APPROXIMATELY 56% OF BAD DEBT EXPENSE DURING FY2014 WAS ATTRIBUTED TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY FINANCIAL ASSISTANCE POLICY THAT DID NOT COMPLETE THE APPLICATION PROCESS THE ORGANIZATION BELIEVES THIS SHOULD BE CHARITY CARE BECAUSE IF THE PROPER APPLICATION WOULD HAVE BEEN COMPLETED, THIS AMOUNT WOULD HAVE BEEN APPROPRIATELY RECORDED

Form and Line Reference	Explanation
PART III, LINE 8	ALLOWABLE MEDICARE COSTS WERE OBTAINED FROM THE ORGANIZATION'S FILED MEDICARE COST REPORT AS SUCH THEY ONLY INCLUDE THE AMOUNTS ALLOWED IN THE FORM 990 INSTRUCTIONS THEREFORE, THEY ONLY INCLUDE A PORTION OF THE GROSS MEDICARE REVENUE OF THE ORGANIZATION AND DO NOT CONSIDER ALL OF THE CONTRACTUAL ADJUSTMENTS FOR SERVICES REIMBURSED BY THE MEDICARE PROGRAM THE MEDICARE REVENUES AMOUNTS LISTED DO NOT INCLUDE PHYSICIAN SERVICES FOR THE COVERAGE OF THE EMERGENCY DEPARTMENT AT THE HOSPITAL AS WELL AS ANESTHESIA PROFESSIONAL SERVICES, REVENUES FOR ANY PATIENTS COVERED UNDER MEDICARE ADVANTAGE PLAN PROGRAMS, PHYSICAL THERAPY SERVICES PROVIDED TO NURSING HOME RESIDENTS, AND A SIGNIFICANT PORTION OF LAB SERVICES PROVIDED TO AREA CLINIC PATIENTS

Form and Line Reference	Explanation
PART III, LINE 9B	UNDER THE ORGANIZATION'S COLLECTION AND CHARITY CARE POLICIES, ASPIRUS KEWEENAW HOSPITAL MAKES EVERY ATTEMPT TO IDENTIFY AND PROMOTE CHARITY CARE TO PATIENTS INCLUDED IN THE ORGANIZATION'S CHARITY CARE POLICY IT IS NOTED THAT PATIENTS MAY QUALIFY FOR CHARITY CARE EITHER PRIOR TO ADMISSION OR FOLLOWING DISCHARGE ASPIRUS KEWEENAW HOSPITAL WILL PROVIDE MEDICALLY ACUTE SERVICES TO PATIENTS WHO MEET THE CRITERIA OF THE PATIENT FINANCIAL ASSISTANCE PROGRAM WITHOUT CHARGE OR AT AMOUNTS LESS THAN ESTABLISHED RATES FOR QUALIFYING PATIENTS THIS PROGRAM IS PROVIDED FOR PATIENTS WHO ARE UNINSURED, UNDERINSURED, AND/OR MEDICALLY INDIGENT PATIENTS AND THEIR FAMILIES HAVE A RESPONSIBILITY TO HELP THE HOSPITAL QUALIFY THEM FOR THE APPROPRIATE LEVEL OR TYPE OF FINANCIAL ASSISTANCE GIVEN THEIR CIRCUMSTANCES DURING THE PATIENT ACCOUNT COLLECTION PROCESS, SELF-PAY PATIENTS ARE ALSO INFORMED OF THE HOSPITAL'S COLLECTION POLICIES AS WELL AS THE CARITY CARE PROGRAM TO ALLOW PATIENTS THE OPPORTUNITY TO COMPLETE THE APPROPRIATE FORMS AND QUALIFY UNDER THE PROGRAM AN ACCOUNT WILL BE CONSIDERED DELINQUENT IF ADEQUATE AND TIMELY PAYMENTS ARE NOT MADE AND/OR THERE IS A LACK OF COMMUNICATION FROM THE PATIENT/FAMILY 1) 60 DAYS AFTER BALANCE BECOMES THE RESPONSIBILITY OF THE PATIENT/GUARANTOR 2) IF A PATIENT/GUARANTOR REFUSES TO PAY AN ACCOUNT WITHOUT VALID REASON 3) STATEMENTS ARE MAIL-RETURNED AND THE PATIENT/GUARANTOR CANNOT BE LOCATED 4) A PATIENT/GUARANTOR ACCOUNT HISTORY SHOWS THE DEBT IS UNLIKELY TO BE PAID 5) ACCOUNT PAYMENTS ARE INADEQUATE FOR THE BALANCE AND AGE OF ACCOUNT 6) THE PATIENT/GUARANTOR STOPS MAKING SCHEDULED PAYMENTS

Form and Line Reference	Explanation
PART VI, LINE 2	THE ORGANIZATION MEETS WITH A LOCAL FEDERALLY QUALIFIED HEALTH CENTER TO CONSULT AND DETERMINE HOW TO MEET THE HEALTH CARE NEEDS IN THE ORGANIZATION'S GEOGRAPHICAL AREA IN ADDITION, THE ORGANIZATION ITSELF EVALUATES ITS' OWN SERVICES OFFERED IN THEIR SERVICE AREA AND EVALUATES OTHER SERVICES THAT COULD BE PROVIDED TO BENEFIT THE COMMUNITY SERVED

Form and Line Reference	Explanation
PART VI, LINE 3	ASPIRUS KEWEENAW HOSPITAL WILL PROVIDE MEDICALLY ACUTE SERVICES TO PATIENTS WHO MEET THE CRITERIA OF THE PATIENT FINANCIAL ASSISTANCE PROGRAM (PFAP) WITHOUT CHARGE OR AT AMOUNTS LESS THAN ESTABLISHED RATES FOR QUALIFYING PATIENTS THIS PROGRAM IS PROVIDED FOR PATIENTS WHO ARE UNINSURED, UNDERINSURED, AND/OR MEDICALLY INDIGENT PATIENTS AND THEIR FAMILIES HAVE A RESPONSIBILITY TO HELP THE HOSPITAL QUALIFY THEM FOR THE APPROPRIATE LEVEL OR TYPE OF FINANCIAL ASSISTANCE GIVEN THEIR CIRCUMSTANCE A PFAP BROCHURE IS GIVEN TO EACH INPATIENT THE BROCHURE INFORMS PATIENTS OF OUR PATIENT FINANCIAL ASSISTANCE PROGRAM AND HOW TO APPLY WE HAVE SIGNS POSTED IN ALL ASPIRUS KEWEENAW HOSPITAL AND CLINIC LOCATIONS THAT LET THE PATIENT KNOW ABOUT OUR PFAP PROGRAM PFAP BROCHURES ARE DISPLAYED IN PATIENT AREAS OF OUR CLINICS AND HOSPITAL SIGNS ARE POSTED THROUGHOUT AKH TO INFORM THE PATIENT THAT WE PARTICIPATE IN THE MEDICAID PROGRAM A NOTICE REGARDING OUR SLIDING FEE SCALE AND HOW TO APPLY FOR IT, IS POSTED AT ALL PHYSICIAN RECEPTION AREAS ALL BILLERS AND FRONT LINE STAFF DIRECT PATIENT INQUIRIES REGARDING PAYMENT, MEDICAID, AND FINANCIAL ASSISTANCE TO A FINANCIAL COUNSELOR SELF PAY PATIENTS ARE INFORMED OF THE COST OF HIGH DOLLAR PROCEDURES AND OFFERED OPTIONS FOR PAYMENT AND ASSISTANCE PROGRAMS PRIOR TO SCHEDULING THE PROCEDURE AN ASPIRUS KEWEENAW SOCIAL WORKER COUNSELS PATIENTS AND MAKES THEM AWARE OF ALL AVAILABLE COMMUNITY RESOURCES, INCLUDING MEDICAID AND OUR AKH PATIENT FINANCIAL ASSISTANCE PROGRAM SHE ASSISTS THEM IN COMPLETING THE MEDICAID APPLICATION A FINANCIAL COUNSELOR WILL VISIT THE PATIENT IF REQUESTED DURING THE SOCIAL WORKER INTERVIEW WITH THE PATIENT FINANCIAL COUNSELORS SUGGEST OUR PFAP TO ELIGIBLE PATIENTS WHILE MAKING PAYMENT ARRANGEMENTS

Form and Line Reference	Explanation
PART VI, LINE 4	THE ORGANIZATION PROVIDES SERVICES PRIMARILY TO THE ELDERLY AND FRAIL OF NORTHERN HOUGHTON AND KEWEENAW COUNTIES THE LARGEST CITIES IN THESE REGIONS INCLUDE HOUGHTON, HANCOCK, LAURIUM AND CALUMET AS A PERCENTAGE OF TOTAL REVENUE, MEDICARE AND MEDICAID COMPRISE OF 53% AND 14%, RESPECTIVELY FOR THE ORGANIZATION

Form and Line Reference	Explanation
PART VI, LINE 5	THE BOARD OF DIRECTOR'S IS COMPRISED OF INDEPENDENT COMMUNITY MEMBERS THE ORGANIZATION PROVIDES, FREE OF CHARGE TO THE LOCAL SCHOOL, AN ATHLETIC TRAINER

Additional Data

Software ID:
Software Version:
EIN: 38-1443361
Name: ASPIRUS KEWEENAW HOSPITAL

990 Schedule H, Supplemental Information

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

Form and Line Reference	Explanation
ASPIRUS KEWEENAW HOSPITAL	PART V, SECTION B, LINE 3 SURVEY BY MAIL AND PARTICIPATION IN REGIONAL HEALTH ASSESSMENTS WITH OTHER HOSPITALS AND AGENCIES
ASPIRUS KEWEENAW HOSPITAL	PART V, SECTION B, LINE 4 WESTERN UPPER PENINSULA HEALTH DEPARTMENT, ASPIRUS GRAND VIEW, ASPIRUS ONTONAGON BARAGA COUNTY MEMORIAL HOSPITAL, PORTAGE HEALTH, COPPER COUNTY MEMORIAL HEALTH SERVICES
ASPIRUS KEWEENAW HOSPITAL	PART V, SECTION B, LINE 7 THE HOSPITAL HAS SUCCESSFULLY ADDRESS ALL ITEMS IDENTIFIED IN THE CHNA EXCEPT ONE THIS IS MAINTAINING A ONE-ON-ONE HYPERTENSION CLINIC THE NURSE PRACTITIONER SUPPORTING THE EFFORT IS NO LONGER WITH THE ORGANIZATION THE CLINIC MANAGERS HAVE BEEN IN THE PROCESS OF WORKING WITH OTHER STAFF TO FILL GAPS AND ADDRESS THE NEEDS OF THE HYPERTENSION CLINIC THE HOSPITAL EXPECTS SOLUTIONS AND SUPPORT OF THE CLINIC IN FALL OF 2015
ASPIRUS KEWEENAW HOSPITAL	PART V, SECTION B, LINE 14G BILLING INVOICES CONTAIN CONTACT INFORMATION FOR MORE INFORMATION ABOUT THE THE FINANCIAL ASSISTANCE POLICY A POSTING OF HOW TO OBTAIN MORE INFORMATION ON THE FINANCIAL ASSISTANCE POLICY IS LOCATED IN THE EMERGENCY AND WAITING ROOMS
ASPIRUS KEWEENAW HOSPITAL	PART V, SECTION B, LINE 20D THE AMOUNTS CHARGED ARE BASED ON FPL LEVEL THIS IS DISCOUNTED USING AVERAGE AMOUNTS PAID BY COMMERCIALLY INSURED AND MEDICARE PATIENTS
PART V, SECTION B, LINE 5A	HOSPTIAL WEB ADDRESS TO LOCATE CHNA HTTP //ASPIRUS ORG/MAIN/COMMUNITY-RESOURCES ASPX

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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
ASPIRUS KEWEENAW HOSPITAL

Employer identification number
38-1443361

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**		No
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

Additional Data

Software ID:
Software Version:
EIN: 38-1443361
Name: ASPIRUS KEWEENAW 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				
MATTHEW HEYWOOD BOARD MEMBER & PRESIDENT/CEO OF ASPI	(I) (II)	0 280,310	0 50,000	0 9,873	0 4,359	0 58,115	0 402,657	0 0
CHUCK NELSON BOARD MEMBER & ASPIRUS UP REGIONAL C	(I) (II)	0 233,814	0 54,196	0 3,936	0 8,974	0 58,258	0 359,178	0 0
DARRELL LENTZ BOARD MEMBER & PRESIDENT OF ASPIRUS	(I) (II)	0 215,441	0 23,595	0 23,732	0 10,444	0 44,450	0 317,662	0 0
MICHAEL LUOMA MD BOARD MEMBER & CHIEF OF STAFF	(I) (II)	141,168 0	78,900 0	468 0	5,780 0	40,314 0	266,630 0	0 0
RICK NEVERS BOARD MEMBER & SR VP OF REGIONAL OPE	(I) (II)	0 202,368	0 38,216	0 21,485	0 12,256	0 54,261	0 328,586	0 0
DUANE ERWIN FORMER BOARD MEMBER & PRESIDENT/CEO	(I) (II)	0 410,177	0 136,236	0 235,530	0 15,200	0 123,108	0 920,251	0 0
MICHAEL HAUSWIRTH COO	(I) (II)	171,924 0	26,352 0	352 0	6,980 0	35,312 0	240,920 0	0 0
GRACE TOUSIGNANT CNO	(I) (II)	130,459 0	18,047 0	886 0	5,404 0	28,198 0	182,994 0	0 0
FREDERICK RAU ORTHOPEDIC SURGEON	(I) (II)	438,210 0	0 0	4,572 0	4,328 0	40,146 0	487,256 0	0 0
KENNETH PHERSON ORTHOPEDIC SURGEON	(I) (II)	374,122 0	0 0	457 0	5,500 0	11,206 0	391,285 0	0 0
BONNIE HAFEMAN PHYSICIAN	(I) (II)	177,872 0	185,436 0	331 0	3,714 0	40,182 0	407,535 0	0 0
JOHN NOVOSAD ANESTHESIOLOGIST	(I) (II)	290,946 0	0 0	1,032 0	11,366 0	13,606 0	316,950 0	0 0
JAMES BLACK ED PHYSICIAN	(I) (II)	303,507 0	175 0	1,298 0	11,696 0	40,794 0	357,470 0	0 0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
ASPIRUS KEWEENAW HOSPITAL

Employer identification number
38-1443361

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	VILLAGE OF LAURIUM FINANCE AUTHORITY	38-6007184		03-05-2004	3,546,723	REFUNDING BOND SERIES 1997		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	1,296,826			
2	Amount of bonds legally defeased				
3	Total proceeds of issue	3,546,723			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds				
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	3,546,723			
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	1998			

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

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

Part IV Arbitrage

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

Part IV Arbitrage *(Continued)*

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

Part V Procedures To Undertake Corrective Action

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

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

Return Reference	Explanation
SCHEDULE K, PART IV, LINE 7	WE ARE ANALYZING AND EVALUATING POLICIES AND PROCEDURES RELATED TO OUR TAX-EXEMPT BONDS AND WILL UPDATE AS APPROPRIATE

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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
ASPIRUS KEWEENAW HOSPITAL

Employer identification number
38-1443361

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2	JERRY LUOMA AND MICHAEL LUOMA HAVE A FAMILY RELATIONSHIP
FORM 990, PART VI, SECTION A, LINE 6	ASPIRUS, INC AND KEWEENAW HEALTH FOUNDATION ARE VOTING MEMBERS
FORM 990, PART VI, SECTION A, LINE 7A	THE BOARD OF DIRECTORS IS COMPRISED OF 3 MEMBERS FROM ASPIRUS, INC AND 11 MEMBERS FROM KEWEENAW HEALTH FOUNDATION
FORM 990, PART VI, SECTION A, LINE 7B	MAJOR OPERATING DECISION ITEMS UPON APPROVAL BY THE BOARD OF ASPIRUS KEWEENAW HOSPITAL REQ UIRE APPROVAL BY THE ASPIRUS, INC BOARD OF DIRECTORS
FORM 990, PART VI, SECTION B, LINE 11	THE BOARD OF DIRECTORS HAS DELEGATED THE REVIEW PROCESS OF THE FORM 990 TO THE CFO THE FO RM 990 IS MADE AVAILABLE TO ALL BOARD MEMBERS ELECTRONICALLY PRIOR TO FILING
FORM 990, PART VI, SECTION B, LINE 12C	ANNUALLY, BOARD MEMBERS ARE REQUIRED TO DISCLOSE CONFLICTS TO THE BOARD AN INTERESTED PER SON MUST DISCLOSE THE EXISTENCE AND NATURE OF HIS OR HER FINANCIAL INTEREST TO THE DIRECTO RS AND MEMBERS OF COMMITTEES WITH BOARD DELEGATED POWERS AN INTERESTED PERSON IS AN DIREC TOR, PRINCIPAL, OFFICER, OR MEMBER OF A COMMITTE WITH BOARD DELEGATED POWERS WHO HAS A DIR ECT OR INDIRECT FINANCIAL INTEREST AFTER DISCLOSURE, THE INTERESTED PERSON SHALL LEAVE TH E BOARD OR COMMITTEE MEETING WHILE THE FINANCIAL INTEREST IS DISCUSSED AND VOTED UPON THE REMAINING MEMBERS SHALL DECIDE IF A CONFLICT EXISTS THE MEMBER WILL ABSTAIN FROM VOTING ON THIS ISSUE IF A CONFLICT OF INTEREST IS DISCOVERED
FORM 990, PART VI, SECTION B, LINE 15	COMPENSATION IS DETERMINED BY USE OF STATE HOSPITAL ASSOCIATION SURVEY AND SYSTEM SURVEY THE COMPENSATION OF THE CEO IS DETERMINED BY AN EXECUTIVE COMPENSATION COMMITTEE OF THE BO ARD OF DIRECTORS WAGE DETERMINATION FOR OTHER EXECUTIVE POSITIONS, AN ANNUAL WAGE ANALYSI S IS COMPLETED THE ORGANIZATION USES SALARY SURVEYS AND SALARY AGENCIES TO DETERMINE THE WAGE SCALE CONSULTATION ON THE SETTING OF PAY IS PROVIDED TO THE ORGANIZATION BY ASPIRUS, INC HUMAN RESOURCES ANY INCREASES IN EXECUTIVE COMPENSATION IS APPROVED BY THE BOARD WI TH THE ACTUAL AMOUNT OF SALARY INCREASE BASED OFF OF AN ANNUAL EMPLOYEE EVALUATION FOR AL L EXECUTIVES, A BONUS POOL IS ESTABLISHED AND CRITERIA IS DEVELOPED AND DETERMINED AT THE BOARD OF DIRECTORS LEVEL THE BOARD THEN REVIEWS ANNUALLY THE PLAN AND DETERMINES IF A PAY OUT WILL BE PROVIDED ALL COMPENSATION DECISIONS ARE DOCUMENTED THROUGH A COMPENSATION SUB -COMMITTEE OF THE BOARD OF DIRECTORS BY INDIVIDUALS WITHOUT CONFLICT
FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION HAS DEEMED THAT ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE THE PROPERTY OF THE ORGANIZATION AND ARE NOT AVAILABLE FOR PUBLI C INSPECTION
FORM 990, PART IX, LINE 11G	PROFESSIONAL FEES/PURCHASED SERVICES PROGRAM SERVICE EXPENSES 3,721,517 MANAGEMENT AND G ENERAL EXPENSES 688,386 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 4,409,903
FORM 990, PART XII, LINE 2C	THIS PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR

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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
ASPIRUS KEWEENAW HOSPITAL

Employer identification number
38-1443361

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) 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? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) ASPIRUS KEWEENAW ENTERPRISES 205 OSCOLA ST LAURIUM, MI 49913 38-3390273	PHARMACY	MI	ASPIRUS KEWEENAW HOSPITAL	C			100 000 %		No
(2) ASPIRUS NETWORK INC 3000 WESTHILL DRIVE 202 WAUSAU, WI 54401 39-1931678	HEALTH CARE SERVICES	WI	N/A	C					No
(3) ASPIRUS GRAND VIEW CARING CAREGIVERS N 10561 GRAND VIEW LANE IRONWOOD, MI 49938 38-2902754	PERSONAL NEEDS 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	Yes	
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c		No
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e	Yes	
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j	Yes	
k Lease of facilities, equipment, or other assets from related organization(s)	1k	Yes	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	Yes	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	Yes	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	Yes	
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		No
s Other transfer of cash or property from related organization(s)	1s	Yes	

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

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

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: 38-1443361
Name: ASPIRUS KEWEENAW 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) KEWEENAW HEALTH FOUNDATION 205 OSCEOLA STREET LAURIUM, MI 49913 35-2340440	DEVELOP RESOURCES TO IMPROVE THE HEALTH AND WELL BEING OF THE PEOPLE	MI	501(C)(3)	LINE 7	N/A		No
(1) ASPIRUS WAUSAU HOSPITAL INC 333 PINE RIDGE BLVD WAUSAU, WI 54401 39-1138241	HOSPITAL	WI	501(C)(3)	LINE 3	ASPIRUS INC		No
(2) ASPIRUS BUILDINGS INC 333 PINE RIDGE BLVD WAUSAU, WI 54401 39-1406537	PROPERTY LEASING	WI	501(C)(3)	LINE 9	ASPIRUS INC		No
(3) ASPIRUS SPEACIALISTS IN 425 PINE RIDGE BLVD WAUSAU, WI 54401 39-1945080	MEDICAL SPECIALIST SERVICES	WI	501(C)(3)	LINE 9	ASPIRUS INC		No
(4) ASPIRUS EXTENDED SERVICES INC 425 PINE RIDGE BLVD WAUSAU, WI 54401 39-0782130	NURSING HOME SERVICES	WI	501(C)(3)	LINE 9	ASPIRUS INC		No
(5) ASPIRUS CLINICS INC 425 PINE RIDGE BLVD WAUSAU, WI 54401 39-1670223	MEDICAL SERVICES	WI	501(C)(3)	LINE 9	ASPIRUS INC		No
(6) ASPIRUS ONTONAGON HOSPITAL 601 SEVENTH STREET ONTONAGON, MI 49953 26-0806447	HOSPITAL	MI	501(C)(3)	LINE 3	ASPIRUS INC		No
(7) ASPIRUS VNA HOME HEALTH INC 520 N 32ND AVENUE WAUSAU, WI 54401 39-0808511	HOME HEALTHCARE SERVICES	WI	501(C)(3)	LINE 9	ASPIRUS INC		No
(8) ASPIRUS VNA EXTENDED CARE INC 520 N 32ND AVENUE WAUSAU, WI 54401 39-1597350	PERSONAL CARE SERVICES	WI	501(C)(3)	LINE 9	ASPIRUS VNA HOME HEALTH INC		No
(9) ASPIRUS HEALTH FOUNDATION INC 425 PINE RIDGE BLVD WAUSAU, WI 54401 39-1256656	CHARITABLE FOUNDATION	WI	501(C)(3)	LINE 7	ASPIRUS INC		No
(10) ASPIRUS GRAND VIEW N 10561 GRAND VIEW LANE IRONWOOD, MI 49938 38-2908586	HOSPITAL	MI	501(C)(3)	LINE 3	ASPIRUS INC		No
(11) GRAND VIEW HOSPITAL AUXILIARY N 10561 GRAND VIEW LANE IRONWOOD, MI 49938 23-7178363	SUPPORTING ORGANIZATION TO HOSPITAL AND LIFELINE EMERGENCY CENTER	MI	501(C)(3)	LINE 9	ASPIRUS GRAND VIEW		No
(12) ASPIRUS GRAND VIEW SERVICE CORPORATION N 10561 GRAND VIEW LANE IRONWOOD, MI 49938 38-3005582	PHYSICIAN SERVICES	MI	501(C)(3)	LINE 3	ASPIRUS GRAND VIEW		No
(13) ASPIRUS INC 333 PINE RIDGE BLVD WAUSAU, WI 54401 39-1328331	HEALTH CARE MANAGEMENT SYSTEM	WI	501(C)(3)	LINE 11B, II	N/A		No

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
ASPIRUS KEWEENAW ENTERPRISES	A	104,280	ACTUAL
ASPIRUS INC	M	72,000	ACTUAL
ASPIRUS CLINICS INC	K	51,000	ACTUAL
ASPIRUS ONTONAGON HOSPITAL INC	L	444,000	ACTUAL
ASPIRUS GRANDVIEW	L	342,000	ACTUAL
ASPIRUS WAUSAU HOSPITAL INC	M	187,000	ACTUAL
KEWEENAW HEALTH FOUNDATION	P	53,443	ACTUAL

Aspirus Keweenaw and Subsidiary

Laurium, Michigan

Consolidated Financial Statements and Supplementary Information

Years Ended June 30, 2014 and 2013

Aspirus Keweenaw and Subsidiary

Consolidated Financial Statements and Supplementary Information

Years Ended June 30, 2014 and 2013

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WIPFLi LLP

Independent Auditor's Report

Board of Directors
Aspirus Keweenaw
Laurium, Michigan

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Aspirus Keweenaw and Subsidiary, 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 Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We 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 from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Aspirus Keweenaw and Subsidiary as of June 30, 2014 and 2013, and the results of their operations, changes in their net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements as a whole. The supplementary consolidating information appearing on pages 42 through 45 is presented for the purpose of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit 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 consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Wipfli LLP

Wipfli LLP

September 11, 2014
Green Bay, Wisconsin

Aspirus Keweenaw and Subsidiary

Consolidated Balance Sheets

June 30, 2014 and 2013

Assets	2014	2013
Current assets:		
Cash and cash equivalents	$ 6,999,472	$ 9,888,836
Short-term investments	1,122,416	1,397,639
Patient accounts receivable - Net	4,195,993	4,017,878
Inventory	944,633	836,399
Prepaid expenses and other current assets	1,710,033	1,687,284
Estimated third-party payor settlements	813,026	-
Total current assets	15,785,573	17,828,036
Investments	1,522,233	1,420,662
Assets limited as to use	-	573,250
Property and equipment - Net	13,215,254	7,256,999
Other assets:		
Investments in unconsolidated affiliates	1,505,234	1,412,643
Deferred bond issuance costs - Net	21,847	-
Other	1,123,959	1,581,906
Total other assets	2,651,040	2,994,549
TOTAL ASSETS	$ 33,174,100	$ 30,073,496

Liabilities and Net Assets	2014	2013
Current liabilities:		
Current maturities of long-term liabilities	$ 1,027,287	$ 437,103
Accounts payable:		
Trade	1,350,398	1,102,558
Construction	1,781,005	154,240
Accrued salaries and wages	1,400,942	1,375,348
Accrued interest payable	3,564	6,882
Other accrued liabilities	508,824	1,087,086
Estimated third-party payor settlements	-	1,116,806
Total current liabilities	6,072,020	5,280,023
Long-term liabilities:		
Bonds payable	1,903,472	2,080,273
Notes payable	3,406,895	1,138,484
Other long-term liabilities	371,371	1,005,465
Total long-term liabilities	5,681,738	4,224,222
Total liabilities	11,753,758	9,504,245
Net assets:		
Unrestricted	21,420,342	20,312,349
Temporarily restricted	-	256,902
Total net assets	21,420,342	20,569,251
TOTAL LIABILITIES AND NET ASSETS	$ 33,174,100	$ 30,073,496

See accompanying notes to consolidated financial statements.

Aspirus Keweenaw and Subsidiary

Consolidated Statements of Operations and Changes in Net Assets

Years Ended June 30, 2014 and 2013

	2014	2013
Revenue:		
Patient service revenue - Net of contractual adjustments and discounts	$ 37,319,345	$ 37,925,543
Provision for bad debts	(1,405,915)	(2,090,373)
Net patient service revenue, less provision for bad debts	35,913,430	35,835,170
Other revenue	8,272,352	6,647,304
Total revenue	44,185,782	42,482,474
Operating expenses:		
Salaries and wages	19,330,735	18,638,199
Employee benefits	5,857,550	5,004,907
Medical fees	2,430,242	1,490,701
Supplies	8,303,110	7,492,032
Purchased services and other	5,783,090	5,664,706
Insurance and utilities	784,356	958,499
Depreciation and amortization	1,394,571	1,075,486
Interest	134,550	168,801
Total expenses	44,018,204	40,493,331
Income from operations	167,578	1,989,143
Nonoperating income (loss):		
Investment income	567,422	146,720
Contributions and other	(36,436)	(4,368)
Total nonoperating income - Net	530,986	142,352
Revenue in excess of expenses	698,564	2,131,495

See accompanying notes to consolidated financial statements.

Aspirus Keweenaw and Subsidiary

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

Years Ended June 30, 2014 and 2013

	2014	2013
Unrestricted net assets:		
Revenue in excess of expenses (brought forward)	$ 698,564	$ 2,131,495
Change in net unrealized gains and losses on investments other than trading securities	152,527	35,809
Net assets released from restrictions	256,902	5,976
Increase in unrestricted net assets	1,107,993	2,173,280
Temporarily restricted net assets:		
Contributions	-	4,014
Investment income	-	5,967
Net assets released from restrictions	(256,902)	(5,976)
Increase (decrease) in temporarily restricted net assets	(256,902)	4,005
Increase in net assets	851,091	2,177,285
Net assets at beginning	20,569,251	18,391,966
Net assets at end	$ 21,420,342	$ 20,569,251

See accompanying notes to consolidated financial statements.

Aspirus Keweenaw and Subsidiary

Consolidated Statements of Cash Flows

Years Ended June 30, 2014 and 2013

	2014	2013
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Cash received from patients and third-party payors	$ 33,805,483	$ 36,922,997
Cash paid to employees and suppliers	(43,107,484)	(38,909,179)
Interest and dividends received	104,035	173,276
Interest paid	(134,550)	(168,801)
Other cash received	8,298,079	6,642,026
Net cash provided by (used in) operating activities	(1,034,437)	4,660,319
Cash flows from investing activities		
Capital expenditures	(5,884,375)	(1,723,142)
Proceeds from sale of investments and assets limited as to use	1,973,502	908,878
Purchase of investments and assets limited as to use	(703,277)	(960,353)
Proceeds from property and equipment disposals	104,416	2,000
Net cash used in investing activities	(4,509,734)	(1,772,617)
Cash flows from financing activities:		
Payments of debt issue costs	(26,987)	-
Proceeds from issuance of long-term debt	3,500,000	-
Principal payments on long-term debt and capital lease obligations	(818,206)	(465,382)
Restricted contributions and investment income	-	9,981
Net cash provided by (used in) financing activities	2,654,807	(455,401)
Net increase (decrease) in cash and cash equivalents	(2,889,364)	2,432,301
Cash and cash equivalents at beginning	9,888,836	7,456,535
Cash and cash equivalents at end	$ 6,999,472	$ 9,888,836

Aspirus Keweenaw and Subsidiary

Consolidated Statements of Cash Flows (Continued)

Years Ended June 30, 2014 and 2013

	2014	2013
Reconciliation of increase in net assets to net cash provided by (used in) operating activities.		
Increase in net assets	$ 851,091	$ 2,177,285
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,394,571	1,075,486
Provision for bad debts	1,405,915	2,090,373
Net realized gain on sale of marketable securities	(370,796)	(24,984)
(Gain) loss on disposal of property and equipment	62,163	(910)
Restricted contributions and investment income	-	(9,981)
Change in investments in unconsolidated affiliates	(92,591)	51,540
Change in net unrealized gains and losses on investments other than trading securities	(152,527)	(35,809)
Changes in operating assets and liabilities.		
Patient accounts receivable	(1,584,030)	(2,026,818)
Inventory	(108,234)	43,852
Prepaid expenses and other assets	432,073	10,087
Accounts payable	247,840	165,872
Accrued and other liabilities	(1,190,080)	120,054
Estimated third-party payor settlements	(1,929,832)	1,024,272
Total adjustments	(1,885,528)	2,483,034
Net cash provided by (used in) operating activities	$ (1,034,437)	$ 4,660,319

Supplemental schedule of noncash investing and financing activities:

The Hospital had $1,781,005 and $154,240 of fixed assets in accounts payable as of June 30, 2014 and 2013, respectively.

As of June 30, 2014 and 2013, the Hospital recorded a gross up of insurance receivables and liabilities of $200,000 and $1,083,193, respectively.

Aspirus Keweenaw and Subsidiary

Notes to Consolidated Financial Statements

Note 1 Summary of Significant Accounting Policies

The Entities

Aspirus Keweenaw (the "Hospital") is a nonprofit, nonstock corporation that operates a 25-bed acute care facility. The Hospital provides comprehensive inpatient, outpatient, emergency, and physician clinic services. Services are provided to the residents of Houghton and Keweenaw Counties, Michigan, and the surrounding areas

Aspirus Keweenaw was formed through an affiliation of Aspirus, Inc. ("Aspirus"), a Wisconsin nonprofit corporation, and Keweenaw Memorial Medical Center. As a result of the affiliation, the corporate members of Aspirus Keweenaw are Aspirus and Keweenaw Health Foundation (KHF), a Michigan nonprofit corporation with each member having a 50% ownership interest in the Hospital.

Aspirus Keweenaw Enterprises, Inc. (the "Company") is a for-profit corporation, which provides pharmaceutical, home medical equipment, fitness center, and home respiratory services to residents of Houghton and Keweenaw Counties, Michigan, and the surrounding areas.

Principles of Consolidation

The consolidated financial statements include the accounts of Aspirus Keweenaw and Aspirus Keweenaw Enterprises, Inc., its wholly owned subsidiary, collectively referred to as the Organization. All significant intercompany accounts and transactions have been eliminated in preparing the consolidated financial statements.

Financial Statement Presentation

The Organization follows accounting standards contained in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The ASC is the single source of authoritative accounting principles generally accepted in the United States (GAAP) to be applied to nongovernmental entities in the preparation of financial statements in conformity with GAAP.

Note 1 Summary of Significant Accounting Policies (Continued)

Use of Estimates in Preparation of Financial Statements

The preparation of the accompanying consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates may also affect the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

Cash Equivalents

The Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents, excluding amounts whose use is limited or restricted.

Investments and Investment Income

Investments are measured at fair value in the consolidated balance sheets. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in the excess of revenue over expenses unless the income is restricted by donor or law. Unrealized gains and losses on investments are excluded from the excess of revenue over expenses unless the investments are trading securities Realized gains and losses are determined by specific identification and charged to operations.

The Organization monitors the difference between the cost and fair value of its investments. A decline in market value of an individual investment security below cost that is deemed to be other than temporary results in an impairment, and the Hospital reduces the investment's carrying value to fair value. A new cost basis is established for the investment, and any impairment loss is recorded as a realized loss in investment income.

Assets Limited as to Use

Assets limited as to use include assets held by trustees under indenture agreement and assets set aside to fund donor restrictions for capital improvements or for specific operating purposes.

Note 1 Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

The Organization measures fair value of its financial instruments using a three-tier hierarchy that prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Hospital has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Note 1 Summary of Significant Accounting Policies (Continued)

Patient Accounts Receivable and Credit Policy

Patient accounts receivable are uncollateralized patient obligations that are stated at the amount management expects to collect from outstanding balances. These obligations are primarily from local residents, most of whom are insured under third-party payor agreements. The Organization bills third-party payors on the patients' behalf, or if a patient is uninsured, the patient is billed directly. Once claims are settled with the primary payor, any secondary insurance is billed, and patients are billed for copay and deductible amounts that are the patients' responsibility. Payments on patient accounts receivable are applied to the specific claim identified on the remittance advice or statement. The Organization does not have a policy to charge interest on past due accounts.

Patient accounts receivable are recorded in the accompanying consolidated balance sheets net of contractual adjustments and an allowance for uncollectible accounts, which reflect management's best estimate of the amounts that will not be collected. Management provides for contractual adjustments under terms of third-party reimbursement agreements through a reduction of gross revenue and a credit to patient accounts receivable.

In evaluating the collectibility of patient accounts receivable, the Organization analyzes past results and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for uncollectible accounts and the provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for uncollectible accounts. Specifically, for receivables associated with services provided to patients who have third-party coverage, the Organization analyzes contractually due amounts and provides an allowance for uncollectible amounts on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely

Note 1 Summary of Significant Accounting Policies (Continued)

Patient Accounts Receivable and Credit Policy (Continued)

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Organization records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for uncollectible accounts.

Inventory

Inventory of supplies is valued at the lower of cost, determined on the first-in, first-out method, or market.

Property, Equipment, and Depreciation

Property and equipment acquisitions are recorded at cost or, if donated, at fair value at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Estimated useful lives range from 8 to 25 years for land improvements, 20 to 40 years for buildings and improvements, 3 to 20 years for major movable equipment, and 7 to 20 years for fixed equipment. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

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

Note 1 Summary of Significant Accounting Policies (Continued)

Impairment

The Organization periodically evaluates whether events and circumstances have occurred that may affect the carrying value of property and equipment. If said events or circumstances indicate the carrying value may not be recoverable, impairment is determined by comparing the carrying value with the estimated future net discounted cash flows expected to result from the use of the assets, including cash flows from disposition Should the sum of the expected future net cash flows be less than the carrying value, the Organization would recognize an impairment loss

Asset Retirement Obligation

Management annually assesses its existing properties to determine if there is a need to recognize a liability for a conditional asset retirement, specifically as it relates to its legal obligation to perform asset retirement activities, such as asbestos removal, on its existing properties. Asset retirement obligation represents the obligation to dispose of assets that are legally required to be removed at a future date. This obligation is recorded at the net present value using a risk-free interest rate and an inflationary rate. The liability will accrete over the term of the estimated life of the asset. At June 30, 2014, the Organization recorded an accrued liability of $80,000 for asbestos removal related to the renovation project (see Note 23).

Investments in Unconsolidated Affiliates

Investments in unconsolidated affiliates are accounted for using the equity method or cost method, whichever is applicable.

Note 1 Summary of Significant Accounting Policies (Continued)

Deferred Bond Issuance Costs

Bond issue costs related to issuance of long-term debt are amortized on the straight-line method over the term of the related indebtedness. Amortization of bond issue costs is included with depreciation and amortization in the accompanying consolidated statements of operations and changes in net assets.

Net Assets

Unrestricted net assets consist of investments and otherwise unrestricted amounts that are available for use in carrying out the mission of the Organization and include those expendable resources which have been designated for special use by the Board of Directors. Temporarily restricted net assets are those whose use by the Organization has been limited by donors to a specific time period or purpose. Permanently restricted net assets are restricted by donors to be maintained by the Organization in perpetuity.

For the periods presented, the Organization had no permanently restricted net assets.

Revenue in Excess of Expenses

The consolidated statements of operations and changes in net assets include the classification revenue in excess of expenses, which is considered the operating indicator. Changes in unrestricted net assets, which are excluded from the operating indicator, include unrealized gains and losses on investments other than trading securities, permanent transfer of assets to and from affiliates for other than goods and services, and contributions of long-lived assets, including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets.

Note 1 Summary of Significant Accounting Policies (Continued)

Patient Service Revenue - Net of Contractual Adjustments and Discounts

The Organization recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. Certain third-party payor reimbursement agreements are subject to audit and retrospective adjustments. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

For uninsured patients who do not qualify for community care, the Organization recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the Organization's uninsured patients will be unable or unwilling to pay for the services provided. Thus the Organization records a provision for bad debts related to uninsured patients in the period the services are provided.

Retail Pharmacy Sales

Retail pharmacy sales consist of all revenue generated from the retail stores operated by the Company. Revenue is reported at estimated net realizable amounts from customers and third-party payors.

Electronic Health Record Incentive Funding

The American Recovery and Reinvestment Act of 2009 (ARRA) provides for incentive payments under the Medicare and Medicaid programs for certain hospitals and physician practices that demonstrate meaningful use of certified electronic health record (EHR) technology. These provisions of ARRA, collectively referred to as the Health Information Technology for Economic and Clinical Health Act are intended to promote the adoption and meaningful use of health information technology and qualified EHR technology.

Note 1 Summary of Significant Accounting Policies (Continued)

Electronic Health Record Incentive Funding (Continued)

The Organization recognizes revenue for EHR incentive payments when there is reasonable assurance that the Organization will meet the conditions of the program, primarily demonstrating meaningful use of certified EHR technology for the applicable period and incurring qualifying costs. The demonstration of meaningful use is based on meeting a series of objectives. Meeting the series of objectives in order to demonstrate meaningful use becomes progressively more stringent as its implementation is phased in through stages as outlined by the Centers for Medicare & Medicaid Services (CMS). Incentive payments to critical access hospital (CAH) providers are based on the cost of EHR technology for which the CAH has demonstrated meaningful use.

Amounts recognized under the Medicare and Medicaid EHR incentive programs are based in management's best estimates. Management uses EHR incentive program guidelines to calculate the estimates, which may include cost report data that is subject to audit by fiscal intermediaries. Accordingly, amounts recognized are subject to change. In addition, the Organization's attestation of its compliance with the meaningful use criteria and costs submitted for reimbursement are subject to audit by the federal government or its designee.

Donor-Restricted Contributions

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions.

Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions.

Note 1 Summary of Significant Accounting Policies (Continued)

Advertising Costs

Advertising costs are expensed as incurred.

Unemployment Compensation

The Hospital has elected the reimbursement method to finance the cost of unemployment compensation benefits. Unemployment compensation expense is charged to operating expense when paid or when the amount of the claims can be estimated. The Hospital contributes to a state unemployment trust held by a third party.

Income Taxes

The Hospital is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Hospital is also exempt from state income taxes on related income.

The Company is a taxable corporation. Any income tax provision, if required, is not considered material to the consolidated financial statements.

In order to account for any uncertain tax positions, the Organization determines whether it is more likely than not that a tax position will be sustained upon examination of the technical merits of the position, assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more-likely-than-not recognition threshold, the benefit of that position is not recognized in the consolidated financial statements. The Organization has not recorded any assets or liabilities related to uncertain tax positions or unrecognized tax benefits as of June 30, 2014 or 2013.

Federal returns for the year ended June 30, 2011, and beyond remain subject to examination by the Internal Revenue Service.

Note 1 Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncement

In April 2013, the FASB issued ASU No. 2013-06, *Not-for-Profit Entities, Services Received From Personnel of an Affiliate.* This ASU amends ASC Topic 958 and requires not-for-profit entities, including business-oriented health care entities, who receive services from personnel of an affiliate that directly benefit the not-for-profit organization to measure and recognize these services in the receiving organization's financial statements at the cost of fair value of the services received if the receiving organization does not compensate the affiliate at the cost or fair value of the services. The guidance in this ASU is effective for the Organization's year ending June 30, 2015, with early adoption permitted.

Subsequent Events

Subsequent events have been evaluated through September 11, 2014, which is the date the consolidated financial statements were issued.

Note 2 Reimbursement Arrangements With Third-Party Payors

The Hospital has agreements with third-party payors that provide for reimbursement at amounts that vary from its established rates. A summary of the basis of reimbursement with major third-party payors follows:

- *Medicare* - The Hospital is designated as a critical access hospital with reimbursement based upon cost for inpatient, outpatient, and rural health clinic (RHC) services. Professional services provided by physicians and other clinicians are reimbursed based upon prospectively determined fee schedules except for provider-based RHCs, which are reimbursed on a cost-reimbursement method.

Note 2 Reimbursement Arrangements With Third-Party Payors (Continued)

- *Medicaid* - Inpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based upon clinical, diagnostic, and other factors. Outpatient hospital services are paid based upon a predetermined fee schedule. In addition, capital-related costs for inpatient services are reimbursed under a cost methodology. Professional services provided by physicians and other clinicians are reimbursed based upon one of the following methods: a prospectively determined fee schedule or a cost-reimbursement methodology depending on the type of professional services provided.

- *Blue Cross Blue Shield of Michigan* - Hospital services rendered to Blue Cross Blue Shield of Michigan ("Blue Cross") subscribers are reimbursed at charges subject to a limitation on the annual rate of increase.

- *Other* - The Hospital also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates. The Organization also has policies to provide a discount for established charges to uninsured patients. The discount offered to uninsured patients was 10% for the years ended June 30, 2014 and 2013.

Accounting for Medicare and Medicaid Contractual Arrangements

The Organization is paid for cost-reimbursable items at an interim rate with final settlements determined by the respective Medicare, Medicaid, and Blue Cross fiscal intermediaries after their review of the Organization's related annual cost reports and the application of cost limits prescribed by the respective programs. Estimated provisions to approximate the final expected settlements after review by the fiscal intermediaries are included in the accompanying consolidated financial statements. The Organization's Medicare, Medicaid, and Blue Cross cost reports have been examined by the respective fiscal intermediaries through June 30, 2012

Note 2 Reimbursement Arrangements With Third-Party Payors (Continued)

Compliance

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, particularly those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Recently, federal government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenue from patients' services. Management believes the Hospital is in substantial compliance with current laws and regulations.

CMS uses recovery audit contractors (RACs) to search for potentially inaccurate Medicare payments that may have been made to health care providers and that were not detected through existing CMS program integrity efforts. Once a RAC identifies a claim it believes is inaccurate, the RAC makes a deduction from or addition to the provider's Medicare reimbursement in an amount estimated to equal the overpayment or underpayment The provider has the ability to appeal these adjustments. As of June 30, 2014, the Hospital has not been notified by the RAC of any potential significant reimbursement adjustments

Note 3 Accounts Receivable

Accounts receivable consisted of the following at June 30:

	2014	2013
Patient accounts receivable - Hospital	$ 7,094,742	$ 6,461,056
Less:		
Contractual adjustments	3,420,402	2,872,137
Allowance for uncollectible accounts	974,959	782,534
Patient accounts receivable - Hospital - Net	2,699,381	2,806,385
Patient accounts receivable - Clinics	1,411,387	1,262,510
Less - Contractual adjustments	442,797	369,041
Patient accounts receivable - Clinics - Net	968,590	893,469
Patient accounts receivable - Aspirus Keweenaw Enterprises, Inc.	545,582	341,127
Less - Contractual adjustments	17,560	23,103
Patient accounts receivable - Aspirus Keweenaw Enterprises, Inc. - Net	528,022	318,024
Total net accounts receivable	4,195,993	4,017,878
Other receivables		
Patient accounts receivable - Net	$ 4,195,993	$ 4,017,878

During 2014, the Hospital's allowance for uncollectible accounts as a percentage of self-pay patients and third-party payors increased from 12% to 14%. The increase between years is due to an increase in self-pay accounts receivable of approximately 2%. Amounts written off during 2014 and 2013 for self-pay patients and third-party payors were approximately $1,636,000 and $2,892,000, respectively.

Note 4 Patient Service Revenue - Net of Contractual Adjustments and Discounts

The following table sets forth the detail of patient service revenue - net of contractual adjustments and discounts prior to the provision for bad debts for the years ended June 30:

	2014	2013
Gross patient service revenue - Hospital.		
Inpatient services	$ 13,210,979	$ 11,732,253
Outpatient services	50,789,321	50,767,099
Total gross patient service revenue	64,000,300	62,499,352
Deductions - Primarily contractual adjustments and discounts under third-party reimbursement agreements	27,326,003	25,163,695
Patient service revenue - Net of contractual adjustments and discounts - Hospital	36,674,297	37,335,657
Patient service revenue - Net of contractual adjustments and discounts - Company	645,048	589,886
Patient service revenue - Net of contractual adjustments and discounts	$ 37,319,345	$ 37,925,543

The Hospital's mix of gross revenue from patients and third-party payors is as follows:

	2014	2013
Medicare and Medicare Advantage plans	53%	54%
Medicaid and Medicaid managed care plans	14%	12%
Blue Cross	22%	22%
Other commercial payors	7%	8%
Uninsured	4%	4%
Totals	100%	100%

Note 4 Patient Service Revenue - Net of Contractual Adjustments and Discounts (Continued)

Patient service revenue - net of contractual adjustments and discounts (but prior to the provision for bad debts) recognized from these major payor sources is as follows:

	2014	2013
Medicare and Medicare Advantage plans	$ 16,317,684	$ 16,763,637
Medicaid and Medicaid managed care plans	3,595,925	2,307,987
Blue Cross	11,875,404	11,473,860
Other commercial payors	3,210,154	4,952,048
Uninsured	2,320,178	2,428,011
Patient service revenue - Net of contractual adjustments and discounts	$ 37,319,345	$ 37,925,543

Note 5 Community Care

The Hospital provides care to patients who meet certain criteria under its financial aid discount policy (the "Community Care" policy) without charge or at amounts less than its established rates. The Organization maintains records to identify the amount of charges foregone for services and supplies furnished under the Community Care policy. Because the Hospital does not pursue collection of amounts determined to qualify as community care, they are not reported in net patient service revenue in the accompanying consolidated statements of operations and changes in net assets.

The estimated cost of providing care to patients under the Hospital's Community Care policy is calculated by multiplying the Hospital's ratio of cost-to-gross charges by the gross uncompensated charges associated with providing community care.

The estimated cost of providing care to patients under the Hospital's Community Care policy aggregated approximately $263,000 and $71,000 in 2014 and 2013, respectively

Note 6 Investments

Assets Limited as to Use

Assets limited as to use are stated at fair value, and are designated for the following purposes at June 30:

	2014	2013
Held by trustee under indenture agreement:		
Cash and cash equivalents	$ -	$ 11,157
Certificates of deposit	-	305,191
Total held by trustee under indenture agreement	-	316,348
Assets held to fund donor restrictions		
Cash and cash equivalents	-	13,462
Certificates of deposit	-	104,749
Marketable equity securities	-	138,691
Total assets held to fund donor restrictions	-	256,902
Total assets limited as to use	$ -	$ 573,250

Note 6 Investments (Continued)

Other Investments

Other investments, recorded at fair value, consisted of the following at June 30:

	2014	2013
Short-term investments:		
Cash and cash equivalents	$ 41,210	$ 15,474
Certificates of deposit	315,967	766,822
Corporate bonds	221,949	182,727
Government bonds	243,070	264,717
Marketable equity securities	295,794	156,472
Accrued interest and dividends receivable	4,426	11,427
Total short-term investments	$ 1,122,416	$ 1,397,639
Long-term investments:		
Corporate bonds	$ 455,872	$ 368,990
Government bonds	493,079	548,745
Municipal bonds	18,078	17,033
Marketable equity securities	555,204	485,894
Total long-term investments	$ 1,522,233	$ 1,420,662

Note 6 Investments (Continued)

Investment income including gains and losses on assets limited as to use, cash and cash equivalents, and investments are comprised of the following for the years ended June 30:

	2014	2013
Investment income - Unrestricted.		
Interest and dividend income	$ 196,626	$ 121,736
Net realized gain on sale of marketable securities	370,796	24,984
Total investment income - Unrestricted	$ 567,422	$ 146,720
Investment income - Temporarily restricted·		
Interest and dividend income	$ -	$ 1,238
Net realized gain on sale of marketable securities	-	4,729
Total investment income - Temporarily restricted	$ -	$ 5,967
Other changes in unrestricted net assets - Change in net unrealized gains and losses on investments other than trading securities	$ 152,527	$ 35,809

Management assesses individual investment securities as to whether declines in market value are temporary or other than temporary. In assessing an issuer's financial condition, management evaluates various financial indicators. The length of time and extent to which the fair value of the investment is less than cost and the Hospital's ability and intent to retain the investment to allow for any anticipated recovery of the investment's fair value are key components as to whether management deems declines in fair value as temporary or other than temporary. Unrealized losses on individual investments and any declines in fair value below cost were deemed to be temporary.

Investments, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of certain investments will occur in the near term and such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

Note 7 Fair Value Measurements

Following is a description of the valuation methodologies used for assets measured at fair value:

Marketable equity securities are valued at fair value based on quoted market prices determined at the balance sheet date. Corporate, government, and municipal bonds are based on quotes from pricing vendors based on recent trading activity and other observable market data.

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

The following tables set forth by level, within the fair value hierarchy, the Hospital's assets measured at fair value on a recurring basis as of June 30:

	2014			
	Fair Value Measurements Using			Total Assets
	Level 1	Level 2	Level 3	at Fair Value
Corporate bonds	$ -	$ 677,821	$ -	$ 677,821
Government bonds	-	736,149	-	736,149
Municipal bonds	-	18,078	-	18,078
Marketable equity securities	850,998			850,998
Totals	$ 850,998	$ 1,432,048	$	$ 2,283,046

	2013			
	Fair Value Measurements Using			Total Assets
	Level 1	Level 2	Level 3	at Fair Value
Corporate bonds	$ -	$ 551,717	$ -	$ 551,717
Government bonds	-	813,462	-	813,462
Municipal bonds	-	17,033		17,033
Marketable equity securities	781,057	-	-	781,057
Totals	$ 781,057	$ 1,382,212	$ -	$ 2,163,269

Note 8 Property and Equipment

Property and equipment consisted of the following at June 30:

	2014	2013
Land and land improvements	$ 1,960,182	$ 1,615,391
Buildings and building improvements	17,604,727	13,344,811
Major movable equipment	7,786,893	7,683,613
Fixed equipment	306,114	295,993
Total property and equipment	27,657,916	22,939,808
Less - Accumulated depreciation	16,553,231	16,438,540
Net depreciated value	11,104,685	6,501,268
Construction in progress	2,110,569	755,731
Property and equipment - Net	$ 13,215,254	$ 7,256,999

Depreciation expense was $1,386,306 and $1,071,049 for 2014 and 2013, respectively

Note 9 Other Assets

Other assets consisted of the following at June 30.

	2014	2013
Long-term prepaid expenses	$ 121,908	$ -
Malpractice insurance receivable	109,551	593,323
Note receivable	892,500	896,750
Other	-	91,833
Total other assets	$ 1,123,959	$ 1,581,906

Note 10 Investments in Unconsolidated Affiliates

The Organization has a 3.70% interest in Upper Peninsula Managed Care, LLC and Upper Peninsula Health Plan, Inc. (UPHP). The Hospital recognized an increase in equity in unconsolidated affiliates of $76,104 and a decrease of $11,402 for the years ended June 30, 2014 and 2013, respectively. The operating result of this investment is included in the accompanying consolidated statements of operations and changes in net assets under the classification other revenue.

The Hospital and Portage Health (an unrelated tax-exempt organization) (the "Joint Venture") acquired and own equally as a joint venture Mercy Ambulance, Inc., a nonprofit corporation that provides ambulance services to residents of the communities served by the Joint Venture. The Hospital's investment of $232,849 and $216,362 as of June 30, 2014 and 2013, respectively, is reported in other assets in the accompanying consolidated balance sheets. This investment is accounted for using the equity method based on the Hospital's ownership in the joint venture.

The Hospital has an equity ownership interest in Aspirus VNA Home Health, Inc. (AVNA), a Wisconsin nonprofit corporation. AVNA provides health care services to individuals, their families, the ill, or disabled for the purpose of preventing disease and promoting, maintaining, or restoring health and minimizing the effects of illness and disability under the supervision of the patient's physician. The Hospital's investment of $450,000 as of June 30, 2014 and 2013, is reported in other assets in the accompanying consolidated balance sheets. The Hospital has a 16.81% interest in AVNA and records this investment using the cost method.

Detail by investment for the years ended June 30, 2014 and 2013, is as follows:

	2014		2013	
	Investments	Change	Investments	Change
UPHP	$ 822,385	$ 76,104	$ 746,281	$ (11,402)
Joint Venture	232,849	16,487	216,362	(40,138)
AVNA	450,000	-	450,000	-
Totals	$ 1,505,234	$ 92,591	$ 1,412,643	$ (51,540)

Note 10 Investments in Unconsolidated Affiliates (Continued)

The following is a summary of UPHP's financial position as of June 30

	Unaudited	
	2014	2013
Assets	$ 36,832,852	$ 34,245,176
Liabilities	$ 15,288,841	$ 14,075,419
Equity	$ 21,544,011	$ 20,169,757

The following is a summary of the Joint Venture's financial position as of June 30:

	Unaudited	
	2014	2013
Assets	$ 625,763	$ 541,353
Liabilities	$ 160,064	$ 108,630
Equity	$ 465,699	$ 432,723

Note 11 Note Receivable

A promissory note in the amount of $850,000 was issued by the Hospital to the purchaser of Northridge Pines in 2010. The terms of the note include interest-only to be accrued but not paid for one year followed by five years of interest-only payments. At maturity, the accrued interest from year one and the remaining principal balance are due. The note bears an interest rate of 6% and matures on August 25, 2016. There was $42,500 and $46,750 of interest accrued on the note as of June 30, 2014 and 2013, respectively The note receivable and related interest accrued are included in other assets on the accompanying consolidated balance sheet.

Note 12 Line of Credit

The Hospital had a line of credit in the amount of $1,000,000 at June 30, 2013. As of June 30, 2013, $0 was borrowed against the line of credit. The line of credit matured on May 15, 2014, and was not renewed. The line of credit in effect at June 30, 2013, beared interest at prime plus 3.250%. The minimum interest rate on the line of credit was 3.250%.

Note 13 Bonds Payable

Bonds payable consisted of the following at June 30.

	2014	2013
4.15% construction bonds payable, dated March 5, 2004; the bonds require payments of $21,309 per month including interest, secured by real estate, due March 5, 2024	$ 2,080,272	$ 2,249,898
Less - Current maturities	176,800	169,625
Long-term portion	$ 1,903,472	$ 2,080,273

Scheduled principal payments on bonds payable at June 30, 2014, including current maturities, are summarized as follows:

2015	$ 176,800
2016	185,158
2017	192,510
2018	200,154
2019	208,666
Thereafter	1,116,984
Total	$ 2,080,272

The bond agreement contains certain restrictive and financial covenants including compliance with specific governmental regulations and providing audited financial statements within the stated time frame.

Note 14 Notes Payable

Notes payable consisted of the following at June 30:

	2014	2013
5.0% Farmers Home Administration (FmHA) mortgage note, dated July 31, 1975, payable at $6,314 per month payable at $6,314 per month including interest, secured by property and equipment, paid in 2014	$ -	$ 26,019
5.0% FmHA mortgage note, dated December 15, 1993, payable at $14,784 per month including interest, secured by property and equipment, paid in 2014	-	535,249
4.15% bank mortgage note, dated December 30, 2009, payable at $4,912 per month including interest with a final balloon payment due December 31, 2014	672,854	703,191
Bank mortgage note at prime with 4 25% floor, dated December 20, 2010, payable at $4,194 per month including interest, due December 20, 2015	72,974	119,073
Capital lease obligations, imputed interest rate of 6.00% from 3.895% to 10.10%, due in monthly installments ranging from $1,59 to $3,374, through 2015, secured by leased equipment	11,554	22,430
Bank note at LIBOR plus 1 10% (1.251% at June 30, 2014), dated January 21, 2014, payable at $9,722 per month plus interest with a balloon payment due January 16, 2016	3,500,000	-
Totals	4,257,382	1,405,962
Less - Current maturities	850,487	267,478
Long-term portion	$ 3,406,895	$ 1,138,484

Note 14 Notes Payable (Continued)

Under the terms of the notes payable with FmHA, the Hospital was required to maintain reserves for repairing or replacing any damage to the facility. The reserves at June 30, 2013, which totaled $316,348, exceeded the minimum reserves required by FmHA and are included as part of assets limited as to use in the accompanying consolidated financial statements. The related notes were paid in full in 2014.

Scheduled payments of principal on long-term debt at June 30, 2014, including current maturities, are summarized as follows:

2015	$	850,487
2016		3,406,895
Total	$	4,257,382

Note 15 Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following purposes at June 30

	2014	2013
Purchase of equipment	$ -	$ 194,882
Diabetic education program	-	5,020
Elder care	-	57,000
Total temporarily restricted net assets	$ -	$ 256,902

Note 16 Malpractice Insurance

The Hospital's professional liability insurance for claim losses of less than $1,000,000 per claim and $3,000,000 per year covers professional liability claims reported during a policy year ("claims made" coverage). The professional liability insurance policy is renewable annually and has been renewed by the insurance carrier for the annual period extending through June 2015. In addition, the Hospital has a $2 million umbrella policy for professional and general liability extending through the same period.

Under a claims-made policy, the risk for claims and incidents not asserted within the policy period remains with the Hospital. The possibility exists of claims arising from services provided to patients through June 30, 2014, which have not yet been asserted The Hospital has recorded liabilities at June 2014 and 2013, to cover claims, including unasserted claims, using historical experience and other relevant industry and hospital-specific factors. The Hospital has also recorded insurance receivables for estimated expected recoveries from insurance related to these claims as of June 30, 2014 and 2013.

The malpractice insurance receivables and liabilities are reflected in the consolidated balance sheets as follows as of June 30.

	2014	2013
Receivables:		
Prepaid expenses and other current assets	$ 90,449	$ 489,870
Other assets	109,551	593,323
Total receivables	$ 200,000	$ 1,083,193
Liabilities·		
Other accrued liabilities	$ 160,607	$ 554,224
Other long-term liabilities	291,371	1,005,465
Total liabilities	$ 451,978	$ 1,559,689

The Hospital also maintains umbrella coverage for claims in excess of the professional liability limits to a maximum of $5,000,000 per occurrence and $5,000,000 aggregate per year.

Note 17 Self-Funded Health, Optical, and Dental Insurance

The Organization sponsors self-funded health, optical, and dental plans covering substantially all of its employees and their dependents, of which some services are provided by the Hospital. The health, optical, and dental insurance expense is based upon actual claims paid, administration fees, and provisions for unpaid and unreported claims at year-end. Health, optical, and dental insurance expense was approximately $3,722,000 and $2,958,000 for the years ended June 30, 2014 and 2013, respectively.

On January 1, 2014, the Hospital changed the health insurance to a hybrid plan that is fully insured for amounts over the $5,000 deductible. The Hospital is self-funded for the amounts less than $5,000 (less employee copays and deductibles). The Hospital continues to be self-funded for optical, dental, and prescription drugs.

A liability of approximately $65,000 and $124,000 for unpaid and unasserted claims at June 30, 2014 and 2013, respectively, was included in other accrued liabilities in the accompanying consolidated balance sheets. Management believes this liability is sufficient to cover estimated claims including claims incurred but not yet reported.

Note 18 Retirement Plan

The Hospital sponsors a contributory defined contribution retirement plan covering substantially all of its employees. The Hospital contributes 2% of participant employees' gross base wages. In addition, the Hospital will match each participant's contribution up to a maximum of 2% of covered earnings. Total retirement expense for the years ended June 30, 2014 and 2013, was approximately $593,000 and $567,000, respectively.

Note 19 Leases

The Hospital has entered into various operating lease agreements for certain medical equipment with unrelated organizations under both short-term arrangements and noncancelable operating leases.

The Hospital also leases certain equipment under lease agreements classified as capital leases.

Minimum future rental payments under capital lease and operating lease agreements with initial or remaining terms in excess of one year consisted of the following:

	Capital Leases	Operating Leases
2015	$ 11,927	$ 424,001
2016	-	363,237
2017	-	55,850
Total minimum lease payments	11,927	$ 843,088
Amounts representing interest	373	
Present value of net minimum lease payments	11,554	
Less - Current portion	11,554	
Long-term obligations under capital leases	$ -	

Cost of equipment under capital lease obligations, which is included in equipment, was $51,411 at June 30, 2014 and 2013. Accumulated amortization for equipment under capital lease obligations was $26,930 and $19,585 at June 30, 2014 and 2013, respectively.

Note 20 Functional Expenses

The Organization primarily provides general health care services to patients within its geographic location. Expenses related to providing these services consisted of the following for the years ended June 30:

	2014	2013
Patient and health care services	$ 31,409,613	$ 29,072,861
General and administrative	12,608,591	11,420,470
Total expenses	$ 44,018,204	$ 40,493,331

Note 21 Related Parties

The Hospital had the following related-party transactions with Keweenaw Health Foundation and with organizations under common control of Aspirus for the years ended June 30, 2014 and 2013.

Keweenaw Health Foundation

The Hospital provided various operational support and services to Keweenaw Health Foundation totaling $69,726 and $92,905 in 2014 and 2013, respectively. The Foundation reimburses the Hospital for these expenses throughout the year.

Aspirus, Inc.

The Hospital purchased management and support services from Aspirus, totaling approximately $72,000 and $208,000 in 2014 and 2013, respectively.

Note 21 Related Parties (Continued)

Aspirus Clinic, Inc.

The Hospital provided human resources and rent of cardiology clinic space to Aspirus Clinic, Inc. totaling approximately $51,000 and $76,000 in 2014 and 2013, respectively. The Hospital purchased contracted services from Aspirus Clinic, Inc. totaling approximately $36,000 and $19,000 in 2014 and 2013, respectively.

Aspirus Ontonagon Hospital, Inc.

The Hospital provided management and ancillary department services to Aspirus Ontonagon Hospital, Inc , totaling approximately $444,000 and $388,000 in 2014 and 2013, respectively

Aspirus Grand View

The Hospital provided management and oncology services to Aspirus Grand View, totaling approximately $342,000 and $156,000 in 2014 and 2013, respectively.

Aspirus Wausau Hospital, Inc.

The Hospital purchased management and support services from Aspirus Wausau Hospital, Inc , totaling approximately $187,000 and $214,000 in 2014 and 2013, respectively.

From time to time, the Hospital may enter into various business transactions with members of the Boards of Directors, members of various board committees, or organizations that employ board and/or committee members. Transactions are provided at fair value and follow the Hospital's conflict of interest policies.

The amounts due from related parties included in prepaid expenses and other current assets totaled approximately $36,000 and $78,000 as of June 30, 2014 and 2013, respectively. The amounts due to related parties included in accounts payable totaled approximately $208,000 and $125,000 as of June 30, 2014 and 2013, respectively.

Note 22 Concentration of Credit Risk

Financial instruments that potentially subject the Organization to credit risk consist principally of accounts receivable and cash deposits in excess of insured limits in financial institutions.

The mix of receivables from patients and third-party payors was as follows at June 30:

	2014	2013
Medicare and Medicare Advantage plans	38%	40%
Medicaid and Medicaid managed care plans	17%	16%
Blue Cross	12%	12%
Other commercial payors	8%	8%
Uninsured	25%	24%
Totals	100%	100%

The Organization maintains depository relationships with area financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Depository accounts at these institutions are insured by the FDIC up to $250,000. Operating cash needs often require that amounts on deposit exceed FDIC limits. At June 30, 2014, the Organization exceeded FDIC-insured limits by approximately $7,163,000. In addition, other investments held by financial institutions are uninsured.

Note 23 Commitments

As of June 30, 2014, the Hospital had executed a commitment related to EHR totaling $2,257,540. At June 30, 2014, $1,015,729 has been incurred on the project. The remaining expenditures will occur during 2015. The entire project is anticipated to be financed with existing cash and investments.

As of June 30, 2014, the Hospital began construction on a renovation and expansion of the current hospital building. It is estimated that the total cost of this project will be approximately $15,000,000. At June 30, 2014, $794,887 has been incurred on the project. The remaining expenditures will occur through February 2016, the anticipated completion date of the project. The project is currently being funded through existing cash and investments, but it is anticipated that debt will be issued in 2015 to finance the remainder of the project.

Note 24 Reclassifications

Certain reclassifications have been made to the 2013 consolidated financial statements to conform to the 2014 classifications.

Supplementary Information

Aspirus Keweenaw and Subsidiary

Consolidating Balance Sheet

June 30, 2014 (With Comparative Totals for June 30, 2013)

Assets	Aspirus Keweenaw	Aspirus Keweenaw Enterprises, Inc.	Eliminations	Consolidated 2014	Consolidated 2013
Current assets					
Cash and cash equivalents	$ 6,893,574	$ 105,898	$ -	$ 6,999,472	$ 9,888,836
Short-term investments	1,122,416	-	-	1,122,416	1,397,639
Patient accounts receivable - Net	3,667,971	528,022	-	4,195,993	4,017,878
Inventory	392,746	551,887	-	944,633	836,399
Prepaid expenses and other current assets	2,597,242	383,150	(1,270,359)	1,710,033	1,687,284
Estimated third-party payor settlements	813,026	-	-	813,026	-
Total current assets	15,486,975	1,568,957	(1,270,359)	15,785,573	17,828,036
Investments	1,522,233	-	-	1,522,233	1,420,662
Investments limited as to use	-	-	-	-	573,250
Property and equipment - Net	12,913,207	302,047	-	13,215,254	7,256,999
Other assets:					
Investments in unconsolidated affiliates	1,505,234	-	-	1,505,234	1,412,643
Deferred bond issuances costs - Net	21,847	-	-	21,847	-
Other	1,123,959	-	-	1,123,959	1,581,906
Total other assets	2,651,040	-	-	2,651,040	2,994,549
TOTAL ASSETS	$ 32,573,455	$ 1,871,004	$ (1,270,359)	$ 33,174,100	$ 30,073,496

Aspirus Keweenaw and Subsidiary

Consolidating Balance Sheet (Continued)

June 30, 2014 (With Comparative Totals for June 30, 2013)

Liabilities and Net Assets	Aspirus Keweenaw	Aspirus Keweenaw Enterprises, Inc.	Eliminations	Consolidated 2014	Consolidated 2013
Current liabilities					
Current maturities of long-term liabilities	$ 1,027,287	$ -	$ -	$ 1,027,287	$ 437,103
Accounts payable.					
Trade	1,276,886	73,512	-	1,350,398	1,102,558
Construction	1,781,005	-	-	1,781,005	154,240
Accrued salaries and wages	1,400,942	-	-	1,400,942	1,375,348
Accrued interest payable	3,564	-	-	3,564	6,882
Other accrued liabilities	493,101	1,286,082	(1,270,359)	508,824	1,087,086
Estimated third-party payor settlements	-	-	-	-	1,116,806
Total current liabilities	5,982,785	1,359,594	(1,270,359)	6,072,020	5,280,023
Long-term liabilities					
Bonds payable	1,903,472	-	-	1,903,472	2,080,273
Notes payable	3,406,895	-	-	3,406,895	1,138,484
Other long-term liabilities	371,371	-	-	371,371	1,005,465
Total long-term liabilities	5,681,738	-	-	5,681,738	4,224,222
Total liabilities	11,664,523	1,359,594	(1,270,359)	11,753,758	9,504,245
Net assets:					
Unrestricted	20,908,932	511,410	-	21,420,342	20,312,349
Temporarily restricted	-	-	-	-	256,902
Total net assets	20,908,932	511,410	-	21,420,342	20,569,251
TOTAL LIABILITIES AND NET ASSETS	$ 32,573,455	$ 1,871,004	$ (1,270,359)	$ 33,174,100	$ 30,073,496

Aspirus Keweenaw and Subsidiary

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2014 (With Comparative Totals for the Year Ended June 30, 2013)

	Aspirus Keweenaw	Aspirus Keweenaw Enterprises, Inc.	Eliminations	Consolidated 2014	Consolidated 2013
Revenue:					
Patient service revenue - Net of contractual adjustments and discounts	$ 36,674,297	$ 645,048	$ -	$ 37,319,345	$ 37,925,543
Provision for bad debts	(1,396,420)	(9,495)	-	(1,405,915)	(2,090,373)
Net patient service revenue, less provision for bad debts	35,277,877	635,553	-	35,913,430	35,835,170
Other revenue	3,599,233	4,777,399	(104,280)	8,272,352	6,647,304
Total revenue	38,877,110	5,412,952	(104,280)	44,185,782	42,482,474
Operating expenses					
Salaries and wages	18,523,693	807,042	-	19,330,735	18,638,199
Employee benefits	5,583,743	273,807	-	5,857,550	5,004,907
Medical fees	2,430,242		-	2,430,242	1,490,701
Supplies	4,331,930	3,971,180	-	8,303,110	7,492,032
Purchased services and other	5,577,486	309,884	(104,280)	5,783,090	5,664,706
Insurance and utilities	750,957	33,399	-	784,356	958,499
Depreciation and amoritization	1,368,992	25,579	-	1,394,571	1,075,486
Interest	134,550	-	-	134,550	168,801
Total expenses	38,701,593	5,420,891	(104,280)	44,018,204	40,493,331
Income from operations	175,517	(7,939)	-	167,578	1,989,143
Nonoperating income (loss).					
Investment income	567,406	16	-	567,422	146,720
Contributions and other	(48,436)	12,000	-	(36,436)	(4,368)
Total nonoperating income - Net	518,970	12,016	-	530,986	142,352
Revenue in excess of expenses	694,487	4,077	-	698,564	2,131,495

Aspirus Keweenaw and Subsidiary

Consolidating Statement of Operations and Changes in Net Assets (Continued)

Year Ended June 30, 2014 (With Comparative Totals for the Year Ended June 30, 2013)

	Aspirus Keweenaw	Aspirus Keweenaw Enterprises, Inc.	Eliminations	Consolidated 2014	Consolidated 2013
Unrestricted net assets:					
Revenue in excess of expenses (brought forward)	$ 694,487	$ 4,077	$ -	$ 698,564	$ 2,131,495
Change in net unrealized gains and losses on investments other than trading securities	152,527	-	-	152,527	35,809
Net assets released from restrictions	256,902	-	-	256,902	5,976
Increase in unrestricted net assets	1,103,916	4,077	-	1,107,993	2,173,280
Temprorarily restricted net assets.					
Contributions	-	-	-	-	4,014
Investment income	-	-	-	-	5,967
Net assets released from restrictions	(256,902)	-	-	(256,902)	(5,976)
Increase (decrease) in temporarily restricted net assets	(256,902)	-	-	(256,902)	4,005
Increase in net assets	847,014	4,077	-	851,091	2,177,285
Net assets at beginning	20,061,918	507,333	-	20,569,251	18,391,966
Net assets at end	$ 20,908,932	$ 511,410	$ -	$ 21,420,342	$ 20,569,251

Aspirus Keweenaw Hospital FY 2013

FINAL DRAFT FOR AKH BOARD APPROVAL PRIOR TO SUBMITTING BY JUNE 30 DEADLINE

COMMUNITY HEALTH NEEDS ASSESSMENT

BENFIT PLAN PROCESS, PRIORITES AND IMPLEMENTATION STRATEGIES

TABLE OF CONTENTS

INTRODUCTION

In 2012 and 2013, the *Western Upper Peninsula 2012 Regional Health Assessment* was conducted for the approximately 70,000 residents of the Western Upper Peninsula of Michigan, including Baraga, Gogebic, Houghton, Keweenaw and Ontonagon Counties and Iron County, Wisconsin. The assessment was led by the Western Upper Peninsula Health Department in partnership with Aspirus Keweenaw, Aspirus Grand View, Aspirus Ontonagon, Baraga County Memorial Hospital, Portage Health, Copper Country Mental Health Services, Gogebic County Community Mental Health and the Western Upper Peninsula Substance Abuse Services Coordinating Agency.

The purpose of Aspirus Keweenaw's Community Health Needs Assessment (CHNA) is twofold:

1) Assist in identifying and improving priority health needs of the area served by the Aspirus Keweenaw Hospital

2) Comply with newly established requirements enforced by the Internal Revenue Service based on the federal Patient Protection and Affordable Care Act (PPACA) enacted in March 2010. This law requires that all 501(c)(3) hospital organizations conduct a "Community Needs Health Assessment and prepare a corresponding implementation strategy once every three taxable years."

This report is divided into distinct sections that fulfill the requirements of the PPACA. They are:

Organization and approach.

A description of the organization, a definition of the community and an introduction about the demographics of the community that Aspirus Keweenaw serves. A listing of local health services can be found in Appendix A and a broader scope of our service area demographics can be found in Appendix B.

CHNA Development Process.

This includes an outline of the large-scale collaboration to develop a regional health assessment for the Western U.P. and Iron County, Wisconsin. It also includes how all of the data was obtained and the process that was used for identifying priorities that meet the health needs of our communities.

Priorities, Health Needs and Implementation Strategies.

This includes:

- Summary of the priority health needs identified by our collaborative, regional community health assessment as well as the key health needs Aspirus Keweenaw identified as the top priorities to address in our specific service area.
- An overview of the programs and services that are or will be implemented to address Aspirus Keweenaw's specific community priority health needs.
- Budget and resource allocation commitment to support priority community health needs identified by Community Health Assessment. .

The overall approach and plan is fully adopted by Aspirus Keweenaw's community based Board of Directors.

"We would like to thank all of our community partners who work together to identify and address the health needs throughout our community. In particular, we thank the Western Upper Peninsula Health Department and administration who worked tirelessly to facilitate the development of the Western Upper Peninsula 2012 Regional Health Assessment"

ORGANIZATION AND APPROACH

Our Mission

Passion for Excellence. Compassion for People.

The mission of Aspirus Keweenaw Hospital is to deliver quality, convenient, compassionate care, while anticipating and identifying both the physical and emotional needs of our patients and their families. We are committed to meeting the healthcare needs of our community while maintaining our moral, professional and financial integrity.

Our Vision

Aspirus Keweenaw is grounded in a strong tradition of community and patient-focused care. We are a continually evolving healthcare system, and will be the area's first choice for hospital-related services.

Aspirus Keweenaw differentiates itself from other hospitals by continually building its service base and adding new services and technologies, consistent with local population needs.

Aspirus Keweenaw values the teamwork that is an integral component of its future success. We will pursue and maintain important physician partnerships and alliances with other healthcare organizations for mutual benefit and the improvement of health for the residents in the communities we serve.

About Aspirus Keweenaw

Aspirus Keweenaw is a rural, critical access hospital with 25 beds established in 1903. Aspirus Keweenaw has 5 clinic locations covering the population of the market service area (see page 5).

With 401 employees, the hospital provides a broad range of inpatient and outpatient services, The medical staff numbers 66 – with 24 active staff, 7 courtesy staff, 23 consulting staff, 12 allied health. The group covers family medicine, emergency medicine, intensive care, diabetes clinic, heart care, cancer care, orthopedics, general surgery, urology, radiology, outpatient therapy, cardiac rehabilitation and ophthalmology.

Located in Laurium, Michigan, Aspirus Keweenaw primarily serves patients in Houghton and Keweenaw counties. In 2012, Aspirus Keweenaw Hospital admitted more than 1,100 patients and treated 6,000+ patients with emergency medical needs. Aspirus Keweenaw has clinic locations in Laurium, Calumet, Houghton and Lake Linden. The hospital is located in Laurium.

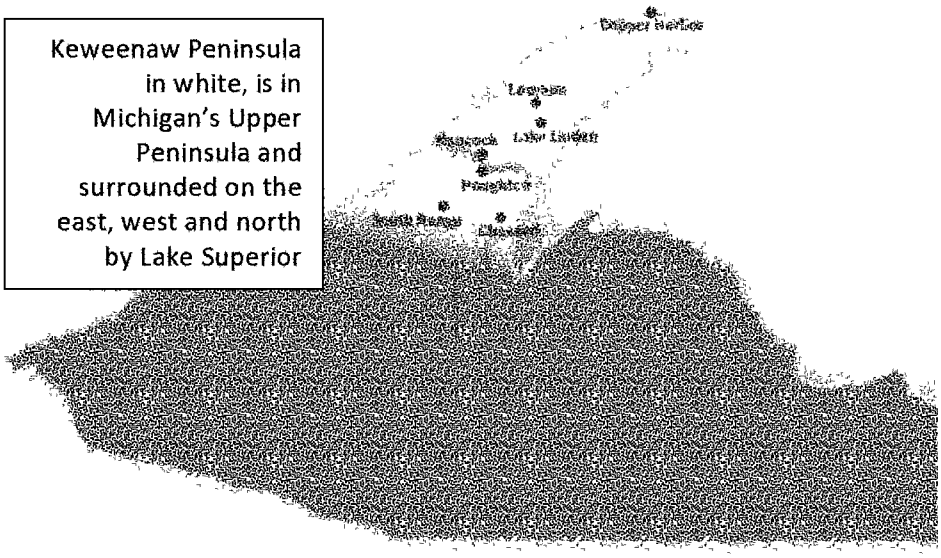
Aspirus Keweenaw is affiliated with the non-profit Aspirus System headquartered in Wausau, WI. The system is community oriented and has six affiliated hospitals in the Upper Peninsula of Michigan and northern Wisconsin: Aspirus Keweenaw in Laurium, MI; Aspirus Grand View in Ironwood, MI; Aspirus Ontonagon in Ontonagon, MI; Memorial Health Center in Medford, WI; Langlade Hospital in Antigo, WI and Aspirus Wausau Hospital in Wausau, WI.

Other community health services and resources available in Houghton and Keweenaw Counties are listed in Appendix A.

Demographics and Description of Communities Served by Aspirus Keweenaw

Aspirus Keweenaw's primary service area covers Houghton and Keweenaw Counties – and stretches from Copper Harbor (north) to just south of Houghton/Hancock (south). The hospital sits in the middle of the Keweenaw Peninsula and is bordered on the west and east side by Lake Superior. *(See Diagram A below. For additional demographic info refer to appendix B)*

The primary service area encompasses an area that reaches a population of over 38,750 (according to the 2010 official census).



Keweenaw Peninsula in white, is in Michigan's Upper Peninsula and surrounded on the east, west and north by Lake Superior

The population of Houghton and Keweenaw counties has remained stable for decades due to economic vitality supported by Michigan Technological University in Houghton, high tech business incubators, school systems and small business community to support the needs of the population. Larger generations of people previously supported by vast mining operations in copper and iron have transitioned to this relatively stable population (of 38,000) being supported education and technology interests. As well, health care in the Houghton/Keweenaw county area is the fourth largest employer.

15.2 % of Houghton County is over 65 years of age. 24.8% of Keweenaw County is over 65 years of age. The shift to an aging population continues to shift gradually. With an average of 19% of the population of both counties under the age of 18, a large segment of middle-aged population will continue to push the population towards the older demographic. Indeed, birth rates in Houghton and Keweenaw counties have remained stable for decades and the general population under the age of 5 at about 5%.

Many of the counties of the Western Upper Peninsula are designated as Medically Underserved areas. The criteria of being a Health Provider Shortage Area are mapped out by the Health Resources and Service Administration, a federal agency. One of the criteria to meet this status is to have a population whose ratio meets the 3,000 citizens to 1 full time equivalent provider (40+ hours of practice per week). The HPSA scores for the six counties that make up the Western Upper Peninsula are as follows:

Baraga County	HPSA Score = 5
Gogebic County	HPSA Score = 14
Houghton County	HPSA Score = 15
Iron County	HPSA Score = 16
Keweenaw County	HPSA Score = 15
Ontonagon County	HPSA Score = 9

Clinics serving in rural areas are eligible for certification as Rural Health Clinics by the Centers for Medicare and Medicaid Services, eligible for grant funding from the Health and Human Services

department, eligible for cost based reimbursement for care delivered, and medical student loan reimbursement programs are offered for board certified providers. All of these benefits being offered to rural communities are for the benefit of the population that is served; new programs are developed to improve the health of the community.

More data detailing current demographics, including age, race, income levels and education can be found in Appendix B.

Processes and Methodology

CHNA Development Process

The process for developing this Community Health Needs Assessment included an extended process that began in November 2011 before being completed in April 2013.

With the understanding that detailed data about the area population can be extremely challenging to find because of the region's rural populations, an advisory group from five hospitals in the Western Upper Peninsula, various local health agencies and the Western Upper Peninsula Health Department developed a regional health assessment that provided a thorough analysis of the five western counties in the Upper Peninsula and Iron County, Wisconsin.

Aspirus Keweenaw's CHNA is built largely on the *Western Upper Peninsula 2012 Regional Health Assessment.* This report is the first collaborative effort of this magnitude between local health representatives and the largest comprehensive health report ever completed for this region. With 71,000 residents, it has less than 1 percent of Michigan's population spread out over 10 percent of the state's land area. Nearly half of the residents live within five miles of Ironwood or Houghton/Hancock. The rest live in villages and towns of fewer than 5,000 residents. Iron County, Wisconsin has much of the same rural makeup, with no towns larger than 5,000 residents.

Because of the nature of the primarily rural area, there has been difficulty painting an accurate picture of what this region's health is composed of. The large-scale of the *Western Upper Peninsula 2012 Regional Health Assessment* has finally offered some clarity.

Throughout the planning and production of the *Western Upper Peninsula 2012 Regional Health Assessment,* a steering committee of community leaders and subject matter experts met regularly to direct the reporting process, which included the creation and distribution of a survey to a random selection of residents.

This steering committee is made up of representatives from major cross-sections of community leaders and experts that have a strong understanding of the health needs of our region and rural communities, from the underserved and minorities to the general population. See Diagram B

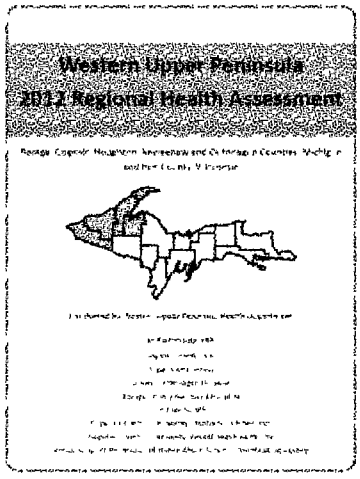
Diagram B - WUPRHA Steering Committee	
Organization	**Community Role**
Aspirus Keweenaw Hospital	Aspirus Keweenaw is a health system located in Laurium, MI, serving Houghton County (Pop: 36,000) and Keweenaw County (Pop: 2,150). The facility offers women's health services, surgical services, family medicine, an emergency department, cardiology services, physical therapy,
Western Upper Peninsula Health Department	The Western Upper Peninsula Health Department is the northernmost local public health department in Michigan, serving the 71,000 residents of Baraga, Gogebic, Houghton, Keweenaw and Ontonagon counties. The health department works to prolong life and promote community health through control of environmental health hazards and attention to the health needs of vulnerable population groups.
Gogebic County Community Mental Health	Gogebic County Community Mental Health Authority provides a complete range of services for all children and adults of Gogebic County who have a serious emotional disturbance, serious mental illness, or developmental disability. Direct services are available to persons who meet eligibility criteria of any age without regard to race, religion, national origin or handicap. GCCMH provides services such as substance abuse, mental health, parent management, housing assistance, therapy and crisis intervention.
Western Upper Peninsula Substance Abuse Services Coordinating Agency, Inc.	The Western Upper Peninsula Substance Abuse Services Coordinating Agency, Inc. (WUPSASCA) was designated as the regional administrative office of substance abuse services in the following counties of Michigan's Upper Peninsula - Baraga, Gogebic, Houghton, Keweenaw, Dickinson, Iron, and Ontonagon counties. The agency has both statutory and contractual responsibilities. These include the development of a comprehensive plan to address the substance abuse service needs within its jurisdiction; contracting for substance abuse prevention, treatment, and rehabilitation services, reviewing license applications by treatment providers, development of grant proposals, establishment of Employee Assistance Programs, contracting for assessment services, networking with other health care and human services professionals, and participation in community activities specific to substance abuse and other activities.
Aspirus Ontonagon Hospital	Aspirus Ontonagon is a licensed Critical Access Hospital dedicated to serving the residents of Ontonagon County and the surrounding area. The facility offers services critical to a county (Population: 1,600) in a very rural location including: cardiology, laboratory services, surgical services, imaging services, and physical therapy.
Aspirus Grand View Hospital	Health system located in Ironwood, Mich. Including a 25-bed critical access hospital, services include: physician clinic, emergency services, surgical services, psychology services, home health, private in-home assistance and a full-service eye clinic, including retinal care. Aspirus Grand View is the largest health care provider to Gogebic County, MI and Iron County, WI oncology services, in-home care, and other needed services.
Baraga County Memorial Hospital	Baraga County Memorial Hospital is the largest health care

	provider for Baraga County (Pop: 8,800). The critical access facility includes 15 acute-care beds and offers rehabilitation, surgical, cancer, home care, emergency, cardiac, imaging and other services.
Portage Health	Portage Health is the largest health care provider for Houghton County (Pop: 36,000) and Keweenaw County (Pop: 2,150). The facility includes 36 acute beds and 60 skilled nursing beds. Services include family medicine, radiology, cardiology, regional dialysis unit, home care and hospice, and a Level III trauma center.
Copper Country Mental Health Institute	The Copper Country Mental Health Institute offers behavioral health services accessible to persons in Baraga, Houghton, Keweenaw, and Ontonagon counties. Copper Country Mental Health Services provides an array of services intended to increase independence, improve quality of life, and support community integration and inclusion of the persons served such as suicide prevention, health education, substance abuse prevention and infant care.

CHNA Development Process – *Significant Population Inclusion*

The key data element in the *Western Upper Peninsula 2012 Regional Health Assessment* is the community survey, which identified important issues regarding quality of life that had not been measured before the survey was conducted.

The survey was mailed to 8,000 households across the Western U.P. on June 26, 2012. Over 2,500 surveys were returned. The local health survey was the most ambitious element of the project. In national and state health surveys, too few residents are sampled from rural counties to make reasonable county-level estimates. **By analyzing the local survey responses of the 2,500 Western U.P. residents, we now have the most accurate and complete health data ever generated for this region, covering 70 critical measures of health.**



The *Western Upper Peninsula 2012 Regional Health Assessment* also includes a significant amount of data indicators across multiple categories relating to health and health factors. This data was compiled from a wide array of published sources and from health care providers. Published sources included the U.S. Census, the American Community Survey, and statistics compiled by the Michigan Department of Community Health, the Wisconsin Division of Public Health, and other government and private agencies.

With the survey and data indicators combined, the *Western Upper Peninsula 2012 Regional Health Assessment* was broken down into general categories that are often the largest health issues for any population. The breakdown would allow for the ability to pinpoint similar issues, group them together and focus on priority areas. These categories can be found below in Diagram C.

Diagram C – Regional CHNA Focus Categories	
Demographics	Vulnerable Populations
Access to Care	Maternal, Infant and Child Health
Adolescent Health	Infectious Disease
Chronic Disease and Mortality	Substance Abuse
Public Safety	Local Survey Findings

The *Western Upper Peninsula 2012 Regional Health Assessment* was released on April 29, 2013.

To review the complete assessment, please visit aspiruskeweenaw.org and see the tab "patient information"

Note: Ideally, member organizations would continue to work together, add members, and pool resources, leadership, and expertise to develop initiatives that could make an even greater impact on a regional basis than an individual organization might be able to, especially with limited resources.

PRIORITIES, HEALTH NEEDS & IMPLEMENTATION STRATEGIES TO MEET NEEDS

Using the focus categories listed in diagram C, and the data within the main collaborative Community Health Assessment, the steering committee engaged in a series of meetings to select three major priority areas that impact each of the five Western U.P. Counties and Iron County, WI.

Following are the three major priority areas outlined in the *Western Upper Peninsula 2012 Regional Health Assessment* and a brief statement defining the impact on the region.

The Impact on an Aging Population
The Importance of Prevention
The Effect of Income and Education on Health Status

Aspirus Keweenaw "Points of Emphasis" and implementation to support Priority Needs:

Based on Houghton and Keweenaw county data drawn from the regional report, Aspirus Keweenaw's CHNA team selected the following "Points of Emphasis" implementation strategies to support each priority area. The selections of the points of emphasis best capitalize on resources and programs in place or under development to meet the health needs of the community:

The Impact on an Aging Population
- *Hypertension care*
- *Diabetes care*

The Importance of Prevention
- *Obesity*

The Effect of Income and Education on Health Status
- *Access to care*

*Note: Aspirus organizations (having 3 hospitals in the 5 hospital collaboration) was not only instrumental in developing the regional CHNA, but also integral in bringing the data to staff to help address and assess how to best be proactive to support the health needs of the community in our market service area. The **Aspirus Keweenaw CHNA team** included COO Mike Hauswirth, CNO Nursing Grace Tousignant, Director of Clinics Denise Draves, Director of Billing and Finance Vicki Boyer, Director of Nutrition Beth Cook, Cardiac Rehabilitation Coordinator Jan List and Director of Marketing Dave Olsson.*

CHNA PRIORITY: The Impact on an Aging Population

From the *Western Upper Peninsula 2012 Regional Health Assessment (Page 4)*:

> "Long-term economic stagnation has led many young people to emigrate from the area in search of economic opportunity This, combined with a nation-wide trend toward declining birthrates, has resulted in a local population that is considerably older in age distribution compared with state and national demographics In Michigan, 13 8 percent of residents are age 65-plus **In Houghton County, with its large college population, the age 65-plus percentage is 15.0**, in Baraga County, it is 17 3 percent, and in Gogebic, **Keweenaw** and Ontonagon counties, and Iron County, WI, greater than **20 percent of residents are age 65-plus** The demographic imbalance has implications for rates of disease and disability and the need for health care services, long-term care and other types of support for the elderly

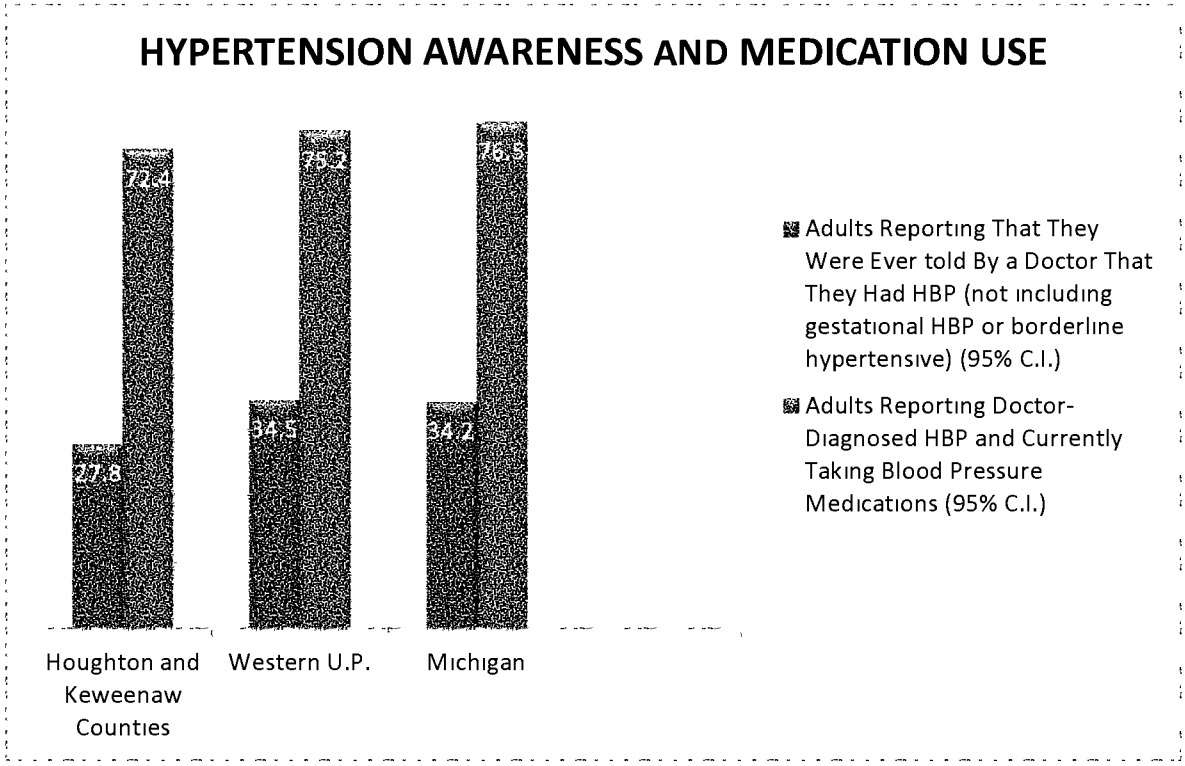
Point of Emphasis for Houghton and Keweenaw Counties to support Impact on Aging Population

Hypertension

Controlling hypertension (high blood pressure) has many benefits to the patient; it can reduce the risk of heart attack and stroke by up to 40%. An estimated 34.5% of Western Upper Peninsula adults have been told they had/have high blood pressure. Among those adults who were/are diagnosed with high blood pressure, 75.2% are currently taking medications to lower their pressure and manage their disease. See the graph on the next page.

Many factors can contribute to high blood pressure such as age, race, family history, obesity, and lack of physical activity, tobacco use, diet, alcohol consumption, stress, and other chronic conditions. Although high blood pressure is most common in adults, children may be at risk also. Poor lifestyle habits such as an unhealthy diet and lack of exercise will be contributors to children with high blood pressure. Certain chronic conditions may also increase the risk of high blood pressure in both adults and children including high cholesterol, diabetes, kidney disease and sleep apnea.

Studies show that uncontrolled high blood pressure can lead to heart attack, stroke, aneurysm, heart failure, weakened and narrowed blood vessels in the kidneys, narrowed or torn blood vessels in the eyes, and metabolic syndrome.



Key Objective for Aspirus Keweenaw - Hypertension

Our goal is to decrease the prevalence of high blood pressure by educating the community on hypertension management and healthier lifestyles and giving them greater access to services that support increased awareness.

Implementation Strategy

Aspirus Keweenaw Laurium Wellness , in response to growing community health needs in hypertension care, has just recently established (2013) a one-on-one clinic which allows the hypertensive patient and a nurse to meet and discuss meal planning, smoking cessation, alcohol use, exercise, diet, and medications. Each education session is followed up with a face to face visit with a Family Nurse Practitioner who monitors the patient's blood pressure readings, makes medication recommendations, and follows up on education during the initial contact. Regular visits are scheduled as prescribed by the progress the patient is making with life style changes. Exercise is gradually introduced to the patient's daily regime to lower the heart rate and help the patient lose weight.

In addition to the one on one session at the Laurium Wellness Clinic, a Family Nurse Practitioner at the Laurium Hospital Clinic offers a program called the 7 Inch Plate program. This nutritional program gives the patient instruction on portion control, how to eliminate empty calories, how to incorporate healthy fats, and carbohydrate consumption. This program has proven to be very successful with our senior population.

Budget and Resource Support – page 24

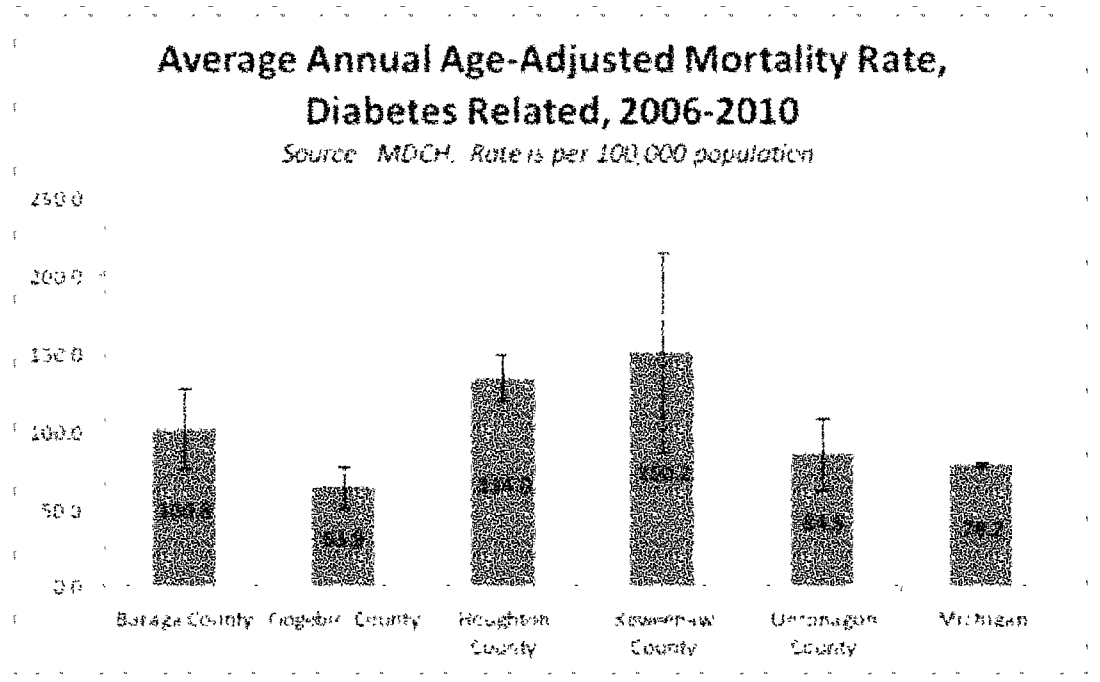
Point of Emphasis for Houghton and Keweenaw Counties to support Impact on Aging Population

Diabetes

From the *Western Upper Peninsula 2012 Regional Health Assessment (*page 134)

> "Taking the confidence intervals into consideration, we can be confident that age adjusted **diabetes-related mortality rates were higher in Houghton and Keweenaw counties than in Michigan during the time period noted (2006-2010)**. Houghton County's rate is likely between two-thirds higher than and twice as high as the state rate. Houghton County age-adjusted rates were also higher than those observed in Gogebic and Ontonagon counties."
> Considering our heavy aging population, the focus on diabetes as part of the impact on an Aging population is prudent.

The regional health needs assessment survey results showed that approximately 10% of Western U.P. adults have ever been told by a doctor that they had diabetes.



Local Survey Findings: Diabetes Prevalence

- Approximately 10% of Western U.P. adults have ever been told by a doctor that they had diabetes.
- Lifetime diabetes prevalence in the region was estimated to be 2.1% among adults aged 18 to 34, compared to 1.8% among adults aged 65 and older. This pattern of increasing prevalence with age is also observed in state and national data.

Key Objectives for Aspirus Keweenaw – Diabetes

Aspirus Keweenaw will continue to lead the efforts of the Health Care Community for the public by supporting the areas only dedicated Diabetes Clinic:

The clinic supports core goals:

- Increase usage of the AKH Diabetes clinic and the Diabetes Self Management training program by 10% annually over three years,

- Increase community awareness of diabetes as an urgent health issue.

Implementation Strategy:

Aspirus Keweenaw consistently identifies the need for diabetes education in the community and pledges to continue offering the variety of current education opportunities that we provide as well as implementing programming to the public.

- We currently offer one-on-one sessions on diabetes education in our Diabetes clinic with a Nurse Practitioner and an RN, Certified Diabetes Educator. Through this clinic, we also offer medical management group classes.

- Monthly Diabetes Self Management Training classes - offered in the outpatient setting of the hospital along with one-on-one nutrition counseling by a Registered Dietitian. We offer a monthly Diabetes Support group which is open to the public and is free of charge.

- Aspirus Keweenaw Diabetes Clinic supports a foot care clinic which is specially formatted for diabetes patients. Our Family Nurse Practitioner is conducting an outreach program for the foot clinic at assisted living locations starting in July of 2013.

- Aspirus Keweenaw Diabetes Clinic offers free blood sugar and foot screenings at outside clinic locations three times annually. These encounters affordus the opportunity to provide information material and counseling regarding diabetes management and prevention directly to people in the community outside of the clinic setting.

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CHNA PRIORITY: The Importance of Prevention

Point of Emphasis for Houghton and Keweenaw Counties to support The Importance of Prevention:

Obesity

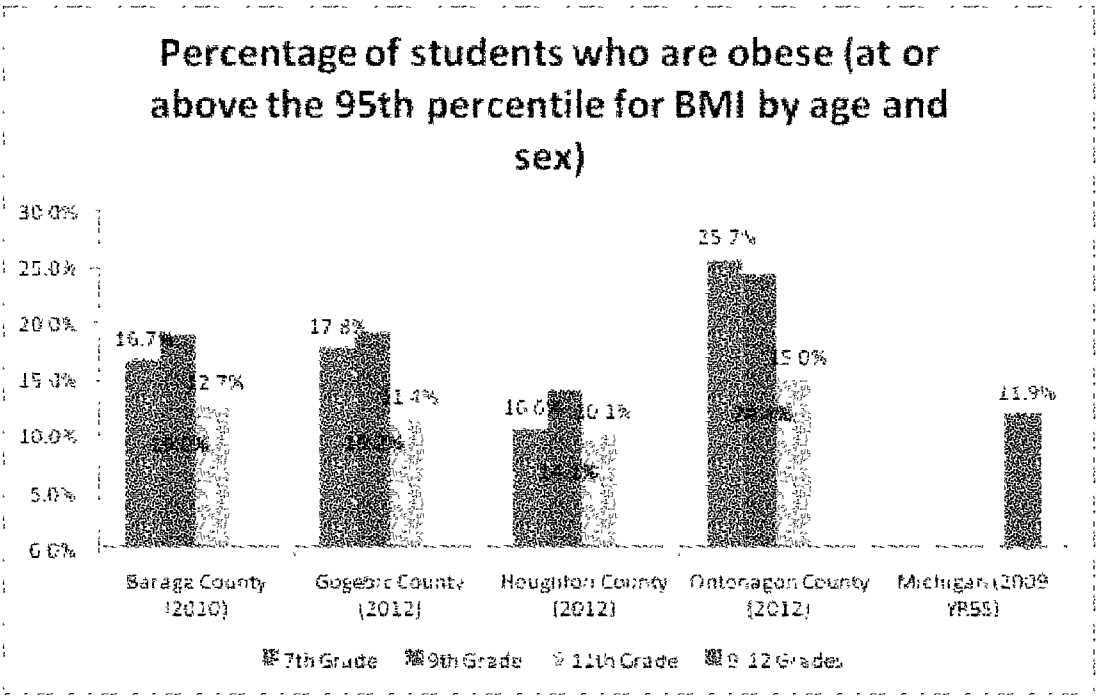
> From the *Western Upper Peninsula 2012 Regional Health Assessment (Page 4)*:
>
> "Chronic diseases such as heart disease, cancer, stroke, diabetes, and arthritis, are leading causes of death and disability in the Western U.P., as in the state and nation. Heart disease and cancer cause half of local deaths, at rates remarkably similar to national data. About one-in-ten Western U.P. adults has diabetes, and diabetes mortality rates in Houghton and Keweenaw counties are higher than statewide. An estimated 69 percent of Western U.P. adults are either overweight or obese according to local survey data, compared with 66 percent statewide, so there should be great concern locally, as nationally, over the prospect of dramatically rising rates of diabetes in the future."

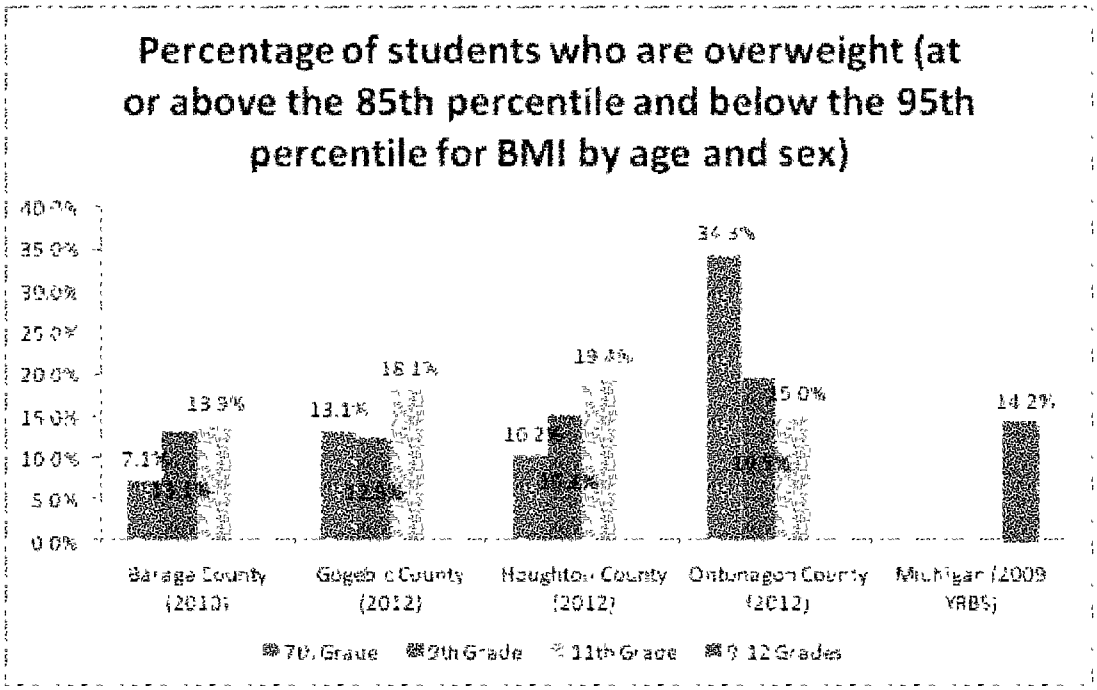
Obesity rates around the nation have tripled over the past 30 years and health experts do not see that trend slowing down. Locally, that trend is right in line, meaning that the increased prevalence of chronic disease in the future, such as diabetes or heart disease, is likely as well.

The 2012 MiPHY study showed that 65.4% of Houghton and Keweenaw counties are overweight or obese which is slightly under the estimated 68.7% of Western U.P. adults which are obese or overweight. It is although, 1% higher than the state average of 64.5%.

The regional heath assessment found that 1 in 7 Western U.P. adults reported that they had no leisure time activity. Roughly 20% of Western U.P. adults who take part in leisure time physical activity achieve recommended levels of both aerobic and strength conditioning. While the survey found that adequate physical activity is more prevalent with higher incomes, high rates of obesity are observed among both genders and across all incomes, education levels and ages.

Finally, Aspirus Keweenaw felt that the trend (overweight) leading to obesity in Houghton County, (while slightly less than the rest of the Western U.P.), is still a key issue to confront regarding improving long-term health in our community. In particular, trends noted for adolescent obesity are shown just below. The opportunity, it would seem, is to focus on behavioral changes with youth – and this parallels national trends.


Percentage of students who are obese (at or above the 95th percentile for BMI by age and sex)
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
16.7%
12.7%
17.8%
14.4%
10.6%
10.1%
25.7%
15.0%
11.9%
Baraga County (2010)
Gogebic County (2012)
Houghton County (2012)
Ontonagon County (2012)
Michigan (2009 YRBS)
7th Grade
9th Grade
11th Grade
9-12 Grades


Percentage of students who are overweight (at or above the 85th percentile and below the 95th percentile for BMI by age and sex)
40.0%
35.0%
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
7.1%
13.9%
13.1%
18.1%
10.2%
19.4%
34.5%
15.0%
14.2%
Baraga County (2010)
Gogebic County (2012)
Houghton County (2012)
Ontonagon County (2012)
Michigan (2009 YRBS)
7th Grade
9th Grade
11th Grade
9-12 Grades

Key Objectives for Aspirus Keweenaw – Obesity

Implement partnerships with Houghton and Keweenaw County local agencies for community health initiatives that target behavior related to obesity.

Create Aspirus Keweenaw internal and external messaging campaigns that show our commitment to obesity prevention, disease prevention and obesity management.

Develop close relationship with agencies such as BHK – and link our resources potentially to their funding appropriated for nutrition consults for at-risk obese children. This partnership would allow AKH Nutrition counseling to possibly see an increase in childhood nutrition referrals.

Implementation Strategies

- Aspirus Keweenaw Hospital has initiated an Intensive Behavioral Therapy program which is designed to assist patients manage their weight. Patients meet one-on-one on a regular basis in our outpatient clinic with a Nurse Practitioner who helps them set personal lifestyle goals by implementing better eating habits and incorporating physical activity to better promote weight loss. This program is covered by CMS and is for patients who have a Body Mass Index of 30 or higher, which indicates a diagnosis of obese.
- In an effort to reach out into the community and promote obesity prevention and awareness, we plan to work in collaboration with local agencies that are already spreading the message. We believe that by partnering with local school districts, administrators and health departments, we can create a greater impact on the future of our communities than working alone.
- By partnering with BHK (Baraga, Houghton, Keweenaw) Child Development Head Start and Great Start programs, we will be addressing the needs of wellness and obesity prevention with families and children from infant to 5 years old. We will present nutrition, wellness and obesity information at any opportunity our partners may offer us – using our registered dietician and other clinical staff.
- The Western Upper Peninsula District Health Department (WUPDHD) is already integrating health and wellness information in preschool through high schools programming in Houghton and Keweenaw counties. They are using United States Department of Agriculture designed Supplemental Nutrition Assistance Program (SNAP-ED) and Child and Adolescent Trial for Cardiovascular Health (CATCH) programs. Aspirus Keweenaw Hospital will plan to collaborate with the WUPDHD to assist with this information dissemination by providing staffing and promotional materials such as food, displays and education materials. The focus will be on Choose My Plate and making healthy choices.

. ***Budget and Resource Support – page 24***

CHNA PRIORITY: The Effect of Income and Education on Health Status

Point of Emphasis for Houghton and Keweenaw Counties to support The Effect of Income and Education on Health Status:

Access to Care

Access to care is a critical factor in assessing community health. Broadly defined, access to care is whether people are able to receive appropriate and timely physical, dental and mental health care services for prevention, screening, diagnosis and treatment. Access depends on the availability of primary providers and other health care professionals, and on whether individuals and families have the means, through personal wealth, private insurance, or public programs, to pay for the care they need.

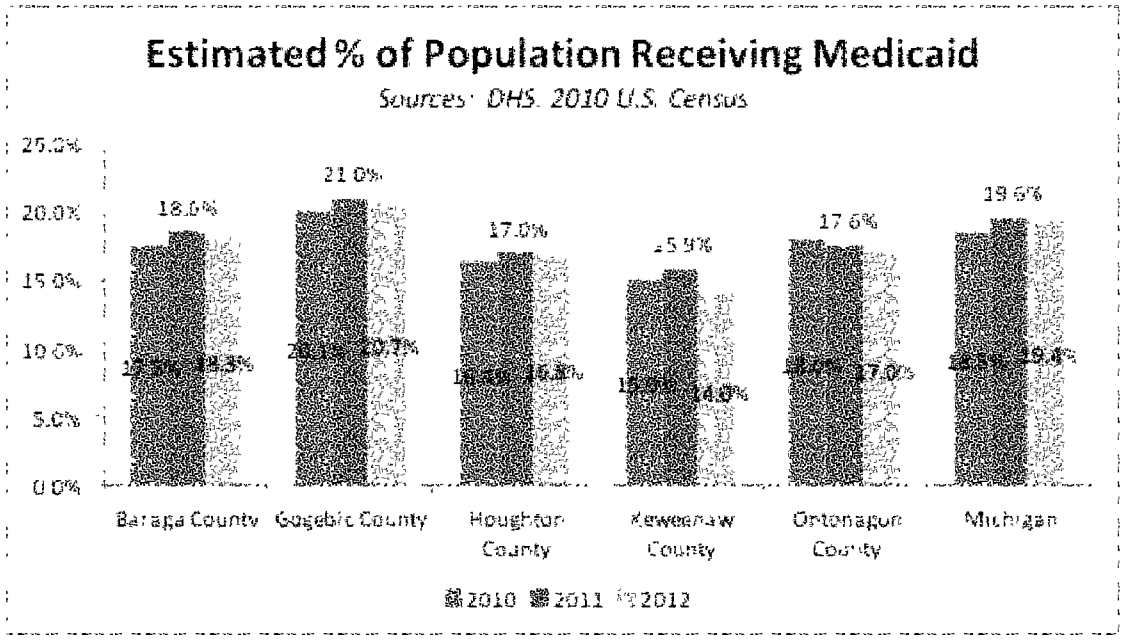
From the Western Upper Peninsula 2012 Regional Health Assessment (Page 5):

> *The Effect of Income and Education on Health Status*:
>
> Outside of the Houghton-Hancock area, unemployment in 2009-2011 exceeded 15 percent in most villages and townships. In 2010, more than **20 percent of residents in Houghton** and Gogebic counties, the region's most populous counties, lived in households with incomes below the federal poverty standard, and child poverty in Gogebic County topped 30 percent. Across all counties, median household income and per capita income are well below state and national levels.
> Locally, low-income adults, and those with lower levels of education, report poorer physical and mental health, higher rates of disease and disability, and lower rates for annual physical exams and appropriately timed cancer screenings. Inequalities of socioeconomic status contribute to disparities in access to services, and socioeconomic factors (income and education) strongly correlate with health status.

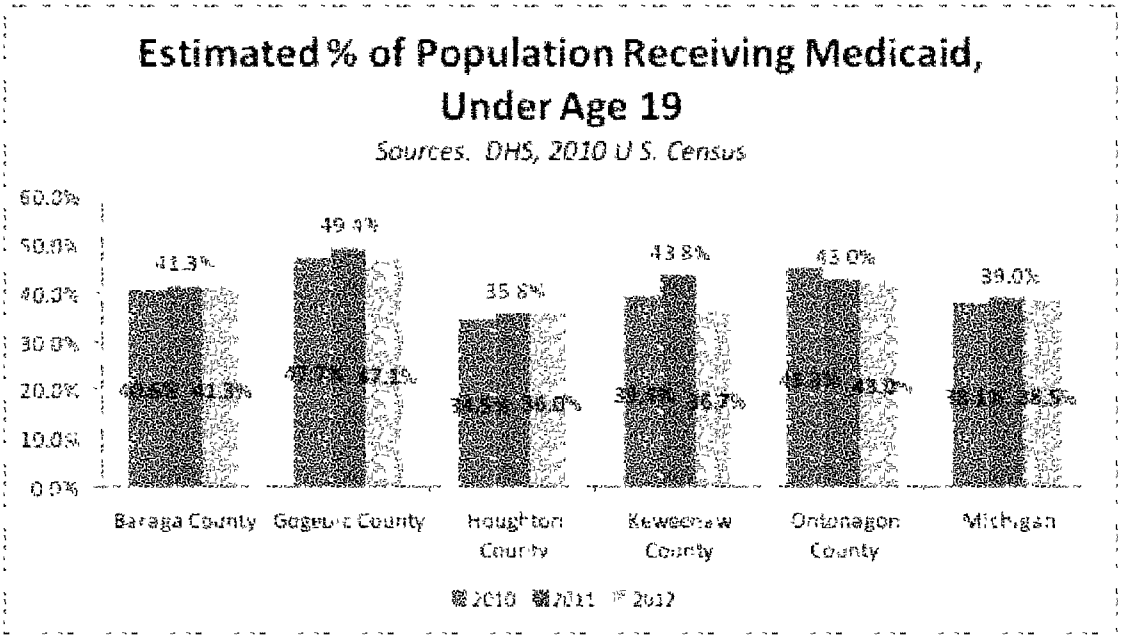
One of the expected impacts of the PPACA is the increase of access to health insurance and preventative care services for vulnerable populations. While the extent of that is currently unknown, it is important to recognize that the implementation of that has not yet been felt.

The Michigan Medicaid Health Care Program is intended to provide medical and health-related assistance to low-income individuals and families who have no medical insurance or have inadequate medical insurance.

The data in the next graph approximate the trends in Medicaid enrollment for the past three years. Within the Western U.P., enrollment levels are highest in Gogebic County and lowest in Keweenaw County.



The percentages in the next graph reflect the proportions of children under age 19 receiving Medicaid over the last three years. Houghton and Keweenaw County enrollment percentages are the smallest at around 35 and 37 percent, respectively.



All inquires for health care are honored at Aspirus Regional Entities regardless of the patient's ability to pay for services. Charity care is provided for those individuals who qualify based on income, a sliding fee schedule is in place for those who do not qualify for a charity care program.

Currently, the rates of uninsured adults in the Western U.P. is similar to Michigan and national rates, with about 18% of adults under the age of 65 reporting that they do not have health insurance.

The rate is lower in the Houghton-Keweenaw area, where unemployment also tends to be lower. Health insurance coverage correlates with employment status and income, as most adults currently access health insurance through employer-funded plans.

	No Health Care Coverage [a] (18-64 Year Olds)		No Personal Health Care Provider [b]		No Health Care Access During Past 12 Months Due to Cost [c]	
	%	95% C.I.	%	95% C.I.	%	95% C.I.
Michigan	**18.3**	**(17.0—19.6)**	**15.5**	**(14.4—16.7)**	**16.5**	**(15.4—17.6)**
Western U.P.	18.6	(15.5—22.2)	17.1	(14.1—20.6)	22.3	(19.0—26.0)
Baraga County	18.8	(13.7—26.9)	15.5	(10.9—21.7)	21.7	(16.4—28.1)
Gogebic County	22.4	(16.7—29.3)	16.0	(11.9—21.2)	26.2	(20.6—32.7)
Houghton + Keweenaw Counties	15.5	(11.0—21.2)	16.1	(11.4—22.3)	20.6	(15.5—26.9)
Ontonagon County	28.3	(22.4—35.0)	27.3	(22.4—32.7)	23.1	(19.0—27.8)

[a] Among adults aged 18-64 years, the proportion who reported having no health care coverage, including health insurance, prepaid plans such as HMOs, or government plans such as Medicare. (Baraga n=367, Gogebic n=303, Houghton+Keweenaw n=371, Ontonagon n=405)

[b] Among all adults, the proportion who reported that they did not have anyone that they thought of as their personal doctor or health care provider. (Baraga n=585, Gogebic n=573, Houghton+Keweenaw n=593 Ontonagon n=770)

[c] Among all adults, the proportion who reported that in the past 12 months, they could not see a doctor when they needed to due to the cost. (Baraga n=587, Gogebic n=574, Houghton+Keweenaw n=596, Ontonagon n=772)

A statewide estimate is provided for rough benchmarking purposes. The state estimate is not directly comparable to local data because of differences in survey methodology. These differences are explained on page 167.

For an estimated 20.6 percent of adults in Houghton and Keweenaw Counties, cost is a barrier to health care access. While this statistic is relatively favorable in comparison to the rest of the Western U.P., it is still well above the Michigan average of 16.5 percent.

The other issue recognized in accessing care is transportation. The combination of a rural landscape mixed with unpredictable seasons (especially winter) and a high elderly population makes transportation a particularly concerning issue. The regional health needs survey indicated that 6.5% of Gogebic County had no health care access in the past year due to lack of transportation. There is baseline for the State of Michigan; Gogebic County by far had the highest rate in the Western U.P. Houghton and Keweenaw County residents reported transportation as a barrier to health care in only 2.4 percent of cases.

	No Health Care Access During Past 12 Months Due to Lack of Transportation *	
	%	95% C.I.
Michigan	Not available.	
Western U.P.	3.9	(2.7—5.7)
Baraga County	4.1	(2.5—6.9)
Gogebic County	6.5	(3.3—12.4)
Houghton + Keweenaw Counties	2.4	(1.1—5.2)
Ontonagon County	5.8	(3.7—9.0)

* Among all adults, the proportion who reported that in the past 12 months they could not see a doctor when they needed to due to a lack of transportation. This question is not part of the statewide BRFS. (Baraga n=587, Gogebic n=574, Houghton+Keweenaw n=595, Ontonagon n=764)

As indicated earlier in this report, both Houghton and Keweenaw Counties are designated as a Medically Underserved Area. They are also designated as Health Professional Shortage Areas for primary care, dental health and mental health.

Based on the selected needs established in this report, the patients who reside in the Western Upper Peninsula counties have considerable access to medical care. Access has been made a priority by all of the partners for the overall good of the community. At the Aspirus Entities the challenge of placing patients with providers is paramount. Same day access to care is available at all locations thereby keeping health care costs down and utilization to emergency care at a minimum.

However, access to care does not equal affordability of care. Cost presents a barrier to accessing health care for an estimated 22.3 percent of Western U.P. adults. Our goal at Aspirus is to continue to provide access to medical care and remove the obstacle of affordability.

Key Objectives for Aspirus Keweenaw-Access to Care

Aspirus Keweenaw is committed to improving the health of the communities we serve.

Aspirus Keweenaw is committed to providing financial assistance (charity care) to persons who have healthcare needs and are uninsured, underinsured, ineligible for a governmental program, or otherwise unable to pay, for medically necessary care based on their individual financial situation.

Implementation Strategy

Consistent with our mission to deliver compassionate, high quality, affordable healthcare services and to advocate for those who are poor and disenfranchised, Aspirus Keweenaw strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. Aspirus Keweenaw will provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility for financial assistance or for government assistance.

Services eligible for financial assistance will be made available to the patient on a sliding fee scale, in accordance with financial need, as determined in reference to federal poverty levels (FPL) in effect at the time of the determination. Necessary medical care is provided across all Aspirus Keweenaw corporations using a similar sliding scale. Care for qualified patients is free or discounted.

Notification about charity care available from Aspirus Keweenaw, which shall include a contact number, shall be disseminated by various means, which may include, but are not limited to, the publication of notices in patient bills and by posting notices in emergency rooms, in the conditions of admission form, admitting and registration departments, cashier offices, and patient financial services offices that are located on facility campuses, and at other public places as Aspirus may elect. Aspirus will publish and widely publicize a summary of this charity care policy information on our website, in brochures available in patient access sites and at other places within the community served by the hospital as Aspirus Keweenaw may elect.

. ***Budget and Resource Support – page 24***

Overall Budget and Resource Support for Aspirus Keweenaw CHNA driven priorities: Hypertension, Diabetes, Obesity and Access to Care

The process of the overall regional collaborative Community Health Assessment project combined with the focused effort of our Aspirus Keweenaw CHNA team has resulted in a consolidated service by service evaluation of the organizational resources devoted to supporting our priority areas of H**ypertension, Diabetes, Obesity and Access to Care.**

For the purpose of this report, to indicate our ability to be responsive to the identified community health priorities, we gathered financial information in each priority area to include:

Dedicated staff	towards each priority area
Special Equipment	that supports staff to address the community health need
Facilities	allowance that is in part used to deliver priority service areas
Communication	resources to support internal and external communication regarding each priority area

Aspirus Keweenaw is **allocating approximately $243,145** (based on 2012 expense) annually towards sustaining the identified community services into the future. We are thrilled that many of our staff and programs align to the findings of the community health assessment; we feel that we have an excellent foundation to continue to meet the specific community health needs of our local population,

ADOPTION OF IMPLEMENTATION STRATEGY

The Aspirus Keweenaw Board of Directors is comprised of individuals from Houghton and Keweenaw Counties as well as representatives from the Aspirus, Inc. system. The Board of Directors approves the Implementation Strategy and Community Benefit Plan for the priority identified in the Community Health Needs Assessment planning process. This report was prepared for the June 25, 2013, Board of Directors meeting and approved unanimously.

Dan Dalquist
Aspirus Keweenaw Board of Directors' Chairman

Chuck Nelson
Aspirus Regional
Chief Executive Officer

Mike Hauswirth
Aspirus Keweenaw
Chief Operating Office

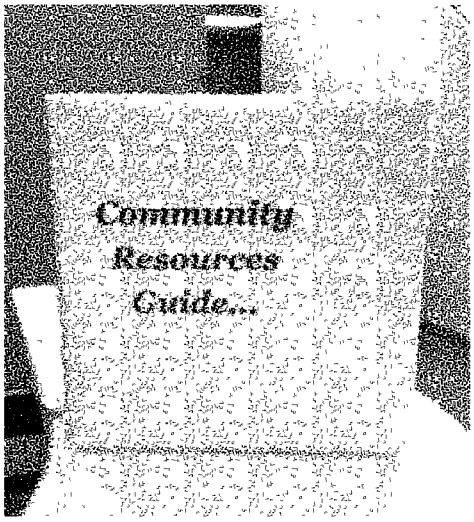
APPENDIX A

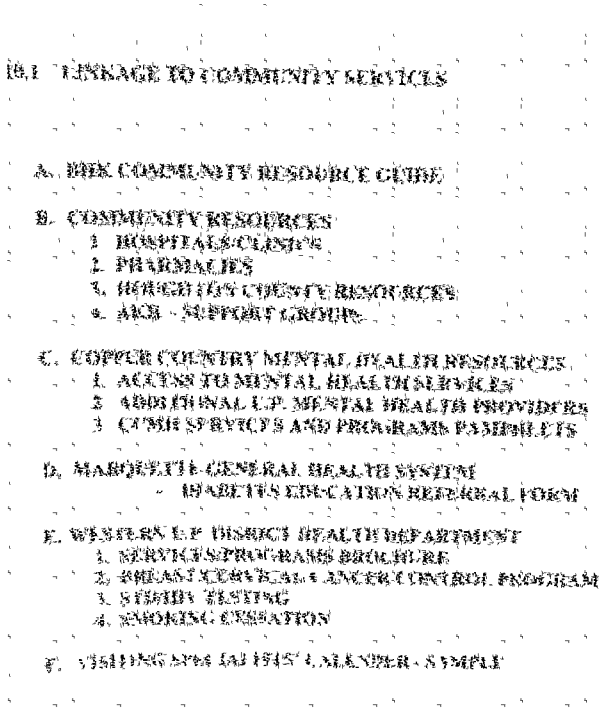
Available Health Services and Resources

In Houghton and Keweenaw Counties, a variety of health services and resources are available to the community, many of which Aspirus Keweenaw collaborates with for a variety of purposes. A listing of these resources is in this appendix.

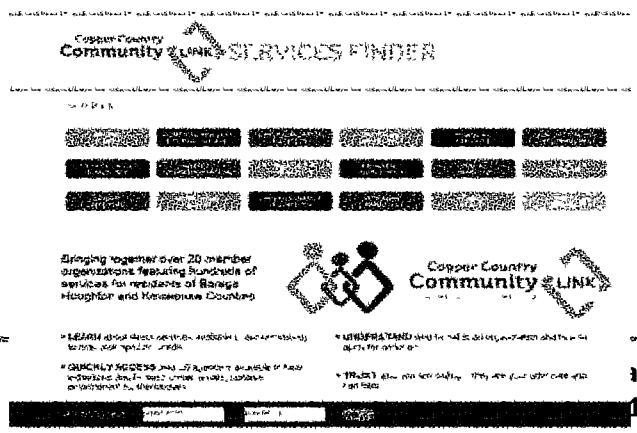
As well, EVERY clinic location has a binder for use by all front line staff that interacts with patients to assist them with information on health services and resources as needed.

A photo of the clinic resource binder and is shown here.





Aspirus Keweenaw is a member of the Copper County Human Resources Coordinating Body (CCHSCB), and refers patients to their resource guide online as well as 211 service lines. The resource guide covers a full spectrum of community health and social/economic resource listings and how to contact information. Go to cchscb.org for



access to the complete community resource guide (home page shown here)

Listing of Community Assets Regarding Health and Well Being

Aspirus Keweenaw Laurium Clinic & Hospital
205 Osceola Street
Laurium, MI 49913
Clinic: (906) 337-6560
Hospital: (906) 337-6500
Emergency Department
(906) 337-6500

Aspirus Keweenaw Laurium Wellness
300 Hecla Street
Laurium, MI 49913
(906) 337-9355

Aspirus Keweenaw Lake Linden Clinic
110 Calumet Street
Lake Linden, MI 49945
(906) 296-5040

Aspirus Keweenaw Medical Arts
301 Lakeshore Drive
Houghton, MI 49931
(906) 487-1710

Aspirus Keweenaw FastCare
900 Memorial Road
Inside Shopko
Houghton, MI 49931
(906) 483-0668

Aspirus Keweenaw Outpatient Therapies & Fitness Center
342 Hecla Street
Laurium, MI 49913
(906) 337-7000

Aspirus Keweenaw Outpatient Therapies
960 Razorback Drive

Houghton, MI 49931
(906) 482-8201

Portage Health System Locations

Hancock	906 483 1000
Houghton	906 483 1777
Lake Linden	906-483-1030
Ontonagon	906 884 4120
University Center	906 483 1860

DURABLE MEDICAL EQUIPMENT
Hospital Beds, wheelchairs, walkers, commodes, Hoyer Lifts, etc.

Loan Closets (Free of Charge or Low Cost)

Community Action Agency.....482-5528

St. Vincent De Paul Store.....482-7705

Salvation Army Store.....482-4596

Local Retail Outlets

Apria Healthcare.....482-3041

Apothecary Home Medical Equipment.....483-1290

Wright & Fillipis, Inc......(800) 232-1143

Aspirus Keweenaw Home Medical Equipment
Laurium.....337-6557

RESPITE CARE
Community Action Agency.....482-5528

ASSISTANCE FOR END OF LIFE CARE
Aspirus Keweenaw Home Health & Hospice...
.....337-5700
Portage Home Health & Hospice....483-1160
Omega House.....482-4438

ADULT DAY CARE
Harmony Gardens Adult Day Center
Laurium.....337-3992

RESOURCE INFORMATION

Long Term Care Connection.....**211**
..... (800) 338-1119

American Cancer Society..... (800) 469-0149

HOME NURSING SERVICES

Aspirus Keweenaw Home Health & Hospice
Calumet.....337-5700

Portage Health Home Care & Hospice
Hancock.....483-1160

NURSING HOMES

Cypress Manor Health and Rehab
Kathy Dube, Administrator
Hancock.....482-6644

Houghton County Medical Care Facility
Betsy Walikainen, SWT, Adm. Coordinator
Hancock.....482-5050

Our Lady of Mercy Health and Rehab
Terry Dube, LLBSW, Social Services
Hubbell.....296-3301

Portage Pointe
Julie Beck, LBSW, Portage Health
Hancock.....483-1188

FINANCIAL ASSISTANCE

MEDICAID--Dept. of Human Services
Houghton County.....482-0500
Keweenaw County.....337-3302

MEDICARE
Social Security Administration.....482-9656
.....(800) 772-1213

Children's Special Health Care Services
Western UP Health Dept.....482-7382

Michigan Rehabilitation Services...482-6045
..... (800) 562-7860

WUPHAC-Medical Access Program.....482-7122

MASTECTOMY SUPPLIES
Elegant Solutions Boutique.....337-4187

MEAL SERVICE
Senior Nutrition Program-Meals on Wheels
Hancock.....483-1155

ASSISTED LIVING
Adult Foster Care Homes
Department of Human Services
Hancock.....482-0500

Garden View Assisted Living & Memory Care
Calumet.....337-0800

Northridge Pines Assisted Living
Calumet.....337-1416

The Bluffs Senior Community
Houghton.....483-4400

SENIOR CITIZEN HOUSING
Centerline Apartments.....296-0070/482-5811
Golden Horizons.....337-1401
Keweenaw Pines.....337-3515
Laurium Senior Citizen Housing.....337-2306
Maple Lane Apartments.....296-0713
Park Avenue Apartments.....337-0005
Rustic Meadows.....296-0713

HOME AIDE SERVICES
Adult Home Help Services
Dept. of Human Services 482-0500

Community Action Agency
Homemaker Aide/Personal Care
.....482-5528/337-4805

Aspirus Keweenaw Home Services..337-9500

Portage Health Home Services.....483-1170

Long Term Care Connection.....**211**
..... (800) 338-1119

UPCAP Care Management.....482-0982

VICTIMS OF ABUSE AND/OR NEGLECT

Barbara Kettle Gundlach Shelter Home for Abused Women, Inc......337-5632

Dial Help, Inc. 482-4357

Adult & Children's Protective Services 482-7558

HOME RESPIRATORY SERVICE

Apria Health Care
Houghton.....482-3041

Aspirus Keweenaw Home Medical Equipment
Laurium.....337-6557

TRANSPORTATION

Community Action Agency
Houghton.....482-5528

Little Brothers Friends of the Elderly
Hancock.....482-6944

Department of Human Services
.....482-0500

VA Shuttle.....482-0102

B&B Wheelchair Van.....482-6147 or 281-7202

COUNSELING SERVICES

America's Pregnancy Helpline.....(800) 672-2296

Copper Country Mental Health
Houghton.....482-9400
Calumet.....337-5810

Indigo Creek Counseling.....487-7458

Life Outreach Center 482-8681

Lutheran Social Services.....(800) 677-7410

Rape & Incest National Network...(800) 656-4673

Psychology Associates.....337-6839
Bob Sharkey PHD, LP
Susan Donnelly PHD LP

SUBSTANCE ABUSE

Western UP Assessment Services.....482-7473

Western UP Health Dept.....482-7382

Phoenix House.....337-0763

Pathways-Northcare.....800-305-6564

New Day Treatment Center.....906-353-8121

LIFELINE
Emergency Response.....483-1170

SUPPORT GROUPS
Alcoholics Anonymous.....482-HELP

Adult Caregivers Support Group.....337-5700

Al-Anon.....482-HELP

Alzheimer's Disease & Related Disorders
.....482-4880

Arthritis Support and Education
Carolyn Normand, LBSW.....337-6559

Cardiac/Diabetes Support Group.....337-6598

Caregiver's Support Group.....337-5700

Community Coalition for Grief & Bereavement.....337-5700

Diabetes Education
Elaine Parks, RN, BSN, CDE.....337-6598

Diabetes Support Group
E. Parks, RN, BSN, CDE.....337-6598
Katie Rukkila, RD 483-1461

Dial HELP.....482-4357

Vulnerable Adult Hotline.....(800) 996-6228

Little Bros. Friends of the Elderly.....482-6944

Men's Health Program
Floyd Wakeham, RN.....337-6539

Narcotics Anonymous.....482-4357

Multiple Sclerosis.....(800) 291-2494

Parent Helpline.....(800) 942-4357

Parkinson's Disease Support.....337-5700

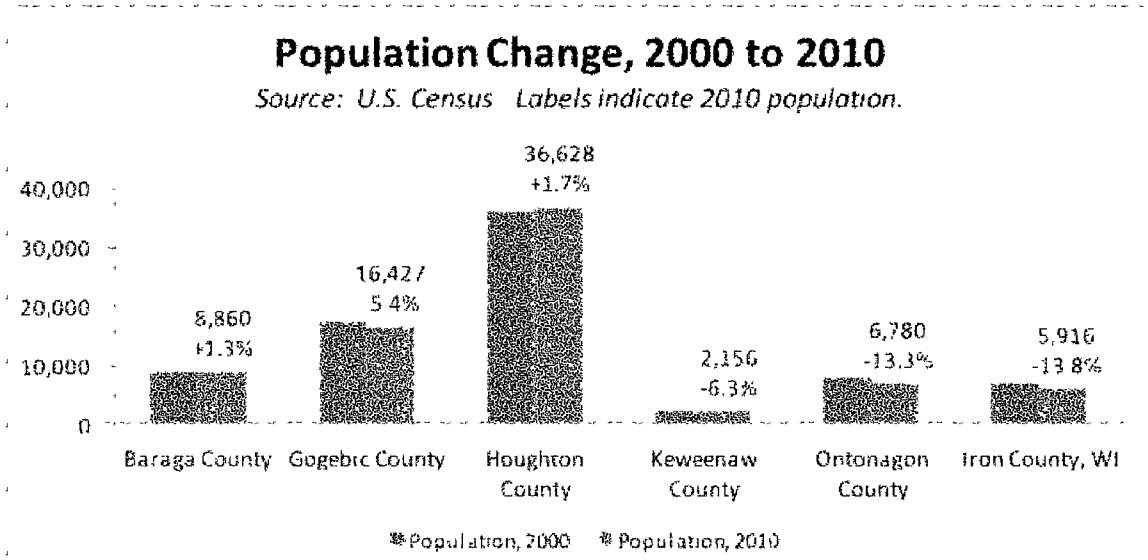
Senior Help Line Information and Referral
.....482-4357

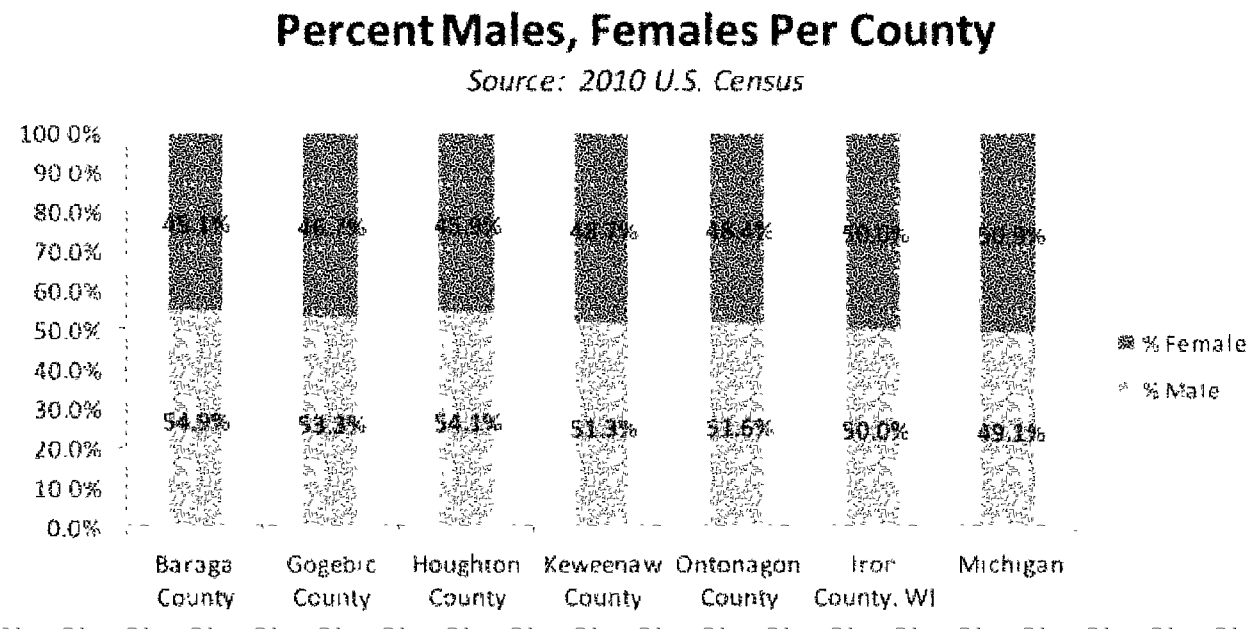
Smart Recovery.....482-4357

APPENDIX B

Service Area Demographics

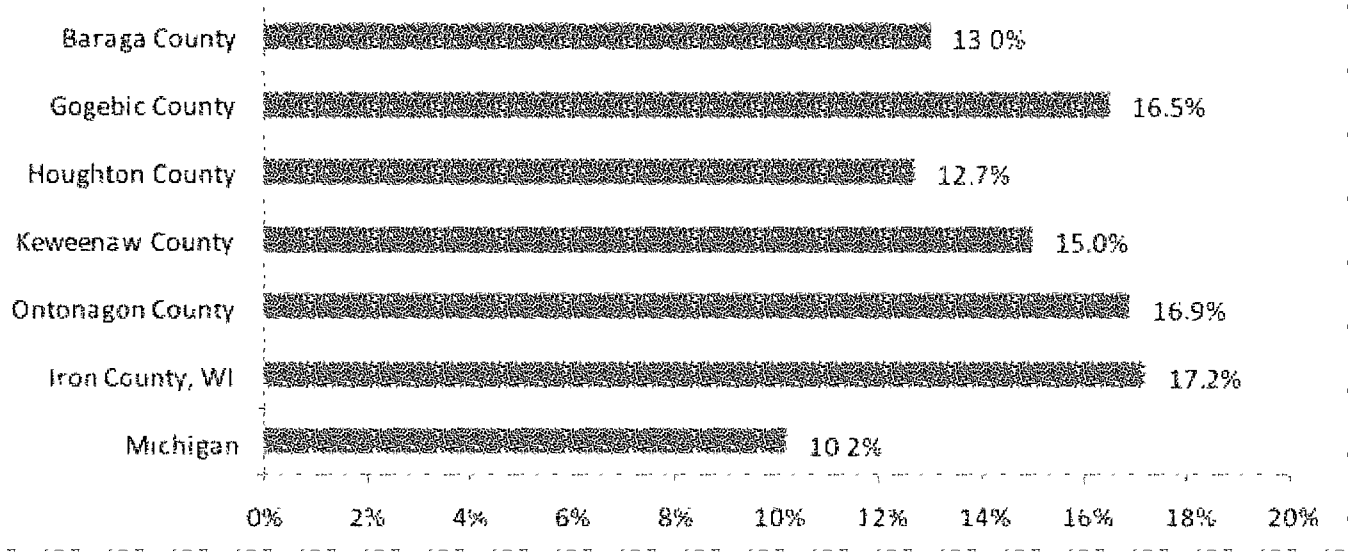
The following demographic charts are used from the Regional CHNA and compare the 5 Western U.P. Counties, Iron County, Wis. and, in most cases, the Michigan average. Aspirus Grand View's primary service area is located in Gogebic County, Mich., and Iron County, Wis.





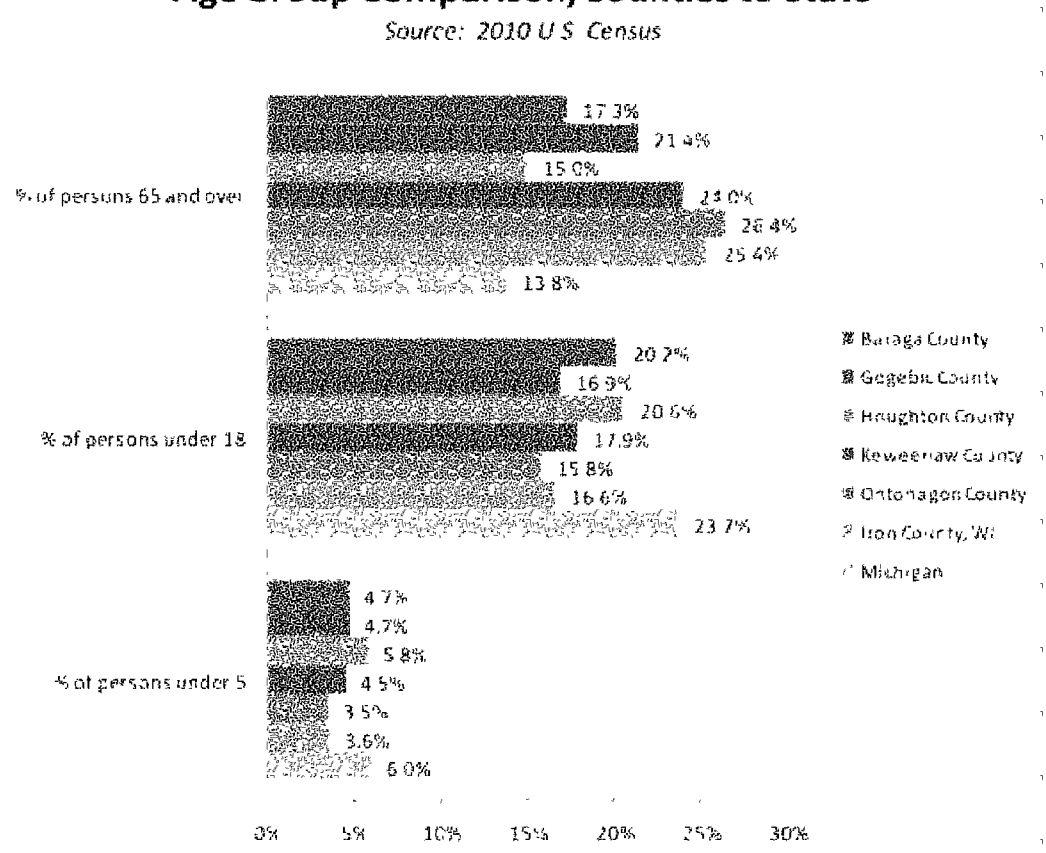
% of Occupied Housing Units for Which Householder is 65 or Older And Living Alone

Source: 2010 U.S. Census



Age Group Comparison, Counties to State

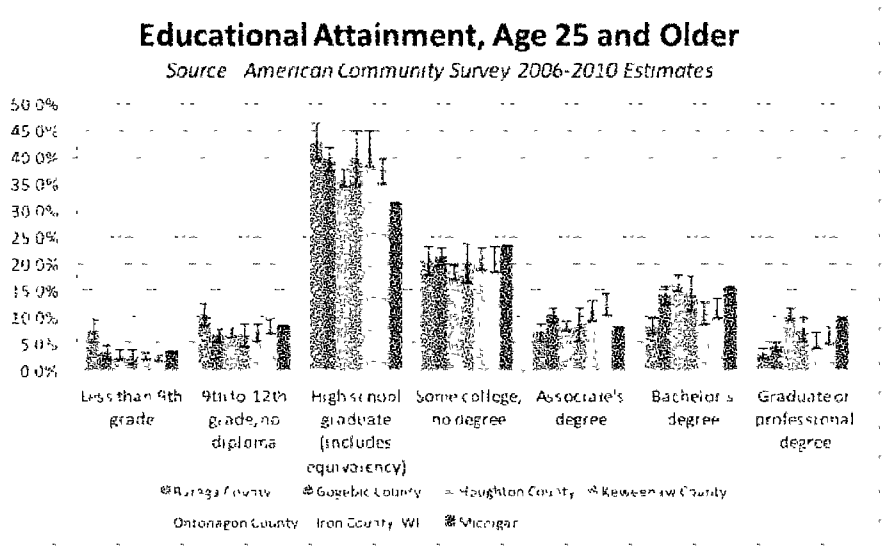
Source: 2010 U.S. Census



Race Demographics, Counties to State

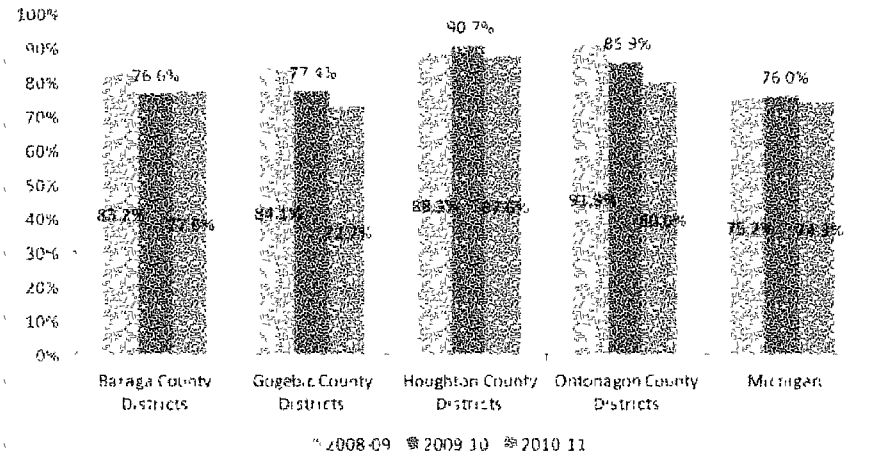
	White Alone	Black Alone	American Indian or Alaska Native Alone	Asian Alone	Some Other Race Alone	Two or more races
Baraga County	75.0%	7.2%	13.1%	0.1%	0.2%	4.4%
Gogebic County	91.7%	4.1%	2.4%	0.2%	0.2%	1.4%
Houghton County	94.5%	0.5%	0.6%	2.9%	0.2%	1.3%
Keweenaw County	98.5%	0.1%	0.1%	0.0%	0.0%	1.3%
Ontonagon County	97.3%	0.1%	1.1%	0.2%	0.1%	1.2%
Iron County, WI	97.9%	0.1%	0.6%	0.3%	0.2%	0.9%
Michigan	78.9%	14.2%	0.6%	2.4%	1.5%	2.4%

Source: 2010 U.S. Census.



4 Year High School Graduation Rates

Source: Center for Educational Performance and Information



4 Year High School Drop Out Rates

Source: Center for Educational Performance and Information