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

Genesys Regional Medical Center ("GRMC") is a 441 licensed bed hospital which includes a level II emergency trauma center. The mission values guiding GRMC are Service of the Poor, Reverence, Integrity, Wisdom, Creativity, and Dedication. GRMC provides essential healthcare services such as inpatient, outpatient, emergency services, along with a medical education program and patient education program that serve the general community.

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

If "Yes," describe these changes on Schedule O

4a	(Code	) (Expenses \$	316,612,628	including grants of \$	3,627,635) (Revenue \$	376,397,953)
	Hospital Net Patient Service Revenue & Other Program Service Revenue - GRMC has 441 licensed beds (378 acute, 32 rehabilitation, and 31 bassinets) which resulted in providing 103,076 patient days of care, 20,937 patient discharges, which equaled a 68.9% occupancy percentage. In addition, GRMC had 2,026 deliveries, 64,446 emergency visits, the hospital has 23 surgery suites which totaled 14,365 surgeries (both I/P & O/P), and 215 Open Heart procedures. The hospital had 2,664 full-time equivalents.					

4b	(Code)	(Expenses \$ 30,619,858	including grants of \$)	(Revenue \$ 29,307,711)
	Medical Education Program - the program included 52 residents and interns which were represented in these training programs Family Medicine 13, Internal Medicine 8, Emergency Medicine 6, General Surgery 5, OB/GYN 3, Orthopedic Surgery 3, Traditional Internship 3, Radiology 3, Behavioral Medicine 2, Podiatry 2, Cardiology 1, Hematology/Oncology 1, Gastroenterology 1, and Pulmonary Medicine/Critical Care 1 This resulted in 150 full-time Resident/Intern equivalents			

[illegible]

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

4e	Total program service expenses	347,232,486
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Part IV Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	216	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	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	3,459
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		
	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		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. ☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶Randy Kummier 5445 Ali Drive Dept 200 Grand Blanc, MI 484395193 (810) 606-6618

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) John Anderson	50	X		X				0	0	0
Chairperson	90									
(2) James Boles	50	X		X				0	0	0
Vice Chairperson	90									
(3) Jeffrey Tippet	50	X		X				0	0	0
Secretary	1 30									
(4) Mark Piper	50	X		X				0	0	0
Treasurer	90									
(5) Muhammad Aboudan MD	50	X						0	0	0
Trustee	90									
(6) Anita Abrol	50	X						0	0	0
Trustee	90									
(7) Karen Aldridge-Eason	50	X						0	0	0
Trustee	90									
(8) Sr Betty Granger	50	X						0	0	0
Trustee	90									
(9) James Hresko	50	X						0	0	0
Trustee	90									
(10) Kenneth Steibel MD Sch O	22 10	X						77,137	0	13,739
Trustee	90									
(11) Jim Walter MD Sch O	30 10	X						101,200	0	0
Trustee	90									
(12) Elizabeth Aderholdt	34 00	X		X				971,946	0	64,439
Trustee, CEO/President	20 00									
(13) Nancy Haywood	50 00			X				313,757	0	47,941
GHS CFO	4 00									
(14) Chrnstopher Palazzolo	38 00			X				527,223	0	43,434
GHS COO	16 00									
(15) Julie Gorzyca	50 00				X			207,270	0	26,800
Chief Nursing Officer	0 00									
(16) Charles Husson DO	50 00				X			308,877	0	18,728
Chief Medical Officer	0 00									
(17) Joy Finkenbiner	50 00				X			258,137	0	48,879
VP Prof & Support Services	0 00									

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) Ron Haase Chief HR & Learning Officer	50 00 0 00				X			395,017	0	35,388
(19) Nick Buttar MD Physician	50 00 0 00					X		599,488	0	36,356
(20) Oliver Hayes DO Director Medical Education	50 00 0 00					X		333,357	0	25,351
(21) James Lindemulder DO Physician	50 00 0 00					X		297,221	0	34,973
(22) Peter Reynolds MD Physician	50 00 0 00					X		228,719	0	23,126
(23) Marissa Rogers DO Physician	50 00 0 00					X		232,250	0	23,288
(24) James Bonnette MD end 311 Former Key Employee	0 00 0 00						X	181,488	0	0
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								5,033,087	0	442,442
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▶142									

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

Section B. Independent Contractors

1	Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year		
	(A) Name and business address	(B) Description of services	(C) Compensation
	Great Lakes Anesthesia Association PC 2432 Genesys Parkway Grand Blanc MI48439	Anesthesia Services	8,212,680
	Genesys Physician Hospital Organization 307 E Court Street Flint MI48502	Management Srvc - Contracting	2,641,940
	Genesys Medical Imaging PC 2325 Stonebridge Drive Flint MI48532	Radiology Services	2,299,393
	Candescent Healing 32 Elm Place Rye NY 10580	Wound Care Services	1,964,419
	Genesys Trauma & Emergency Surgery PLLC 9463 Holly Road Grand Blanc MI48439	Emergency Center Services	1,423,500
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 ▶29		

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	2,601,597				
	e	Government grants (contributions) 1e					
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	26,138				
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f	2,627,735				
Program Service Revenue	2a	Net Patient Revenue	Business Code 621990	375,461,989	374,366,312	1,095,677	
	b	Medical Education	611710	29,307,711	29,307,711		
	c	Rental Income	532000	1,280,814	1,280,814		
	d	Ancillary Revenue	900003	270,000	270,000		
	e	Medicare/Medicaid ARRA	900099	268,246	268,246		
	f	All other program service revenue					
	g	Total. Add lines 2a-2f	406,588,760				
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	2,860,350			2,860,350
4		Income from investment of tax-exempt bond proceeds					
5		Royalties					
6a		Gross rents	(i) Real 270,547	(ii) Personal			
		b	Less rental expenses	257,663			
		c	Rental income or (loss)	12,884			
		d	Net rental income or (loss)	12,884		12,884	
7a		Gross amount from sales of assets other than inventory	(i) Securities 2,033,198	(ii) Other 1,966,594			
		b	Less cost or other basis and sales expenses	0	414,763		
		c	Gain or (loss)	2,033,198	1,551,831		
		d	Net gain or (loss)	3,585,029			3,585,029
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	Cafeteria	722210	1,258,212			1,258,212	
b	Research Grants	900099	212,581	212,581			
c	Vending Machine	722210	76,043			76,043	
d	All other revenue		402,202		206,572	195,630	
e	Total. Add lines 11a-11d		1,949,038				
12	Total revenue. See Instructions		417,623,796	405,705,664	1,315,133	7,975,264	

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.	3,627,635	3,627,635		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.				
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.				
4	Benefits paid to or for members.				
5	Compensation of current officers, directors, trustees, and key employees.	3,563,704	109,259	3,454,445	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	181,488		181,488	
7	Other salaries and wages.	174,703,187	155,609,967	19,093,220	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	-2,949,970	-2,627,569	-322,401	
9	Other employee benefits.	21,496,075	19,146,780	2,349,295	
10	Payroll taxes.	13,319,423	11,863,750	1,455,673	
11	Fees for services (non-employees):				
a	Management.	4,200,224		4,200,224	
b	Legal.	695,697		695,697	
c	Accounting.	432,154		432,154	
d	Lobbying.	24,241	24,241		
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.				
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	61,195,887	47,739,983	13,455,904	
12	Advertising and promotion.	758,333	91,501	666,832	
13	Office expenses.	6,625,279	5,292,196	1,333,083	
14	Information technology.	19,978,462	11,970,348	8,008,114	
15	Royalties.				
16	Occupancy.	14,988,007	13,279,236	1,708,771	
17	Travel.	104,739	51,768	52,971	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	307,402	265,709	41,693	
20	Interest.				
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	12,344,277	10,862,964	1,481,313	
23	Insurance.	670,945	564,713	106,232	
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	Med/Surg Supplies.	47,154,015	47,154,015		
b	Patient Drug Costs.	12,690,356	12,690,356		
c	Service Fees.	4,827,676		4,827,676	
d	Allocated S&W/Benefits.	3,982,844	3,681,168	301,676	
e	All other expenses.	12,478,411	5,834,466	6,643,945	
25	Total functional expenses. Add lines 1 through 24e.	417,400,491	347,232,486	70,168,005	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)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		3,330,355	1	4,909,702
	2	Savings and temporary cash investments		84,308	2	161,041
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		41,014,504	4	41,079,342
	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		3,248,487	7	3,098,740
	8	Inventories for sale or use		5,654,538	8	5,685,951
	9	Prepaid expenses and deferred charges		11,450,976	9	13,136,675
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a340,509,863			
	b	Less accumulated depreciation	10b188,776,839	157,148,497	10c	151,733,024
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11		327,208	13	368,422
	14	Intangible assets		9,589,937	14	12,699,640
	15	Other assets See Part IV, line 11		159,506,871	15	133,218,728
	16	Total assets. Add lines 1 through 15 (must equal line 34)		391,355,681	16	366,091,265
Liabilities	17	Accounts payable and accrued expenses		44,216,951	17	36,715,061
	18	Grants payable			18	800,020
	19	Deferred revenue		1,096,442	19	3,935,783
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		330,265,756	25	311,350,483
	26	Total liabilities. Add lines 17 through 25		375,579,149	26	352,801,347
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		15,776,532	27	13,289,918
	28	Temporarily restricted net assets			28	
	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		15,776,532	33	13,289,918
	34	Total liabilities and net assets/fund balances		391,355,681	34	366,091,265

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	417,623,796
2	Total expenses (must equal Part IX, column (A), line 25)	2	417,400,491
3	Revenue less expenses Subtract line 2 from line 1	3	223,305
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	15,776,532
5	Net unrealized gains (losses) on investments	5	8,141,987
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	-10,851,906
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	13,289,918

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? 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	2a	No
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis	2b	Yes
2c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	No
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	

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 Genesys Regional Medical Center	Employer identification number 38-2377821
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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)

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

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

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

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

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)

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

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)

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

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)

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

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

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)

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

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

(i)

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

(ii)

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

(iii)

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

Provide the following information about the supported organization(s)

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

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

Part II

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

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

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

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

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

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

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

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

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

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

Facts And Circumstances Test

Return Reference	Explanation	
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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 Genesys Regional Medical Center	Employer identification number 38-2377821
---	--

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															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		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		
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														
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-															
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)		(b)
		Yes	No	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		24,241
	j Total. Add lines 1c through 1i.			24,241
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).	2a	
a	Current year.		
b	Carryover from last year.		
c	Total.		
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues.	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions).	5	

Part IV

Supplemental Information

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

Return Reference	Explanation
Part II-B, Line 1	Lobbying expenses incurred include a portion of the dues paid to both national and state hospital associations. Genesys Regional Medical Center does not participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

[illegible]

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
Genesys Regional Medical Center

Employer identification number
38-2377821

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
- c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	
- 2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No
- b

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

☐

Part V

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance	1,718,835	1,733,531	1,798,911	3,342,601	3,132,669
b Contributions	44,886	128,838	67,516	104,217	63,150
c Net investment earnings, gains, and losses	154,872	107,918	-57,922	190,837	279,884
d Grants or scholarships	23,000	26,500	26,520	9,000	17,540
e Other expenditures for facilities and programs	167,774	224,952	48,454	1,829,744	115,562
f Administrative expenses					
g End of year balance	1,727,819	1,718,835	1,733,531	1,798,911	3,342,601

- 2

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

Board designated or quasi-endowment ▶ 47 000 %

b

Permanent endowment ▶ 28 000 %

c

Temporarily restricted endowment ▶ 25 000 %
- The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

b

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

3b

Yes

4

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

Part VI

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

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	326,610	6,297,552		6,624,162
b Buildings		219,554,214	92,976,636	126,577,578
c Leasehold improvements		147,091	17,511	129,580
d Equipment		107,642,088	92,132,029	15,510,059
e Other		6,542,308	3,650,663	2,891,645
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) ▶				151,733,024

Schedule D (Form 990) 2013

Part XI

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

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

Part XII

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

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

Part XIII

Supplemental Information

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

Return Reference	Explanation
Part V, Line 4	The endowments are used for both medical and educational (scholarship) purposes
Part X, Line 2	From the consolidated financial statements of Ascension Health Alliance and its member entities ("The System") which include the activity of Genesys Regional Medical Center. The System accounts for uncertainty in income tax positions by applying a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The System has determined that no material unrecognized tax benefits or liabilities exist as of June 30, 2014.

[illegible]

Additional Data

Software ID:

Software Version:

EIN: 38-2377821

Name: Genesys Regional Medical Center

Form 990, Schedule D, Part IX, - Other Assets

(a) Description	(b) Book value
(1) Interest in Investments Held by Ascension Health Alliance	120,462,480
(2) Third Party Receivables	4,296,840
(3) Due from Affiliates	3,086,928
(4) Receivable - Blue Cross Other	1,460,000
(5) Other Executive Investments	980,372
(6) Deferred Compensation - Executives	928,558
(7) Receivable - Accretive	596,267
(8) Receivable - AHIS	401,724
(9) Receivable - Caymich	390,912
(10) All Other Assets	614,647

Form 990, Schedule D, Part X, - Other Liabilities

1 (a) Description of Liability	(b) Book Value
Intercompany Debt with Ascension Health Alliance	290,129,237
Third Party Settlements	7,960,933
Professional Insurance Liability	5,243,645
Litigation Allowance	3,000,000
Pension/Employee Savings Plan Liability	2,272,366
Med Education FICA Refund Payable	1,351,653
Deferred Compensation - Executives	928,558
Due to Affiliates	197,669
All Other Liabilities	266,422

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
Genesys Regional Medical Center

Employer identification number
38-2377821

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 <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care ☐ 100% ☐ 150% ☐ 200% ☒ Other <u>25000 0000000000 %</u> b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☒ 300% ☐ 350% ☐ 400% ☐ Other _____ % c If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care 4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	3a Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	3b Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	4 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 eligible for free or discounted care?	5a Yes	
6a	Did the organization prepare a community benefit report during the tax year?	5b	No
b	If "Yes," did the organization make it available to the public?	5c	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H	6a Yes	
		6b Yes	

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)			5,712,022		5,712,022	1 370 %
b Medicaid (from Worksheet 3, column a)			41,928,437	28,440,873	13,487,564	3 230 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			5,737,302	2,456,504	3,280,798	0 790 %
d Total Financial Assistance and Means-Tested Government Programs			53,377,761	30,897,377	22,480,384	5 390 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			512,175		512,175	0 120 %
f Health professions education (from Worksheet 5)			31,039,427	13,087,930	17,951,497	4 300 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			77,150		77,150	0 020 %
j Total Other Benefits			31,628,752	13,087,930	18,540,822	4 440 %
k Total . Add lines 7d and 7j			85,006,513	43,985,307	41,021,206	9 830 %

Part IICommunity 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
1Physical improvements and housing						
2Economic development						
3Community support			16,865		16,865	0 %
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building			7,200		7,200	0 %
7Community health improvement advocacy			8,520		8,520	0 %
8Workforce development						
9Other						
10Total			32,585		32,585	

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?

1

No

2Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

2

6,553,132

3Enter 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

3,164,373

4Provide 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

5Enter total revenue received from Medicare (including DSH and IME).

5

209,777,387

6Enter Medicare allowable costs of care relating to payments on line 5.

6

192,622,050

7Subtract line 6 from line 5. This is the surplus (or shortfall).

7

17,155,337

8Describe 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

9aDid the organization have a written debt collection policy during the tax year?

9a

Yes

bIf "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 IVManagement Companies and Joint Ventures

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1 1 Genesys Surgical Services Co-Management Company	Surgical Clinical Service Line	50 000 %		50 000 %
2 2 Genesys Cardiovascular Services Co-Management Company	Cardiovascular Clinical Service Line	50 000 %		50 000 %
3 3 Genesys OrthoNeuro Services Co-Management Company	Ortho/Neuro Clinical Service Line	50 000 %		50 000 %
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)

Genesys Regional Medical Center

Name of hospital facility or facility reporting group

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

1

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply)	1 Yes	
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 <u>12</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3 Yes	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4 Yes	
5 Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5 Yes	
a ☒ Hospital facility's website (list url) <u>www.genesys.org</u>		
b ☒ Other website (list url) <u>www.gfhc.org</u>		
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? If "Yes," indicate the FPG family income limit for eligibility for free care 250 00000000000000% If "No," explain in Part VI the criteria the hospital facility used	10	Yes
11	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 00000000000000% If "No," explain in Part VI the criteria the hospital facility used	11	Yes
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	12	Yes
a	☒ 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? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	14	Yes
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? If "Yes," check all actions in which the hospital facility or a third party engaged	17	No
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? If "No," indicate why	Yes	
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? If "Yes," explain in Part VI		No
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? If "Yes," explain in Part VI		No

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.

[illegible]

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	Genesys MRI Center 981 Health Park Blvd Grand Blanc, MI 48439	Magnetic Resonance Imaging Services
2	Genesys Wound and Hyperbaric Center 600 Health Park Blvd Suite 1 Grand Blanc, MI 48439	Wound and Hyperbaric Services
3	Genesys Sleep Disorders Center 8200 South Saginaw Street Grand Blanc, MI 48439	Sleep Disorder Services
4	Academic Training Clinics 420 South Saginaw Street Flint, MI 48502	Resident Training Clinics
5	Academic Training Clinics 1460 North Center Road Burton, MI 48509	Resident Training Clinics
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 6a	Genesys Regional Medical Center annually compiles its community benefit information and submits such information to both the Michigan Hospital Association ("MHA") and the Greater Flint Health Coalition for inclusion into formal consolidated publications of all participating entities

Form and Line Reference	Explanation
Part II, Community Building Activities	Recognizing that one person or organization cannot solve all of the community's unmet needs, community building activities serve as a catalyst for change, capitalizing on the diverse gifts and talents of individuals and organizations to bring about real change and real solutions. During FY 14, Genesys Regional Medical Center's community building activities such as community support, coalition building, and community health improvement efforts, served to address root causes of health problems. Identification of such root causes is a vital step in the ultimate goal of promoting health within the community at large.

Form and Line Reference	Explanation
Part III, Line 4	From the consolidated audited financial statements of Ascension Health Alliance and its member entities ("The System" which includes the activity of Genesys Regional Medical Center) The provision for doubtful accounts is based upon management's assessment of expected net collections considering economic conditions, historical experience, trends in healthcare coverage, and other collection indicators. Periodically throughout the year, management assesses the adequacy of the allowance for doubtful accounts based upon historical write-off experience by payor category, including those amounts not covered by insurance. The results of this review are then used to make any modifications to the provision for doubtful accounts to establish an appropriate allowance for doubtful accounts. After satisfaction of amounts due from insurance and reasonable efforts to collect from the patient have been exhausted, the System follows established guidelines for placing certain past-due patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by the System. Accounts receivable are written off after collection efforts have been followed in accordance with the System's policies.

Form and Line Reference	Explanation
Part III, Line 8	Surplus - N/A Costs in question #6 are calculated from the adjusted cost-to-charge ratio which based on total costs, less the following other operating revenues, community health improvement costs, and "other" program costs of the poor

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

Form and Line Reference	Explanation
Part VI, Line 2	Please see Part V, Section B, Line 3 disclosure

Form and Line Reference	Explanation
Part VI, Line 3	The Genesys Health System/Ascension Mission calls for Service of the Poor Identified are those patients who require financial assistance and to make sure the billing of their account reflects the level of financial assistance that is appropriate for their circumstance Financial Assistance procedures are located in the patient admission's handbook If a patient anticipates difficulty financing healthcare charges, a consultation regarding various payment options ensues Uninsured patients will receive an uninsured discount There are many programs available to assist patients with their health care needs, when options have been exhausted, a charity care program is available There are 3 steps to determine what discount a patient might be entitled to receive and how to communicate that information to the patient Whenever possible, this process is completed with the patient in person Step 1- Conduct a Self pay screening interview Step 2- Complete a Financial Assistance Application Step 3- Determine and communicate the discountFor Emergency Department treatment and release patients, patient education of eligibility for financial assistance occurs at the time of discharge Patients with a scheduled procedure, this conversation occurs as part of the financial clearance process If the patient is an unscheduled patient, this conversation occurs when the patient's condition is stabilized and a reasonable estimate of the charges can be made For longer patient stays, sometimes it may be appropriate to communicate to the patient that they have qualified for the discount earlier in the visit to provide some comfort to the patient that they have qualified for financial assistance

Form and Line Reference	Explanation
Part VI, Line 4	Genesee County, which includes its major urban core of the City of Flint - was at one time the national epicenter of automotive manufacturing industry. As the birthplace of General Motors (GM) in 1908 and home to the United Auto Workers' (UAW) famous Sit-Down Strike of 1936-37, Genesee County/Flint helped define the American auto industry. By the late 1970's, GM employed more than 80,000 workers in the county. Impacted by national deindustrialization in the 1980s and thereafter, a period of disinvestment, depopulation, and urban decay would follow as the automotive industry declined rapidly. By 2010, less than 8,000 GM jobs remained - less than 10% of what once defined the community's manufacturing and economic base. Today, Genesee County/Flint remains a "community in recovery" due to this historical economic shift, having experienced significant unemployment and population declines coupled with overwhelmingly poor measures for both health factors and health outcomes. Genesee County's current population of 425,790 includes a racial composition of 74.5% White, 20.7% African-American, and 3.0% Hispanic/Latino. While nearly 200,000 people once lived within the City of Flint during its peak in the 1960s and 1970s, today only 102,434 residents remain, a majority being African-American (56.6%). These developments have fueled consistently high unemployment rates (currently at 11.4%) and growing generational poverty (36.1% in the City of Flint, 16.3% countywide, and 29.5% among county children). From 2008 to 2010, the county's population has decreased by almost 5,000 residents. Genesee County is also an aging population--the median age has increased from 35.0 years in 2000 to 37.3 years in 2008. The Median Household income in 2007 for the City of Flint was \$26,143, Genesee County \$43,112, the State of Michigan \$47,950 and the United States \$50,740. Genesee County's educational attainment (relative to percentage of individuals with a Bachelor's degree) is significantly lower than the State of Michigan and the United States. The percentage of persons with Bachelor's degrees in Genesee County is 19%, Michigan 25% and the United States 27.9%.

Form and Line Reference	Explanation
Part VI, Line 5	Please see Part V, Section B, Line 3 disclosure

Form and Line Reference	Explanation
Part VI, Line 6	Genesys Regional Medical Center is a wholly owned subsidiary of Genesys Health System (GHS) which is a member of Ascension Health Ascension Health Alliance, d/b/a Ascension (Ascension), is a Missouri nonprofit corporation formed on September 13, 2011 Ascension is the sole corporate member and parent organization of Ascension Health, a Catholic national health system consisting primarily of nonprofit corporations that own and operate local healthcare facilities, or Health Ministries, located in 23 of the United States and the District of Columbia Ascension served as the member or shareholder of various subsidiaries Ascension and its member organizations are hereafter referred to collectively as the System Ascension is sponsored by Ascension Sponsor, a Public Juridic Person The Participating Entities of Ascension Sponsor are the Daughters of Charity of St Vincent de Paul, St Louise Province, the Congregation of St Joseph, the Congregation of the Sisters of St Joseph of Carondelet, the Congregation of Alexian Brothers of the Immaculate Conception Province, Inc American Province, and the Sisters of the Sorrowful Mother of the Third Order of St Francis of Assisi US/Caribbean Province Marian Health System, which was previously sponsored by the Sisters of the Sorrowful Mother of the Third Order of St Francis of Assisi US/Caribbean Province, became part of Ascension Health on April 1, 2013 GHS is related to Ascension Health's other sponsored organizations through common control Substantially all expenses of Ascension Health are related to providing health care services GRMC is a 441 licensed bed hospital with 2,814 full-time equivalents in FY 14 GRMC provides inpatient, outpatient, and emergency care services for the residents of Genessee County and other surrounding counties Admitting physicians are primarily practitioners in the local area The System directs its governance and management activities toward strong, vibrant, Catholic Health Ministries united in service and healing, and dedicates its resources to spiritually centered care which sustains and improves the health of the individuals and communities it serves In accordance with the System's mission of service to those persons living in poverty and other vulnerable persons, each Health Ministry accepts patients regardless of their ability to pay The System uses four categories to identify the resources utilized for the care of persons living in poverty and community benefit programs - Traditional charity care includes the cost of services provided to persons who cannot afford healthcare because of inadequate resources and/or who are uninsured or underinsured - Unpaid cost of public programs, excluding Medicare, represents the unpaid cost of services provided to persons covered by public programs for persons living in poverty and other vulnerable persons - Cost of other programs for persons living in poverty and other vulnerable persons includes unreimbursed costs of programs intentionally designed to serve the persons living in poverty and other vulnerable persons of the community, including substance abusers, the homeless, victims of child abuse, and persons with acquired immune deficiency syndrome - Community benefit consists of the unreimbursed costs of community benefit programs and services for the general community, not solely for the persons living in poverty, including health promotion and education, health clinics and screenings, and medical research Discounts are provided to all uninsured patients, including those with the means to pay Discounts provided to those patients who did not qualify for assistance under charity care guidelines are not included in the cost of providing care of persons living in poverty and community benefit programs The cost of providing care of persons living in poverty and community benefit programs is estimated by reducing charges foregone by a factor derived from the ratio of each entity's total operating expenses to the entity's billed charges for patient care

Additional Data

Software ID:

Software Version:

EIN: 38-2377821

Name: Genesys Regional Medical Center

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

Form and Line Reference	Explanation
Genesys Regional Medical Center	Part V, Section B, Line 3 Following collection of the 265 metrics within the CHNA, the data was then shared strategically through the Greater Flint Health Coalition's established network of collaborative partners As noted, the Genesys Flint Health Coalition is a multi-sector coalition recognized in Genesee County as the neutral convener of health initiatives Genesys Flint Health Coalition ("GFHC") regularly convenes persons and organizations representing the community's cross-sector interests through engagement of leadership representatives from business, education, public health, physicians, hospitals, health insurers, safety-net providers, community-based organizations, residents, policymakers, foundations, labor, and media This network of collaborative partners is continuously engaged to review and prioritize the health indicators and needs as detailed in the CHNA, specifically, this community involvement was achieved by sharing the CHNA's data metrics with the following entities, as well as requesting additional community health needs input from amongst the following networks - Genesys Flint Health Coalition's 33 Member Board of Directors comprised of leadership representatives within the sectors described above,- Genesys Flint Health Coalition's 20 multi-sector Committees and Task Forces that work on various projects and activities within the GFHC focus areas of Health Improvement, Access and Environment, Quality and Innovation, Cost & Resource Planning, and Sector Workforce Development Collectively, these Committees and Task Forces include 299 members who each have special knowledge in healthcare, public health, and community engagement, as sourced from their cross-sector composition and expertise,- Genesys Flint Health Coalition's Community Network, reaching a group of approximately 100 community-based organizations and residents including minority groups, the uninsured, and low-income residents,- Strategic planning representatives from the principal partners in completing the CHNA (Genesys Health System, Hurley Medical Center, and McLaren-Flint),- Local government leaders from the Genesee County Health Department and the City of Flint,- Local health foundations that prioritize funding decisions,- Additional groups in the City of Flint and Genesee County community In total, the CHNA process included the engagement of over 500 persons in the community who represent the community served including experts in public health, healthcare, or community engagement as well as community residents Furthermore, as the assessment process also included a community survey with approximately 1,700 local residents and focus groups designed to engage residents in sharing how to improve health status and mental health in the community, this CHNA has included the involvement of approximately 2,200 representatives of the community served - Genesee County Through this significant engagement of the community served, all individuals involved in this CHNA were granted the opportunity to provide input relative to the health needs and assessment priorities for the Genesee County community

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
Genesys Regional Medical Center	Part V, Section B, Line 4 The Greater Flint Health Coalition conducted a joint CHNA for the following hospital facilities Genesys Regional Medical Center, Hurley Medical Center, and McLaren-Flint

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
Genesys Regional Medical Center	Part V , Section B, Line 7 Genesys Regional Medical Center will not directly address the following focus areas/priorities identified within the Community Health Needs Assessment Physical environment/neighborhood safety, public transportation, and anti-smoking These priorities did not meet the defined evaluation criteria and it was determined internally that the hospital did not have the ability to directly affect change within these needs nor are there hospital resources available to influence change It was also determined that there are other community organizations better aligned to address these priorities

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
Genesys Regional Medical Center	Part V, Section B, Line 14g The financial assistance policy is also provided to patients during the financial counseling process

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

Form and Line Reference	Explanation
Genesys Regional Medical Center	Part V, Section B, Line 20d An uninsured discount of 40% was applied against reasonable and customary charges for patients with incomes greater than 259% of the FPL The discount (40%) was based upon a review of the average discounted rate of GRMC's commercial/contracted rates that made up at least 3% of the hospital's overall volume For patients that had income levels less than that or patients that were not able to verify their income levels actually received a deeper discount billed 115% of Medicare rates

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DLN: 93493132033905

Schedule I
(Form 990)

OMB No 1545-0047

2013

Open to Public
Inspection

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

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

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

Department of the Treasury
Internal Revenue Service

Name of the organization
Genesys Regional Medical Center

Employer identification number
38-2377821

Part I General Information on Grants and Assistance

- 1

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

☒ Yes ☐ No
- 2

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

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) Genesys Ambulatory Health Services 5445 Ali Drive Dept 200 Grand Blanc, MI 484595193	38-2371754	501(c)(3)	3,450,705				Support O perations
(2) Court Street Housing Non-Profit Housing Corporation 727 East Street Flint, MI 48503	38-2724400	501(c)(3)	100,000				Support O perations
(3) Evangelistic International Ministries Inc PO Box 297 Magnolia, AR 71754	77-0591016	501(c)(3)		32,950	Book	Medical Supply	Support O perations
(4) Genesys Health Foundation One Genesys Parkway Grand Blanc, MI 484398065	38-3591148	501(c)(3)	15,000				Sponsor - Fundraiser
(5) Genesee County Free Medical Clinics 2437 Welch Boulevard Flint, MI 48504	38-2995700	501(c)(3)	10,000				Support O perations
(6) Food Bank of Eastern Michigan 2312 Lapeer Road Flint, MI 48503	38-2379678	501(c)(3)	10,000				Support O perations

2

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

6

3

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

0

Part III

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

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

Part IV

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

Return Reference	Explanation
Part I, Line 2	Genesys Regional Medical Center normally requires an annual report (where applicable) for potential grant assistance. In addition, a Genesys Regional Medical Center point person will normally attend a meeting at the entity or with an individual to help understand their needs. Final approval for any assistance will come from the Office of the President. Depending on the nature of the grant, a final report or substantiation of the grant assistance used, is required to be submitted back to the hospital. Other types of grants (fundraisers) are evaluated based upon the purpose of the campaign.

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
Genesys Regional Medical Center

Employer identification number
38-2377821

Part I

Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☒ Health or social club dues or initiation fees ☐ 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	1bYes	
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?	2Yes	
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 ☐ Independent compensation consultant ☐ Form 990 of other organizations ☐ Written employment contract ☐ Compensation survey or study ☐ 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?	4bYes	
c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	4c	No
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? If "Yes," to line 5a or 5b, describe in Part III	5b	No
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? If "Yes," to line 6a or 6b, describe in Part III	6b	No
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 accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	8	No
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
Part I, Line 1a	The Genesys Health System's top management official had fees that were paid for a social club. The club dues were paid for business purposes. Written company policy along with any IRS tax requirements (where applicable) were followed.
Part I, Line 3	Ascension Health, a related organization of Genesys Regional Medical Center, uses the following methods to establish the compensation of the organization's President & CEO: - Compensation committee, - Independent compensation consultant, - Compensation survey or study, and - Approval by the board or compensation committee.
Part I, Line 4b	Eligible executives participate in a program that provides for supplemental retirement benefits. The payment of benefits under the program, if any, is entirely dependent upon the facts and circumstances under which the executive terminates employment with the organization. Due to the substantial risk of forfeiture provision, there is no guarantee that these executives will ever receive any benefit under the program. Any amount ultimately paid to the executive is reported as compensation on Form 990, Part II, column B in the year paid. The following individuals received payout from Ascension Health's nonqualified retirement plan in the amount as noted: Elizabeth Aderholdt - \$63,349; Christopher Palazzolo - \$50,648; Nancy Haywood - \$23,123; Charles Husson, D O - \$30,202; Joy Finkenbiner - \$21,606; Ron Hasse - \$26,842; Julie Gorczyca - \$5,965. The following individual received payout from the Genesys Regional Medical Center's nonqualified retirement plan in the amount as noted: James Bonnette, M D - \$181,488.

Additional Data

Software ID:

Software Version:

EIN: 38-2377821

Name: Genesys Regional Medical Center

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Elizabeth Aderholdt Trustee, CEO/President	(i) (ii)	503,456 0	390,717 0	77,773 0	52,948 0	11,491 0	1,036,385 0	0 0
Nancy Haywood GHS CFO	(i) (ii)	288,783 0	0 0	24,974 0	26,889 0	21,052 0	361,698 0	0 0
Christopher Palazzolo GHS COO	(i) (ii)	468,881 0	0 0	58,342 0	17,293 0	26,141 0	570,657 0	0 0
Julie Gorzyca Chief Nursing Officer	(i) (ii)	196,813 0	0 0	10,457 0	11,904 0	14,896 0	234,070 0	0 0
Charles Husson DO Chief Medical Officer	(i) (ii)	276,507 0	0 0	32,370 0	15,635 0	3,093 0	327,605 0	0 0
Joy Finkenbiner VP Prof & Support Services	(i) (ii)	234,703 0	0 0	23,434 0	40,740 0	8,139 0	307,016 0	0 0
Ron Haase Chief HR & Learning Officer	(i) (ii)	327,544 0	0 0	67,473 0	15,845 0	19,543 0	430,405 0	0 0
Nick Buttar MD Physician	(i) (ii)	582,973 0	14,172 0	2,343 0	16,256 0	20,100 0	635,844 0	0 0
Oliver Hayes DO Director Medical Education	(i) (ii)	327,857 0	0 0	5,500 0	9,418 0	15,933 0	358,708 0	0 0
James Lindemulder DO Physician	(i) (ii)	261,000 0	0 0	36,221 0	15,275 0	19,698 0	332,194 0	0 0
Peter Reynolds MD Physician	(i) (ii)	205,313 0	0 0	23,406 0	6,159 0	16,967 0	251,845 0	0 0
Marissa Rogers DO Physician	(i) (ii)	223,452 0	0 0	8,798 0	6,704 0	16,584 0	255,538 0	0 0
James Bonnette MD end 311 Former Key Employee	(i) (ii)	0 0	0 0	181,488 0	0 0	0 0	181,488 0	178,860 0

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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

OMB No 1545-0047
2013
Open to Public Inspection

Name of the organization
Genesys Regional Medical Center

Employer identification number
38-2377821

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

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

2

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

3

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

Part II Loans to and/or From Interested Persons.
Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

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

Part III Grants or Assistance Benefitting Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) James Walter MD	Trustee	70,520	See Below		No

Part V Supplemental Information

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

Return Reference	Explanation
Schedule L, Part IV, Column D	The hospital paid to the wife of Trustee (James Walter M D) for her services as a clinical pharmacist Schedule L, Part IV, Business Transactions Involving Interested Persons All transactions reported on Part IV are reported as arms-length for fair market value

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 Genesys Regional Medical Center	Employer identification number 38-2377821
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Return Reference	Explanation
Form 990, Part VI, Section A, line 2	Many of the individuals listed on Part VII have a 'business relationship' with each other by virtue of sitting on related Genesys Health System entity boards

Return Reference	Explanation
Form 990, Part VI, Section A, line 6	Genesys Regional Medical Center has a single corporate member, Genesys Health System

Return Reference	Explanation
Form 990, Part VI, Section A, line 7a	Genesys Regional Medical Center has a single corporate member, Genesys Health System, who has the ability to elect members to the governing body of the Genesys Regional Medical Center

Return Reference	Explanation
Form 990, Part VI, Section A, line 7b	All decisions that have a material impact to Genesys Regional Medical Center financial information or corporation as a whole are subject to approval by its sole corporate member, Genesys Health System

Return Reference	Explanation
Form 990, Part VI, Section B, line 11	Management, including certain officers, works diligently to complete the Form 990 and attached schedules in a thorough manner. Prior to filing the return, all Board Members are provided the Form 990 and management team members are available to answer any Board Members questions.

Return Reference	Explanation
Form 990, Part VI, Section B, line 12c	The organization regularly and consistently monitors and enforces compliance with the conflict of interest policy in that any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of the committees considering the proposed transaction or arrangement. The remaining individuals on the governing board or committee meeting will decide if conflicts of interest exists. Each director, principal officer and member of a committee with governing board delegated powers annually signs a statement which affirms such person has received a copy of the conflict of interest policy, has read and understands the policy, has agreed to comply with the policy, and understands that the organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish its tax-exempt purpose.

Return Reference	Explanation
Form 990, Part VI, Section B, line 15	In determining compensation of the organization's President & CEO, the process, performed by Ascension Health, a related organization of Genesys Regional Medical Center, included a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision. The Compensation Committee reviewed and approved the compensation. In the review of the compensation, the President & CEO was compared to individuals at other organizations in the area who hold the same title. During the review and approval of the compensation, documentation was recorded in the Compensation Committee minutes. The individual was not present when her compensation was decided. Form 990, Part VI, Section B, Line 15b. In determining compensation of other officers or key employees of the organization, the process, performed by Genesys Health System, a related organization of Genesys Regional Medical Center, included a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision. The Executive Committee reviewed and approved the compensation. In the review of compensation, other officers or key employees of the organization were compared to individuals at other organizations in the area who hold the same title. During the review and approval of the compensation, documentation of the decision was recorded in the Executive Committee minutes.

Return Reference	Explanation
Form 990, Part VI, Section C, line 19	The organization will provide any documents open to public inspection upon request

Return Reference	Explanation
Form 990, Part VII, Section A	Kenneth Steibel, MD , receives his compensation for physician services at Genesys Regional Medical Center and not for his role as trustee for Genesys Regional Medical Center Jim Walter, MD , receives his compensation for physician services at Genesys Regional Medical Center and not for his role as a trustee for Genesys Regional Medical Center

Return Reference	Explanation
Form 990, Part IX, line 11g	Professional Fees Program service expenses 5,371,323 Management and general expenses 2,336,154 Fundraising expenses 0 Total expenses 7,707,477 Consulting Fees Program service expenses 26,000 Management and general expenses 105,791 Fundraising expenses 0 Total expenses 131,791 Lecture Expense Program service expenses 116,132 Management and general expenses 0 Fundraising expenses 0 Total expenses 116,132 Physician Services Program service expenses 15,174,172 Management and general expenses 0 Fundraising expenses 0 Total expenses 15,174,172 Purchased Services - Indigent Care Program service expenses 15,639,653 Management and general expenses 0 Fundraising expenses 0 Total expenses 15,639,653 Purchased Services - Revenue Enhancement Program service expenses 0 Management and general expenses 7,723,289 Fundraising expenses 0 Total expenses 7,723,289 Purchased Services - Clinical Engineering Program service expenses 4,420,618 Management and general expenses 0 Fundraising expenses 0 Total expenses 4,420,618 Purchased Services - Medical Program service expenses 3,082,971 Management and general expenses 0 Fundraising expenses 0 Total expenses 3,082,971 Purchased Services - Dietary Program service expenses 2,081,650 Management and general expenses 0 Fundraising expenses 0 Total expenses 2,081,650 Purchased Services - Laundry Program service expenses 0 Management and general expenses 1,548,827 Fundraising expenses 0 Total expenses 1,548,827 Purchased Services - Lab Program service expenses 805,536 Management and general expenses 0 Fundraising expenses 0 Total expenses 805,536 Purchased Services - Environmental Program service expenses 0 Management and general expenses 728,849 Fundraising expenses 0 Total expenses 728,849 Purchased Services - Security Program service expenses 0 Management and general expenses 588,409 Fundraising expenses 0 Total expenses 588,409 Purchased Services - Managed Care Contracting Program service expenses 551,295 Management and general expenses 0 Fundraising expenses 0 Total expenses 551,295 Purchased Services - Ambulance Program service expenses 292,206 Management and general expenses 0 Fundraising expenses 0 Total expenses 292,206 Purchased Services - Printing Program service expenses 110,334 Management and general expenses 51,843 Fundraising expenses 0 Total expenses 162,177 Purchased Services - Billing Fees Program service expenses 0 Management and general expenses 116,523 Fundraising expenses 0 Total expenses 116,523 Purchased Services - All Other Program service expenses 68,093 Management and general expenses 256,219 Fundraising expenses 0 Total expenses 324,312

Return Reference	Explanation
Form 990, Part XI, line 9	Equity Transfers (Related Parties) Ascension -8,493,011 Equity Transfers (Related Parties) Sponsors (Ascension Parent) - 122,187 Equity Transfers (Related Parties) Genesys Ambulatory Health Services -56,175 Equity Transfers (Related Parties) Genesys Health Foundation -257,719 Transfer from Affiliate (Genesys Ambulatory Health Svcs - Ascension Debt) -983,236 Pension/Other Post Retirement Funding Status Adjustment -939,578

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
Genesys Regional Medical Center

Employer identification number
38-2377821

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.					
(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.							
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
See Additional Data Table							

Part III

Identification of Related Organizations Taxable as a Partnership

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) Center for Gastrointestinal Health at Health Park LLC 307 E Court St Flint, MI 48502 02-0743433	Healthcare	MI	N/A									
(2) Lapeer County Surgery Center 1546 Callis Road Lapeer, MI 48446 20-2918877	Healthcare	MI	N/A									

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) Genesys Health Enterprises 1000 Health Park Blvd Grand Blanc, MI 48439 38-2536250	Medical Equipment	MI	N/A	C					No
(2) Genesys Practice Partners 5445 Ali Drive Dept 200 Grand Blanc, MI 48439 03-0516871	Employed Phy Practice	MI	N/A	C					No
(3) Beecher Ballenger Services One Genesys Parkway Grand Blanc, MI 484398065 38-2497922	Holding Company	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.

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

1

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

a

Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to related organization(s)

c

Gift, grant, or capital contribution from related organization(s)

d

Loans or loan guarantees to or for related organization(s)

e

Loans or loan guarantees by related organization(s)

f

Dividends from related organization(s)

g

Sale of assets to related organization(s)

h

Purchase of assets from related organization(s)

i

Exchange of assets with related organization(s)

j

Lease of facilities, equipment, or other assets to related organization(s)

k

Lease of facilities, equipment, or other assets from related organization(s)

l

Performance of services or membership or fundraising solicitations for related organization(s)

m

Performance of services or membership or fundraising solicitations by related organization(s)

n

Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

o

Sharing of paid employees with related organization(s)

p

Reimbursement paid to related organization(s) for expenses

q

Reimbursement paid by related organization(s) for expenses

r

Other transfer of cash or property to related organization(s)

s

Other transfer of cash or property from related organization(s)

Yes

No

1a

No

1b

Yes

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

Yes

1i

No

1j

Yes

1k

Yes

1l

No

1m

Yes

1n

No

1o

No

1p

Yes

1q

Yes

1r

Yes

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			

Schedule R (Form 990) 2013

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

[illegible]

Part VII

Supplemental Information

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

Return Reference	Explanation
------------------	-------------

Additional Data

Software ID:

Software Version:

EIN: 38-2377821

Name: Genesys Regional Medical Center

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity?	
						Yes	No
(1) Ascension Health Alliance PO Box 45998 St Louis, MO 631455998 45-3358926	National Health System	MO	Section 501(c)(3)	Schedule A, Line 11a	N/A		No
(1) Ascension Health PO Box 45998 St Louis, MO 631453806 31-1662309	National Health System	MO	Section 501(c)(3)	Schedule A, Line 11a	Ascension Health Alliance		No
(2) Genesys Health System One Genesys Parkway Grand Blanc, MI 484398065 38-3339703	Health System Parent	MI	Section 501(c)(3)	Schedule A, Line 11c	Ascension Health		No
(3) Genesys Ambulatory Health Services 5455 Ali Dr Dept 200 Grand Blanc, MI 484395193 38-2371754	HIth Srvcs/Staffing/Prop Mgmnt	MI	Section 501(c)(3)	Schedule A, Line 11b	Genesys Health System	Yes	
(4) Genesys Convalescent Center 8481 Holly Road Grand Blanc, MI 484391812 38-2317364	Convalescent Center	MI	Section 501(c)(3)	Schedule A, Line 3	Genesys Ambulatory Health Services	Yes	
(5) Genesys Health Foundation One Genesys Parkway Grand Blanc, MI 484398065 38-3591148	Foundation	MI	Section 501(c)(3)	Schedule A, Line 11b	Genesys Health System	Yes	
(6) Genesys Home Health & Hospice 5445 Ali Dr Dept 500 600 Grand Blanc, MI 484395195 38-2177968	Hospice	MI	Section 501(c)(3)	Schedule A, Line 11b	Genesys Ambulatory Health Services	Yes	
(7) Center for Gerontology 5455 Ali Drive Dept 200 Grand Blanc, MI 484395195 38-2514708	Adult Day Care	MI	Section 501(c)(3)	Schedule A, Line 11b	Genesys Ambulatory Health Services	Yes	
(8) Health Source Group 5445 Ali Dr Dept 200 Grand Blanc, MI 484395195 38-2427678	Prg Related Investments	MI	Section 501(c)(3)	Schedule A, Line 11b	Genesys Health System	Yes	
(9) Genesys Volunteers One Genesys Parkway Grand Blanc, MI 484398065 38-1472646	GRMC Support	MI	Section 501(c)(3)	Schedule A, Line 11a	Genesys Health System	Yes	

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
Genesys Ambulatory Health Services	B	3,450,705	Actual Amount Transferred
Genesys Health Foundation	C	2,601,597	Actual Amount Transferred
Genesys Ambulatory Health Services	H	119,084	Actual Amount Transferred
Genesys Practice Partners	J	217,718	Actual Amount Transferred
Genesys Ambulatory Health Services	K	430,032	Actual Amount Transferred
Genesys Health Foundation	M	181,341	Actual Amount Transferred
Genesys Ambulatory Health Services	P	4,174,572	Actual Amount Transferred
Ascension Health	P	25,627,226	Actual Amount Transferred
Genesys Ambulatory Health Services	Q	1,219,239	Actual Amount Transferred
Genesys Health Foundation	Q	747,212	Actual Amount Transferred
Genesys Home Health & Hospice	Q	1,085,629	Actual Amount Transferred
Genesys Health Enterprises	R	56,175	Actual Amount Transferred
Genesys Health Foundation	R	257,719	Actual Amount Transferred
Ascension Health	R	24,010,433	Actual Amount Transferred
Genesys Ambulatory Health Services	S	983,236	Actual Amount Transferred

CONSOLIDATED FINANCIAL
STATEMENTS AND SUPPLEMENTARY
INFORMATION

Ascension Health Alliance
d/b/a Ascension
Years Ended June 30, 2014 and 2013
With Reports of Independent Auditors

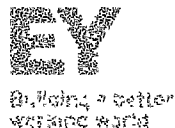
Ascension

Consolidated Financial Statements and Supplementary Information

Years Ended June 30, 2014 and 2013

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Report of Independent Auditors

The Board of Directors
Ascension Health Alliance d/b/a Ascension

We have audited the accompanying consolidated financial statements of Ascension Health Alliance d/b/a Ascension, which comprise the consolidated balance sheets as of June 30, 2014 and 2013, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

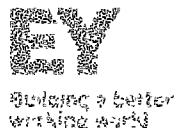
Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial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

Auditor's Responsibility

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

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

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



Opinion

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

Ernst & Young LLP

September 11, 2014

Ascension

Consolidated Balance Sheets (Dollars in Thousands)

	June 30,	
	2014	2013
Assets		
Current assets		
Cash and cash equivalents	\$ 618,418	\$ 753,555
Short-term investments	109,081	113,825
Accounts receivable, less allowance for doubtful accounts (\$1,260,407 and \$1,297,609 at June 30, 2014 and 2013, respectively)	2,419,616	2,292,521
Inventories	332,739	297,233
Due from brokers (see Notes 4 and 5)	343,757	178,380
Estimated third-party payor settlements	236,559	119,379
Other (see Notes 4 and 5)	562,367	1,026,397
Total current assets	4,622,537	4,781,290
Long-term investments (see Notes 4 and 5)	15,327,255	14,156,447
Property and equipment, net	8,410,629	8,274,854
Other assets		
Investment in unconsolidated entities	649,888	628,772
Capitalized software costs, net	778,705	718,122
Other	1,509,849	1,487,886
Total other assets	2,938,442	2,834,780
Total assets	\$ 31,298,863	\$ 30,047,371

	June 30,	
	2014	2013
Liabilities and net assets		
Current liabilities		
Current portion of long-term debt	\$ 91,532	\$ 89,869
Long-term debt subject to short-term remarketing arrangements*	1,345,530	1,187,125
Accounts payable and accrued liabilities	2,293,663	2,278,242
Estimated third-party payor settlements	450,054	455,432
Due to brokers (see Notes 4 and 5)	332,169	493,420
Current portion of self-insurance liabilities	226,856	210,115
Other (see Notes 4 and 5)	274,645	639,566
Total current liabilities	5,014,449	5,353,769
Noncurrent liabilities		
Long-term debt (senior and subordinated)	4,994,913	5,278,304
Self-insurance liabilities	541,859	553,706
Pension and other postretirement liabilities	428,679	554,368
Other (see Notes 4 and 5)	1,343,826	1,178,597
Total noncurrent liabilities	7,309,277	7,564,975
Total liabilities	12,323,726	12,918,744
Net assets		
Unrestricted		
Controlling interest	16,736,190	14,986,302
Noncontrolling interests	1,656,106	1,592,356
Unrestricted net assets	18,392,296	16,578,658
Temporarily restricted	391,226	375,054
Permanently restricted	191,615	174,915
Total net assets	18,975,137	17,128,627
Total liabilities and net assets	\$ 31,298,863	\$ 30,047,371

*Consists of variable rate demand bonds with put options that may be exercised at the option of the bondholders with stated repayment installments through 2047 as well as certain serial mode bonds with scheduled remarketing mandatory tender dates occurring prior to June 30, 2015. In the event that bonds are not remarketed upon the exercise of put options or the scheduled mandatory tenders, management would utilize other sources to access the necessary liquidity. Potential sources include liquidating investments, drawing upon the \$1 billion line of credit and issuing commercial paper. The commercial paper program is supported by the \$1 billion line of credit.

The accompanying notes are an integral part of the consolidated financial statements

Ascension

Consolidated Statements of Operations and Changes in Net Assets (Dollars in Thousands)

	Year Ended June 30,	
	2014	2013
Operating revenue		
Net patient service revenue	\$ 19,193,307	\$ 16,326,684
Less provision for doubtful accounts	1,273,354	1,124,409
Net patient service revenue, less provision for doubtful accounts	17,919,953	15,202,275
Other revenue	2,229,767	1,334,623
Total operating revenue	20,149,720	16,536,898
Operating expenses		
Salaries and wages	8,202,294	6,974,951
Employee benefits	1,747,739	1,528,119
Purchased services	1,210,276	955,440
Professional fees	1,279,459	1,093,446
Supplies	2,822,102	2,334,427
Insurance	128,535	109,178
Interest	194,616	150,877
Depreciation and amortization	899,389	730,757
Other	2,901,859	2,140,182
Total operating expenses before impairment, restructuring and nonrecurring losses, net	19,386,269	16,017,377
Income from operations before self-insurance trust fund investment return and impairment, restructuring, and nonrecurring losses, net	763,451	519,521
Self-insurance trust fund investment return	66,174	34,985
Impairment, restructuring and nonrecurring losses, net	(223,834)	(103,344)
Income from operations	605,791	451,162
Nonoperating gains (losses)		
Investment return	1,515,819	736,300
Loss on extinguishment of debt	(1,605)	(4,079)
(Loss) gain on interest rate swaps	(6,020)	53,746
Income from unconsolidated entities	5,539	8,544
Contributions from business combinations, net	–	2,021,963
Other	(63,119)	(69,524)
Total nonoperating gains, net	1,450,614	2,746,950
Excess of revenues and gains over expenses and losses	2,056,405	3,198,112
Less noncontrolling interests	245,893	131,184
Excess of revenues and gains over expenses and losses attributable to controlling interest	1,810,512	3,066,928

Continued on next page

Ascension

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

	Year Ended June 30,	
	2014	2013
Unrestricted net assets, controlling interest		
Excess of revenues and gains over expenses and losses	\$ 1,810,512	\$ 3,066,928
Transfers to sponsors and other affiliates, net	(6,566)	(9,152)
Contributed net assets	(1,534)	(1,050)
Membership interest changes, net	45,255	—
Net assets released from restrictions for property acquisitions	62,537	65,706
Pension and other postretirement liability adjustments	23,990	76,483
Change in unconsolidated entities' net assets	4,571	23,295
Other	(24,514)	4,507
Increase in unrestricted net assets, controlling interest, before loss from discontinued operations	1,914,251	3,226,717
Loss from discontinued operations	(164,363)	(76,829)
Increase in unrestricted net assets, controlling interest	1,749,888	3,149,888
Unrestricted net assets, noncontrolling interests		
Excess of revenues and gains over expenses and losses	245,893	131,184
Distributions of capital	(531,159)	(829,989)
Contributions of capital	401,546	1,579,187
Membership interest changes, net	(52,530)	—
Contributions from business combinations	—	64,738
Increase in unrestricted net assets, noncontrolling interests	63,750	945,120
Temporarily restricted net assets, controlling interest		
Contributions and grants	99,885	88,841
Investment return	31,292	17,232
Net assets released from restrictions	(115,353)	(108,193)
Contributions from business combinations	—	44,201
Other	348	1,088
Increase in temporarily restricted net assets, controlling interest	16,172	43,169
Permanently restricted net assets, controlling interest		
Contributions	10,405	2,664
Investment return	7,942	1,598
Contributions from business combinations	—	67,846
Other	(1,647)	(368)
Increase in permanently restricted net assets, controlling interest	16,700	71,740
Increase in net assets	1,846,510	4,209,917
Net assets, beginning of year	17,128,627	12,918,710
Net assets, end of year	<u>\$ 18,975,137</u>	<u>\$ 17,128,627</u>

The accompanying notes are an integral part of the consolidated financial statements

Ascension

Consolidated Statements of Cash Flows (Dollars in Thousands)

	Year Ended June 30,	
	2014	2013
Operating activities		
Increase in net assets	\$ 1,846,510	\$ 4,209,917
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	899,389	730,757
Amortization of bond premiums	(22,497)	(13,948)
Loss on extinguishment of debt	1,605	4,079
Provision for doubtful accounts	1,275,961	1,128,717
Pension and other postretirement liability adjustments	(23,990)	(76,483)
Contributed net assets	1,534	1,050
Contributions from business combinations	—	(1,742,900)
Interest, dividends, and net (gains) losses on investments	(1,621,227)	(790,115)
Change in market value of interest rate swaps	1,880	(61,349)
Deferred gain on interest rate swaps	(303)	(303)
Gain on sale of assets, net	(25,556)	(4,008)
Impairment and nonrecurring expenses	30,353	17,259
Transfers to sponsor and other affiliates, net	6,566	9,152
Restricted contributions, investment return, and other	(122,232)	(98,755)
Other restricted activity	6,362	15,965
Nonoperating depreciation expense	234	317
(Increase) decrease in		
Short-term investments	4,744	212,624
Accounts receivable	(1,393,667)	(1,134,828)
Inventories and other current assets	437,913	(213,753)
Due from brokers	(165,377)	610,891
Investments classified as trading	466,353	(959,888)
Other assets	(186,983)	(182,693)
Increase (decrease) in		
Accounts payable and accrued liabilities	(685)	(2,009)
Estimated third-party payor settlements, net	(124,475)	30,604
Due to brokers	(161,251)	(387,193)
Other current liabilities	(357,167)	91,435
Self-insurance liabilities	4,894	(15,342)
Other noncurrent liabilities	60,731	(153,420)
Net cash provided by continuing operating activities	839,619	1,225,780
Net cash provided by (used in) and adjustments to reconcile change in net assets for discontinued operations, including write-down of assets	126,554	(19,386)
Net cash provided by operating activities	966,173	1,206,394

Continued on next page

Ascension

Consolidated Statements of Cash Flows (continued) (Dollars in Thousands)

	Year Ended June 30,	
	2014	2013
Investing activities		
Property, equipment, and capitalized software additions, net	\$ (1,102,680)	\$ (871,203)
Proceeds from sale of property and equipment	15,594	26,321
Net cash used in investing activities	(1,087,086)	(844,882)
Financing activities		
Issuance of long-term debt	512,231	1,228,995
Repayment of long-term debt	(606,502)	(1,235,850)
(Increase) decrease in assets under bond indenture agreements	(17,506)	20,577
Transfers to sponsors and other affiliates, net	(24,679)	(26,112)
Restricted contributions, investment return, and other	122,232	98,755
Net cash (used in) provided by financing activities	(14,224)	86,365
Net (decrease) increase in cash and cash equivalents	(135,137)	447,877
Cash and cash equivalents at beginning of year	753,555	305,678
Cash and cash equivalents at end of year	<u>\$ 618,418</u>	<u>\$ 753,555</u>

The accompanying notes are an integral part of the consolidated financial statements

Ascension

Notes to Consolidated Financial Statements (Dollars in Thousands)

June 30, 2014

1. Organization and Mission

Organizational Structure

Ascension Health Alliance, d/b/a Ascension (Ascension), is a Missouri nonprofit corporation formed on September 13, 2011. Ascension is the sole corporate member and parent organization of Ascension Health, a Catholic national health system consisting primarily of nonprofit corporations that own and operate local healthcare facilities, or Health Ministries, located in 23 of the United States and the District of Columbia.

Ascension serves as the member or shareholder of various subsidiaries as listed below:

- AH Holdings, LLC, d/b/a Ascension Holdings, LLC
- AHV Holding Company, LLC, d/b/a AV Holding Company
- Ascension Health
- Ascension Health Clinical Holdings, d/b/a Ascension Clinical Holdings
- Ascension Health Global Mission, d/b/a Ascension Global Mission
- Ascension Health Insurance, Ltd. (AHIL)
- Ascension Health – IS. Inc., d/b/a Ascension Information Services
- Ascension Health Resource and Supply Management Group, LLC d/b/a The Resource Group
- Ascension Health Leadership Academy, d/b/a Ascension Leadership Academy
- Ascension Health Ventures, d/b/a Ascension Ventures
- Ascension Investment Management, LLC (AIM)
- Ascension Alpha Fund, LLC, f/k/a CHIMCO Alpha Fund, LLC (Alpha Fund)
- Ascension Risk Services, LLC

Ascension and its member organizations are hereafter referred to collectively as the System.

Effective July 15, 2013, Ascension Health Leadership Academy, LLC, Ascension Health Global Mission and Ascension Health Clinical Holdings began doing business as Ascension Leadership Academy, Ascension Global Mission and Ascension Clinical Holdings, respectively. On July 17, 2013, AH Holdings, LLC began doing business as Ascension Holdings. Effective October 14, 2013, CHIMCO Alpha Fund, LLC was renamed Ascension Alpha Fund, LLC.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

1. Organization and Mission (continued)

Effective November 4, 2013, Ascension Health Ventures, LLC was renamed Ascension Ventures, LLC and AHV Holding Company, LLC began doing business as AV Holding Company. Effective December 12, 2013, Ascension Health – IS, Inc. began doing business as Ascension Information Services. Effective January 1, 2014, Catholic Healthcare Investment Management Company (CHIMCO) transferred all of its business and assets to AIM, a limited liability company wholly owned by Ascension and CHIMCO's successor in interest.

Sponsorship

Ascension is sponsored by Ascension Sponsor, a Public Juridic Person. The Participating Entities of Ascension Sponsor are the Daughters of Charity of St. Vincent de Paul, St. Louise Province; the Congregation of St. Joseph; the Congregation of the Sisters of St. Joseph of Carondelet; the Congregation of Alexian Brothers of the Immaculate Conception Province, Inc. – American Province; and the Sisters of the Sorrowful Mother of the Third Order of St. Francis of Assisi – US/Caribbean Province. As more fully described in the Organizational Changes note, Marian Health System, which was previously sponsored by the Sisters of the Sorrowful Mother of the Third Order of St. Francis of Assisi – US/Caribbean Province, became part of Ascension Health on April 1, 2013.

Mission

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

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

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

1. Organization and Mission (continued)

- Unpaid cost of public programs, excluding Medicare, represents the unpaid cost of services provided to persons covered by public programs for persons living in poverty and other vulnerable persons.
- Cost of other programs for persons living in poverty and other vulnerable persons includes unreimbursed costs of programs intentionally designed to serve the persons living in poverty and other vulnerable persons of the community, including substance abusers, the homeless, victims of child abuse, and persons with acquired immune deficiency syndrome.
- Community benefit consists of the unreimbursed costs of community benefit programs and services for the general community, not solely for the persons living in poverty, including health promotion and education, health clinics and screenings, and medical research.

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

Certain costs such as graduate medical education and certain other activities are excluded from total operating expenses for purposes of this computation.

The amount of traditional charity care provided, determined on the basis of cost, was \$580,606 and \$524,605 for the years ended June 30, 2014 and 2013, respectively. The amount of unpaid cost of public programs, cost of other programs for persons living in poverty and other vulnerable persons, and community benefit cost is reported in the accompanying supplementary information.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies

Principles of Consolidation

All corporations and other entities for which operating control is exercised by the System or one of its member corporations are consolidated, and all significant inter-entity transactions have been eliminated in consolidation. Investments in entities where the System does not have operating control are recorded under the equity or cost method of accounting. Income from unconsolidated entities is included in consolidated excess of revenues and gains over expenses and losses in the accompanying Consolidated Statements of Operations and Changes in Net Assets as follows:

	Year Ended June 30,	
	2014	2013
Other revenue	\$ 83,317	\$ 105,173
Nonoperating gains, net	5,539	8,544

Use of Estimates

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

Fair Value of Financial Instruments

Carrying values of financial instruments classified as current assets and current liabilities approximate fair value. The fair values of other financial instruments are disclosed in the Fair Value Measurements note.

Cash and Cash Equivalents

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

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

Short-Term Investments

Short-term investments consist of investments with original maturities exceeding three months and up to one year.

Inventories

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

Long-Term Investments and Investment Return

Investments, excluding investments in unconsolidated entities, are measured at fair value, are classified as trading securities, and include pooled short-term investment funds; U.S. government, state, municipal and agency obligations; corporate and foreign fixed income securities; asset-backed securities; and equity securities. Investments also include alternative investments and other investments which are valued based on the net asset value of the investments, as further discussed in the Fair Value Measurements note. Investments also include derivatives held by the Alpha Fund, also measured at fair value, as discussed in the Pooled Investment Fund note.

Long-term investments include assets limited as to use of approximately \$1,431,000 and \$1,311,000, at June 30, 2014 and 2013, respectively, comprised primarily of investments placed in trust and held by captive insurance companies for the payment of self-insured claims and investments which are limited as to use, as designated by donors.

Purchases and sales of investments are accounted for on a trade-date basis. Investment returns consist of dividends, interest, and gains and losses. The cost of substantially all securities sold is based on the average cost method. Investment returns on investments, excluding returns of self-insurance trust funds, are reported as nonoperating gains (losses) in the Consolidated Statements of Operations and Changes in Net Assets, unless the return is restricted by donor or law. Investment returns of self-insurance trust funds are reported as a separate component of income from operations in the Consolidated Statements of Operations and Changes in Net Assets.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

Property and Equipment

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

	June 30,	
	2014	2013
Land and improvements	\$ 880,352	\$ 822,885
Buildings and equipment	14,933,470	14,427,322
	15,813,822	15,250,207
Less accumulated depreciation	7,987,988	7,436,307
	7,825,834	7,813,900
Construction in progress	584,795	460,954
Total property and equipment, net	\$ 8,410,629	\$ 8,274,854

Depreciation is determined on a straight-line basis over the estimated useful lives of the related assets. Depreciation expense in 2014 and 2013 was \$739,853 and \$620,177, respectively.

Several capital projects have remaining construction and related equipment purchase commitments of approximately \$301,000.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

Intangible Assets

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

Intangible assets are included in the Consolidated Balance Sheets as presented in the table that follows. Capitalized software costs in the table below include software in progress of \$125,451 and \$99,048 at June 30, 2014 and 2013, respectively:

	June 30,	
	2014	2013
Capitalized software costs	\$ 1,557,302	\$ 1,388,880
Less accumulated amortization	778,597	670,758
Capitalized software costs, net	778,705	718,122
Goodwill	181,490	130,306
Other, net	62,573	71,440
Intangible assets included in other long-term assets	244,063	201,746
Total intangible assets, net	\$ 1,022,768	\$ 919,868

Intangible assets whose lives are indefinite, primarily goodwill, are not amortized and are evaluated for impairment at least annually, while intangible assets with definite lives, primarily capitalized computer software costs, are amortized over their expected useful lives. Amortization expense for these intangible assets in 2014 and 2013 was \$157,150 and \$108,633, respectively.

Ascension

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

2. Significant Accounting Policies (continued)

The System is in the midst of a significant multi-year, System-wide enterprise resource planning project, including information technology and process standardization (Symphony), which is expected to continue through fiscal year 2016. The project is anticipated to result in a transition to a common software product for various finance, information technology, procurement, and human resources management processes, including standardization of those processes throughout the System. Capitalized costs of Symphony were approximately \$320,000 and \$301,000 at June 30, 2014 and 2013, respectively, and are included in capitalized software costs in the preceding table. Certain costs of this project were also expensed. Beginning September 1, 2012, the software associated with Symphony was considered substantially complete and ready for its intended use and is amortized on a straight-line basis over its expected useful life. Accumulated amortization of Symphony was approximately \$55,000 and \$25,000 at June 30, 2014 and 2013, respectively. See the Impairment, Restructuring, and Nonrecurring Gains (Losses) discussion below for additional information about costs associated with Symphony.

Noncontrolling Interests

The consolidated financial statements include all assets, liabilities, revenues, and expenses of entities that are controlled by the System and therefore consolidated. Noncontrolling interests in the Consolidated Balance Sheets represent the portion of net assets owned by entities outside the System, for those entities in which the System's ownership interest is less than 100%.

Temporarily and Permanently Restricted Net Assets

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

Temporarily and permanently restricted net assets consist solely of controlling interests of the System.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

Performance Indicator

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

Operating and Nonoperating Activities

The System's primary mission is to meet the healthcare needs in its market areas through a broad range of general and specialized healthcare services, including inpatient acute care, outpatient services, long-term care, and other healthcare services. Activities directly associated with the furtherance of this purpose are considered to be operating activities. Other activities that result in gains or losses peripheral to the System's primary mission are considered to be nonoperating. Additionally, contributions recognized in conjunction with business combination transactions are also classified as nonoperating.

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

Net patient service revenue is reported at the estimated realizable amounts from patients, third-party payors, and others for services provided and includes estimated retroactive adjustments under reimbursement agreements with third-party payors. The System recognizes patient service revenue at the time services are rendered, even though the patient's ability to pay may not be completely assessed at that time. Revenue under certain third-party payor agreements is subject to audit, retroactive adjustments, and significant regulatory actions. Provisions for third-party payor settlements and adjustments are estimated in the period the related services are provided and adjusted in future periods as additional information becomes available and as final settlements are determined.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a possibility that recorded estimates will change by a material amount in the near term. Adjustments to revenue related to prior periods increased net patient service revenue by \$95,591 and \$55,340 for the years ended June 30, 2014 and 2013, respectively.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

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

	June 30,	
	2014	2013
Medicare – traditional and managed	36 %	36 %
Medicaid – traditional and managed	11	11
Commercial and other managed care	45	45
Self-Pay and other	8	8
	<u>100 %</u>	<u>100 %</u>

The System grants credit without collateral to its patients, who are primarily local residents and are insured under third-party payor arrangements. Significant concentrations of accounts receivable, less allowance for doubtful accounts, at June 30, 2014 and 2013, are as follows:

	June 30,	
	2014	2013
Medicare – traditional and managed	22 %	22 %
Medicaid – traditional and managed	9	8
Commercial and other managed care	45	43
Self-Pay and other	24	27
	<u>100 %</u>	<u>100 %</u>

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

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

The methodology for determining the allowance for doubtful accounts and related write-offs on uninsured patient accounts has remained consistent with the prior year. The System has not experienced material changes in write-off trends and has not materially changed its charity care policy in the current fiscal year.

Impairment, Restructuring, and Nonrecurring Gains (Losses)

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

Nonrecurring expenses associated with Symphony include project management and process re-engineering costs, amortization expense for those Health Ministries not yet on Symphony, as well as costs to establish a shared service center and develop a business intelligence data warehouse. Costs associated with product deployment are recorded as nonrecurring gains (losses), and costs associated with product support are recorded as recurring operating expenses.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

During the year ended June 30, 2014, the System recorded total impairment, restructuring, and nonrecurring losses, net of \$223,834. This amount was comprised primarily of \$163,293 of nonrecurring expenses associated with Symphony, one-time termination benefits and other restructuring expenses of \$26,012, impairment expenses of \$23,120, and other nonrecurring expenses of \$11,409.

During the year ended June 30, 2013, the System recorded total impairment, restructuring, and nonrecurring losses, net of \$103,344. This amount was comprised primarily of \$113,193 of nonrecurring expenses associated with Symphony, one-time termination benefits and other restructuring expenses of \$57,470, and impairment and other nonrecurring expenses of \$4,998, partially offset by pension curtailment gains of \$72,317, as discussed in the Retirement Plans note.

Amortization

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

Capitalized software, including internally developed software, is amortized on a straight-line basis over the expected useful life of the software.

Income Taxes

The member healthcare entities of the System are primarily tax-exempt organizations under Internal Revenue Code Section 501(c)(3) or Section 501(c)(2), and their related income is exempt from federal income tax under Section 501(a). The System accounts for uncertainty in income tax positions by applying a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The System has determined that no material unrecognized tax benefits or liabilities exist as of June 30, 2014.

At June 30, 2014, the System has deferred tax assets of approximately \$326,000 for federal and state income tax purposes primarily related to net operating loss carryforwards. A valuation allowance of approximately \$322,000 was recorded due to the uncertainty regarding use of the deferred tax assets.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

Regulatory Compliance

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

Reclassifications

Certain reclassifications were made to the 2013 accompanying consolidated financial statements to conform to the 2014 presentation.

Adoption of New Accounting Standards

In December 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-11, *Disclosures about Offsetting Assets and Liabilities*, an amendment to the accounting guidance for disclosures about offsetting assets and liabilities. In January 2013, the FASB issued ASU No. 2013-01, *Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities*. These ASUs expand the disclosure requirements in that entities will be required to disclose both gross and net information about instruments and transactions eligible for offset in the balance sheet. Ascension adopted this collective guidance on July 1, 2013, which did not have a material impact on Ascension's consolidated financial statements for the year ended June 30, 2014. See the Derivative Instruments note for disclosures about offsetting assets and liabilities for the year ended June 30, 2014.

Subsequent Events

The System evaluates the impact of subsequent events, which are events that occur after the Consolidated Balance Sheet date but before the consolidated financial statements are issued, for potential recognition in the consolidated financial statements as of the Consolidated Balance Sheet date. For the year ended June 30, 2014, the System evaluated subsequent events through September 11, 2014, representing the date on which the accompanying audited consolidated financial statements were issued.

Ascension

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

2. Significant Accounting Policies (continued)

In July 2014, the System signed two separate non-binding letters of intent to sell primarily all assets and liabilities and related operations of Ascension's operations in Kansas City, Missouri and Tucson, Arizona, as discussed in the Organizational Changes note.

In August 2014, Ascension Health signed an affiliation agreement to sell primarily all of the assets, liabilities and operations associated with Ascension's operations in Niagara Falls, New York to Catholic Health System, Inc. This transaction is intended to close during calendar year 2015, after obtaining all necessary approvals.

3. Organizational Changes

Business Combinations

Marian Health System

Effective April 1, 2013, Ascension Health, a subsidiary of the System, became the sole corporate member, through a non-cash business combination transaction, of three regional health systems that formerly comprised Marian Health System, Inc. (Marian Health System): Via Christi Health, Inc. (Via Christi Health), based in Wichita, Kansas; Ministry Health Care, Inc. (Ministry Health Care), based in Milwaukee, Wisconsin; and St. John Health System, Inc. (St. John Health), based in Tulsa, Oklahoma (collectively, the Marian Systems). Prior to this transaction, Marian Health System was the sole corporate member of Ministry Health Care and St. John Health, while Ascension Health and Marian Health System were the two corporate members of Via Christi Health.

Prior to April 1, 2013, the System accounted for its 50% interest in Via Christi Health under the equity method of accounting. The System's investment in Via Christi Health at March 31, 2013, was \$545,018, which was reported in the Consolidated Balance Sheet at that date in investment in unconsolidated entities. For the year ended June 30, 2013, the System's excess of revenues and gains over expenses and losses included \$34,141, representing the System's share of Via Christi Health's excess of revenues over expenses prior to the business combination transaction on April 1, 2013. The System's investment in Via Christi Health of \$545,018 at March 31, 2013, was derecognized on April 1, 2013, in conjunction with the accounting for the business combination transaction.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

3. Organizational Changes (continued)

The fair values of the Marian Systems' net assets, by major type, that were recognized in the System's Consolidated Balance Sheet on April 1, 2013, were as follows. The valuation of these net assets was finalized during the year ended June 30, 2014, resulting in no material adjustments.

Net working capital	\$ 557,274
Intangible assets, including capitalized software	135,819
Property and equipment	1,950,739
Assets limited as to use	1,126,259
Investments and other long-term assets	1,125,652
Noncurrent liabilities assumed	<u>(2,144,948)</u>
Subtotal	2,750,795
Less: March 31, 2013 Investment in Via Christi Health	<u>(545,018)</u>
Fair value of net assets	<u><u>\$ 2,205,777</u></u>

The fair value of net assets of \$2,205,777 in the preceding table was recognized in the Consolidated Statement of Operations and Changes in Net Assets for the year ended June 30, 2013, as a nonoperating contribution from business combinations of \$2,028,992; contributions of temporarily and permanently restricted net assets of \$44,201 and \$67,846, respectively; and contributions of noncontrolling interests of \$64,738.

For the three months ended June 30, 2013, the System recognized revenues of the Marian Systems of \$1,049,259, and an excess of revenues and gains over expenses and losses of the Marian Systems of \$56,670, of which \$55,542 was attributable to controlling interest, with the remaining attributable to noncontrolling interests. Additionally, for the three months ended June 30, 2013, the System recognized an increase in unrestricted net assets – controlling interests, excluding the excess of revenues and gains over expenses and losses of \$56,670 above, of \$53,801; an increase in unrestricted net assets – noncontrolling interests of \$823; an increase in temporarily restricted net assets of \$915; and a decrease in permanently restricted net assets of \$56.

Ascension

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

3. Organizational Changes (continued)

The following unaudited pro forma financial information presents the combined results of operations of the System and the Marian Systems for the year ended June 30, 2013, as though the April 1, 2013 business combination transaction had occurred on July 1, 2011. This pro forma financial information is not necessarily indicative of the results of operations that would have occurred had the System and the Marian Systems constituted a single entity during this period, nor is it necessarily indicative of future operating results.

	Year Ended June 30, 2013
Total operating revenue	\$ 20,005,943
Excess of revenues and gains over expenses and losses	1,230,777
Increase in unrestricted net assets – controlling interest	1,307,542
Increase in unrestricted net assets – noncontrolling interests	879,585
Increase in temporarily restricted net assets	7,497
Increase in permanently restricted net assets	7,945

The excess of revenues and gains over expenses and losses and the increase in unrestricted net assets – controlling interest in the table above exclude the nonoperating contribution from the Marian Health System business combination of \$2,028,992 included in the Consolidated Statement of Operations and Changes in Net Assets for the year ended June 30, 2013. The pro forma excess of revenues and gains over expenses and losses above includes certain adjustments attributable to the April 1, 2013, business combination transaction.

In addition, the increases in unrestricted net assets – controlling interest, temporarily restricted net assets, and permanently restricted net assets in the table above exclude the contributions from business combinations reflected in the contributions of noncontrolling interests, and temporarily and permanently restricted net assets of \$64,738, \$44,201, and \$67,846, respectively.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

3. Organizational Changes (continued)

Mercy Regional Health Center, Inc

On February 27, 2014 (transaction date), Via Christi Health, a subsidiary of Ascension Health, became the sole corporate member of Mercy Regional Health Center, Inc. (MRHC) through a membership transfer agreement with Memorial Hospital Association (MHA). Prior to the transaction date, Via Christi Health held a 50% controlling interest in MRHC, which it consolidated, with a noncontrolling interest recognized for the portion of MRHC held by MHA. On the transaction date, Via Christi Health paid cash of approximately \$7,300 to MHA in exchange for MHA's 50% interest valued at approximately \$52,530, along with contingent consideration, paid in the event of a sale or future change in control of either MRHC or Via Christi Health, or the dissolution of MRHC. As such, this contingent liability had a value of zero at June 30, 2014 and through September 11, 2014, the date of issuance of Ascension's consolidated financial statements. This transaction was accounted for as a \$45,255 increase in controlling interest and a corresponding \$52,530 decrease in noncontrolling interest in Ascension's Consolidated Statement of Operations and Changes in Net Assets for the year ended June 30, 2014.

Divestitures and Discontinued Operations

As of June 30, 2014, and through September 11, 2014, the date of issuance of Ascension's consolidated financial statements, the System is in discussions, and has signed related non-binding letters of intent, with certain third parties for the sale of primarily all assets, liabilities and operations, excluding certain non-acute care entities, associated with Ascension's operations in Kansas City, Missouri; Tucson, Arizona; and Niagara Falls, New York (entities held for sale). A noncontrolling interest in the operations in Tucson, Arizona, subsequent to the sale is expected to be retained. Completion of these proposed transactions is subject to due diligence and execution of final definitive agreements, including obtaining all necessary approvals.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

3. Organizational Changes (continued)

Assets and liabilities intended to be sold are designated as assets and liabilities held for sale, and included within other assets and other liabilities, respectively, in the System's Consolidated Balance Sheets. Assets held for sale were \$431,404 and \$571,350 at June 30, 2014 and 2013, respectively, while liabilities held for sale were \$130,722 and \$142,707 at June 30, 2014 and 2013, respectively. Revenues of the entities held for sale were \$870,862 and \$862,838 for the years ended June 30, 2014 and 2013, respectively. Losses of the entities held for sale included in the Loss from discontinued operations in the Consolidated Statement of Operations and Changes in Net Assets were \$31,579 and \$74,892 for the years ended June 30, 2014 and 2013, respectively. Primarily all of the remaining loss from discontinued operations for the year ended June 30, 2014, was comprised of the write-down of assets in Tucson, Arizona, and Niagara Falls, New York, in conjunction with being classified as held for sale.

Other

In June 2014, Alexian Brothers Health System, a subsidiary of Ascension Health, signed a non-binding letter of intent to form a joint operating company with Adventist Midwest Health. Completion of this proposed transaction is subject to due diligence and execution of final definitive agreements, including obtaining all necessary approvals.

4. Pooled Investment Fund

At June 30, 2014 and 2013, a significant portion of the System's investments consists of the System's interest in the Alpha Fund, a limited liability company organized in the state of Delaware. Certain System assets continue to be held through the Ascension Legacy Portfolio, and subsequent to April 2012, the Ascension Legacy Portfolio no longer holds assets for unrelated entities. Additional System investments include those held and managed by the Health Ministries' and their consolidated foundations.

The Alpha Fund includes the investment interests of the System and other Alpha Fund members. AIM, a wholly owned subsidiary of the System, manages and serves as the manager and primary investment advisor of the Alpha Fund, overseeing the investment strategies offered to the Alpha Fund's members. AIM provides expertise in the areas of asset allocation, selection and monitoring of outside investment managers, and risk management. The Alpha Fund is consolidated in the System's financial statements.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

4. Pooled Investment Fund (continued)

The portion of the Alpha Fund's net assets representing interests held by entities other than the System are reflected in noncontrolling interests in the Consolidated Balance Sheets, which amount to \$1,490,082 and \$1,450,580 at June 30, 2014 and 2013, respectively.

The Alpha Fund invests in a diversified portfolio of investments including alternative investments, such as real asset funds, hedge funds, private equity funds, commodity funds, and private credit funds. Collectively, these funds have liquidity terms ranging from daily to annual with notice periods ranging from 1 to 180 days. Due to redemption restrictions, investments in certain of these funds, whose fair value was \$1,312,677 at June 30, 2014, cannot currently be redeemed. However, the potential for the Alpha Fund to sell its interest in these funds in a secondary market prior to the end of the fund term does exist.

The Alpha Fund's investments in certain alternative investment funds also include contractual commitments to provide capital contributions during the investment period, which is typically five years and can extend to the end of the fund term. During these contractual periods, investment managers may require the Alpha Fund to invest in accordance with the terms of the agreement. Commitments not funded during the investment period will expire and remain unfunded. As of June 30, 2014, contractual agreements of the Alpha Fund expire between July 2014 and December 2019. The remaining unfunded capital commitments of the Alpha Fund total approximately \$1,459,000 for 95 individual funds as of June 30, 2014. Due to the uncertainty surrounding whether the contractual commitments will require funding during the contractual period, future minimum payments to meet these commitments cannot be reasonably estimated. These committed amounts are expected to be primarily satisfied by the liquidation of existing investments in the Alpha Fund.

In the normal course of operations and within established Alpha Fund guidelines, the Alpha Fund may enter into various exchange-traded and over-the-counter derivative contracts for trading purposes, including futures, option, and forward contracts as well as warrants and swaps. These instruments are used primarily to adjust the portfolio duration, restructure term structure exposure, change sector exposure, and arbitrage market inefficiencies. See the Fair Value Measurements note for a discussion of how fair value for the Alpha Fund's derivatives is determined.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

4. Pooled Investment Fund (continued)

At June 30, 2014 and 2013, the notional value of Alpha Fund derivatives outstanding was approximately \$2,377,000 and \$2,126,000, respectively. The fair value of Alpha Fund derivatives in an asset position was \$61,234 and \$35,404 at June 30, 2014 and 2013, respectively, while the fair value of Alpha Fund derivatives in a liability position was \$3,478 and \$84,249 at June 30, 2014 and 2013, respectively. These derivatives are included in long-term investments in the Consolidated Balance Sheets at June 30, 2014 and 2013.

The Alpha Fund also participates in a securities lending program, whereby a portion of the Alpha Fund's investments are loaned to selected established brokerage firms in return for cash and securities from the brokers as collateral for the investments loaned, usually on a short-term basis. The fair value of collateral held by the Alpha Fund associated with such lending agreements amounts to approximately \$3,000 and \$394,000 at June 30, 2014 and 2013, respectively, and is included in other current assets in the Consolidated Balance Sheets, while the liability associated with the obligation to repay such collateral is also approximately \$3,000 and \$394,000 at June 30, 2014 and 2013, respectively, and is included in other current liabilities in the Consolidated Balance Sheets. In addition, the Alpha Fund has liabilities for investments sold, not yet purchased, representing obligations of the Alpha Fund to purchase investments in the market at prevailing prices. The fair value of this Alpha Fund liability is approximately \$179,000 and \$7,000 at June 30, 2014 and 2013, respectively, and is included in other noncurrent liabilities in the Consolidated Balance Sheets.

Due from brokers and due to brokers on the Consolidated Balance Sheets at June 30, 2014 and 2013, represent the Alpha Fund's positions and amounts due from or to various brokers, primarily amounts for security transactions not yet settled, and cash held by brokers for securities sold, not yet purchased.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

5. Cash and Investments

The System's cash and investments are reported in the Consolidated Balance Sheets as presented in the table that follows. Total cash and investments, net, includes both the System's membership interest in the Alpha Fund and the noncontrolling interests held by other Alpha Fund members. System unrestricted cash and investments, net, represent the System's cash and investments excluding the noncontrolling interests held by other Alpha Fund members and assets limited as to use.

	June 30,	
	2014	2013
Cash and cash equivalents	\$ 618,418	\$ 753,555
Short-term investments	109,081	113,825
Long-term investments	15,327,255	14,156,447
Subtotal	<u>16,054,754</u>	<u>15,023,827</u>
Other Alpha Fund assets and liabilities:		
In other current assets	30,671	459,050
In other long-term assets	2,641	2,785
In accounts payable and other accrued liabilities	(7,013)	(5,680)
In other current liabilities	(3,341)	(394,763)
In other noncurrent liabilities	(178,732)	(6,622)
Due to brokers, net	11,588	(315,040)
Total cash and investments, net	<u>15,910,568</u>	<u>14,763,557</u>
Less noncontrolling interests of Alpha Fund	1,490,082	1,450,580
System cash and investments, including assets limited as to use	<u>14,420,486</u>	<u>13,312,977</u>
Less assets limited as to use:		
Under bond indenture agreement	43,869	33,955
Self-insurance trust funds	759,388	728,621
Temporarily or permanently restricted	652,244	561,802
Total assets limited as to use	<u>1,455,501</u>	<u>1,324,378</u>
System unrestricted cash and investments, net	<u><u>\$ 12,964,985</u></u>	<u><u>\$ 11,988,599</u></u>

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

5. Cash and Investments (continued)

At June 30, 2014 and 2013, the composition of cash and cash equivalents, short-term investments and long-term investments, which include certain assets limited as to use, is summarized as follows.

	June 30,	
	2014	2013
Cash and cash equivalents and short-term investments	\$ 828,020	\$ 1,113,823
Pooled short-term investment funds	302,436	311,027
U.S. government, state, municipal and agency obligations	3,301,360	3,447,500
Corporate and foreign fixed income securities	1,660,267	1,664,001
Asset-backed securities	978,429	1,196,168
Equity securities	3,318,063	2,695,483
Alternative investments and other investments:		
Private equity and real estate funds	1,039,704	809,341
Hedge funds	3,303,800	2,860,776
Commodities funds and other investments	1,322,675	925,708
Total alternative investments and other investments	5,666,179	4,595,825
Total cash and cash equivalents, short-term investments, and long-term investments	\$ 16,054,754	\$ 15,023,827

As of June 30, 2014 and 2013, the System's membership interest in the Alpha Fund totaled \$12,500,448 and \$11,251,590, respectively. As of June 30, 2014 and 2013, the noncontrolling interest (see Note 2) in the Alpha Fund, representing interests held by entities other than the System, totaled \$1,490,082 and \$1,450,580, respectively.

Investment return recognized by the System for the years ended June 30, 2014 and 2013, is summarized in the following table. Total investment return includes the System's return in the Ascension Legacy Portfolio and the investment return of the Alpha Fund. System investment return represents the System's total investment return, net of the investment return earned by the noncontrolling interests of other Alpha Fund members.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

5. Cash and Investments (continued)

	Year Ended June 30,	
	2014	2013
Interest and dividends	\$ 203,975	\$ 169,797
Net gains on investments reported at fair value	1,378,018	601,488
Restricted investment return and unrealized gains, net	39,234	18,830
Total investment return	1,621,227	790,115
Less return earned by noncontrolling interests of Alpha Fund	193,400	106,039
System investment return	<u>\$ 1,427,827</u>	<u>\$ 684,076</u>

6. Fair Value Measurements

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

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

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

6. Fair Value Measurements (continued)

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

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

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

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

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

As of June 30, 2014 and 2013, the assets and liabilities listed in the fair value hierarchy tables below use the following valuation techniques and inputs:

Cash and Cash Equivalents and Short-Term Investments

Cash and cash equivalents and certain short-term investments include certificates of deposit, whose fair value is based on cost plus accrued interest. Significant observable inputs include security cost, maturity, and relevant short-term interest rates. Other short-term investments designated as Level 2 investments primarily consist of commercial paper, whose fair value is based on the income approach. Significant observable inputs include security cost, maturity, credit rating, interest rate, and par value.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

6. Fair Value Measurements (continued)

Pooled Short-term Investment Fund

The pooled short-term investment fund is a short term exchange traded money market fund primarily invested in treasury securities.

U S Government, State, Municipal, and Agency Obligations

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

Corporate and Foreign Fixed Income Securities

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

Asset-backed Securities

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

Equity Securities

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

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

6. Fair Value Measurements (continued)

Alternative Investments and Other Investments

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

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

Other investments include derivative assets and derivative liabilities of the Alpha Fund, whose fair value is primarily determined using techniques consistent with the market approach. Significant observable inputs to valuation models include interest rates, Treasury yields, volatilities, credit spreads, maturity, and recovery rates.

Securities Lending Collateral

The fair value of collateral received under the Alpha Fund's securities lending program is valued using the calculated net asset value for the commingled fund in which the collateral is invested. The underlying investments in the commingled fund are valued using techniques consistent with the market approach, which uses significant observable market inputs such as available trade, quotes, benchmark curves, sector groupings, and matrix pricing.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

6. Fair Value Measurements (continued)

Benefit Plan Assets

The fair value of benefit plan assets is based on original investment into a guaranteed pooled fund, plus guaranteed, annuity contract-based interest rates. Significant unobservable inputs to the guaranteed rate include the fair value and average duration of the portfolio of investments underlying annuity contract, the contract value, and the annualized weighted-average yield to maturity of the underlying investment portfolio.

Interest Rate Swap Assets and Liabilities

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

Investments Sold, Not Yet Purchased

The fair value of investments sold, not yet purchased is primarily determined using techniques consistent with the income approach. Significant observable inputs to the income approach include data points for benchmark, constant maturity curves, and spreads.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

6. Fair Value Measurements (continued)

The following table summarizes fair value measurements, by level, at June 30, 2014, for all financial assets and liabilities measured at fair value on a recurring basis in the System's consolidated financial statements:

	Level 1	Level 2	Level 3	Total
June 30, 2014				
Cash and cash equivalents	\$ 351,934	\$ 3,398	\$ —	\$ 355,332
Short-term investments	44,193	23,804	293	68,290
Pooled short-term investment funds	302,436	—	—	302,436
U S government, state, municipal and agency obligations	—	3,301,360	—	3,301,360
Corporate and foreign fixed income securities	—	1,429,694	230,573	1,660,267
Asset-backed securities	—	878,508	99,921	978,429
Equity securities	3,079,815	186,670	51,578	3,318,063
Alternative investments and other investments				
Private equity and real estate funds	388	5,901	1,030,536	1,036,825
Hedge funds	—	—	3,303,800	3,303,800
Commodities funds and other investments	134	1,352	1,212,420	1,213,906
Assets not at fair value				<u>516,046</u>
Cash and investments				<u>\$ 16,054,754</u>
Securities lending collateral, in other current assets	\$ —	\$ 3,341	\$ —	\$ 3,341
Benefit plan assets, in other noncurrent assets	235,991	—	40,749	276,740
Interest rate swaps, in other noncurrent assets	—	69,883	—	69,883
Investments sold, not yet purchased, in other noncurrent liabilities	—	178,732	—	178,732
Interest rate swaps, included in other noncurrent liabilities	—	189,659	—	189,659

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

6. Fair Value Measurements (continued)

For the year ended June 30, 2014, the changes in the fair value of the assets and liabilities measured using significant unobservable inputs (Level 3) consisted of the following.

	Short-term investments	U S Government, State, and Agency Obligations	Corporate and Foreign Fixed Income Securities	Asset-Backed Securities	Equity Securities	Private Equity and Real Estate Funds	Hedge Funds	Commodities Funds and Other Investments	Benefit Plan Assets
Year Ended									
June 30, 2014									
Beginning balance	\$ 238	\$ 5,829	\$ 391,287	\$ 117,033	\$ 2,163	\$ 799,414	\$ 2,857,114	\$ 831,182	\$ 35,662
Total realized and unrealized gains (losses)									
Included in income from operations	—	3	178	1	8,287	—	(11)	8	—
Included in nonoperating gains (losses)	55	(27)	19,138	35	(97)	103,975	267,740	413,774	—
Included in changes in net assets	—	—	—	—	—	44	577	17	—
Purchases	—	—	104,381	94,926	52,839	337,742	543,162	267,890	202,600
Settlements	—	—	—	—	—	(391)	—	—	—
Sales	—	(5,805)	(273,882)	(2,227)	(10,899)	(210,248)	(376,420)	(299,570)	(216,349)
Transfers into Level 3	—	—	—	—	—	—	11,640	—	77,763
Transfers out of Level 3	—	—	(10,529)	(109,847)	(715)	—	(2)	(881)	(58,927)
Ending balance	\$ 293	\$ —	\$ 230,573	\$ 99,921	\$ 51,578	\$ 1,030,536	\$ 3,303,800	\$ 1,212,420	\$ 40,749
The amount of total gains or losses for the period included in nonoperating gains (losses) attributable to the changes in unrealized gains or losses relating to assets still held at June 30, 2014	\$ 56	\$ —	\$ 7,605	\$ (239)	\$ 7,394	\$ 70,701	\$ 241,386	\$ 128,351	\$ —

The basis for recognizing and valuing transfers into or out of Level 3, in the Level 3 rollforward, is as of the beginning of the period in which the transfers occur.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

6. Fair Value Measurements (continued)

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

	Level 1	Level 2	Level 3	Total
June 30, 2013				
Cash and cash equivalents	\$ 618,129	\$ 14,277	\$ —	\$ 632,406
Short-term investments	21,821	45,258	238	67,317
Pooled short-term investment funds	311,027	—	—	311,027
U.S. government, state, municipal and agency obligations	—	3,441,671	5,829	3,447,500
Corporate and foreign fixed income securities	—	1,272,714	391,287	1,664,001
Asset-backed securities	—	1,079,135	117,033	1,196,168
Equity securities	2,656,950	36,370	2,163	2,695,483
Alternative investments and other investments				
Private equity and real estate funds	529	3,752	799,414	803,695
Hedge funds	—	—	2,857,114	2,857,114
Commodities funds and other investments	5,762	(6,061)	831,182	830,883
Assets not at fair value				<u>518,233</u>
Cash and investments				<u>\$ 15,023,827</u>
Securities lending collateral, in other current assets	\$ —	\$ 394,310	\$ —	\$ 394,310
Benefit plan assets, in other noncurrent assets	210,767	—	35,662	246,429
Interest rate swaps, in other noncurrent assets	—	76,650	—	76,650
Investments sold, not yet purchased, in other noncurrent liabilities	—	6,622	—	6,622
Interest rate swaps, included in other noncurrent liabilities	—	194,546	—	194,546

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

6. Fair Value Measurements (continued)

For the year ended June 30, 2013, the changes in the fair value of the assets and liabilities measured using significant unobservable inputs (Level 3) consisted of the following. Level 3 investments of the Alpha Fund are included in transfers in the table below.

		Short-term investments	U S Government, State, and Agency Obligations	Corporate and Foreign Fixed Income Securities	Asset-Backed Securities	Equity Securities	Private Equity and Real Estate Funds	Hedge Funds	Commodities Funds and Other Investments	Benefit Plan Assets
Year Ended										
June 30, 2013										
Beginning balance	\$	—	\$ 7,437	\$ 120,418	\$ 15,297	\$ 13,118	\$ 593,753	\$1,887,407	\$ 615,813	\$ 35,373
Total realized and unrealized gains (losses)										
Included in income from operations		—	16	242	10	1,489	—	123	(45)	—
Included in nonoperating gains (losses)		3	445	1,059	(227)	170	83,975	220,887	80,222	—
Included in changes in net assets		—	—	—	—	—	—	293	27	—
Purchases		—	169	328,980	122,703	718	188,085	981,414	401,957	44,150
Settlements		—	—	—	—	—	(25)	—	—	(279)
Sales		—	(2,238)	(58,928)	(17,883)	(13,372)	(66,836)	(232,198)	(266,889)	(41,668)
Transfers into Level 3		235	—	2,962	—	40	927	3,271	139	12,485
Transfers out of Level 3		—	—	(3,446)	(2,867)	—	(465)	(4,083)	(42)	(14,399)
Ending balance	\$	238	\$ 5,829	\$ 391,287	\$ 117,033	\$ 2,163	\$ 799,414	\$2,857,114	\$ 831,182	\$ 35,662
The amount of total gains or losses for the period included in nonoperating gains (losses) attributable to the changes in unrealized gains or losses relating to assets still held at June 30, 2013										
	\$	46	\$ 342	\$ (1,682)	\$ (751)	\$ 149	\$ 39,300	\$ 234,426	\$ (28,407)	\$ —

The basis for recognizing and valuing transfers into or out of Level 3, in the Level 3 rollforward, is as of the beginning of the period in which the transfers occur.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

7. Long-Term Debt

Long-term debt at June 30, 2014 and 2013, is comprised of the following and is presented in accordance with the specific master trust indenture to which the debt relates. As further discussed below, certain portions of long-term debt are secured under the Alexian Brothers Health System Master Trust Indenture; the Mercy Regional Health Center, Inc. Master Trust Indenture; The Howard Young Medical Center, Inc. Master Trust Indenture; the St. John Health System Master Trust Indenture; and the Ministry Health Care Master Trust Indenture.

	June 30,	
	2014	2013
Tax-exempt hospital revenue bonds – secured under Ascension Health Alliance Senior Credit Group Master Trust Indenture		
Variable rate demand bonds, subject to a put provision that provides for a cumulative 7-month notice and remarketing period, payable through November 2047, interest (0.12% at June 30, 2014) tied to a market index plus a spread	\$ 393,425	\$ 408,605
Variable rate demand bonds, subject to a 7-day put provision, payable through November 2039, interest (0.06% June 30, 2014) set at prevailing market rates	224,225	225,665
Variable rate demand bonds, subject to a 7-day put provision, payable through November 2033, interest (0.06% at June 30, 2014) set at prevailing market rates, swapped to fixed rates of 5.454% and 5.544%, respectively, through maturity	307,300	307,300
Indexed put bonds subject to weekly rate resets based on a taxable index, payable through November 2046, interest (2.036% at June 30, 2014) swapped to a variable rate tied to a tax-exempt market index plus a spread through November 2016	153,800	153,800
Fixed rate put bonds (converted from an indexed put bond made based on a taxable index in May 2009) payable through November 2046, interest (4.10% at June 30, 2014) swapped to a variable rate tied to a market index plus a spread through November 2016	153,690	153,690
Fixed rate serial and term bonds payable in installments through November 2051, interest at 3.00% to 5.25%	1,154,320	1,207,490
Fixed rate serial and term bonds payable in installments through November 2039, interest at 5.00% swapped to variable rates over the life of the bonds	585,290	587,360
Fixed rate serial mode bonds payable through 2047 with purchase dates ranging from August 2014 through June 2021, interest at 0.90% to 5.00% through the purchase dates	1,221,920	1,224,750

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

7. Long-Term Debt (continued)

	June 30,	
	2014	2013
Tax-exempt hospital revenue bonds – unsecured under Ascension Health Alliance Subordinate Master Trust Indenture		
Variable rate demand bonds, subject to a 7-day put provision, payable through November 2027, interest (0.06% at June 30, 2014) set at prevailing market rates	\$ 55,100	\$ 56,060
Fixed rate serial mode bonds payable through 2027 with purchase dates through November 2019, interest at 0.32% to 5.00%	445,435	446,515
Taxable bonds – secured under Ascension Health Alliance Senior Credit Group Master Trust Indenture		
Taxable fixed rate term bonds payable in installments through November 2053, interest at 4.847%	425,000	425,000
Total hospital revenue bonds under Senior Master Trust Indenture and Subordinate Master Trust Indenture	5,119,505	5,196,235
Tax-exempt hospital revenue bonds – secured under Alexian Brothers Health System Master Trust Indenture		
Fixed rate serial and term bonds payable in installments through February 2038, interest at 3.50% to 5.50%	153,710	157,000
Total hospital revenue bonds under the Alexian Brothers Health System Master Trust Indenture	153,710	157,000
Tax-exempt hospital revenue bonds – secured under Mercy Regional Health Center, Inc. Master Trust Indenture		
Fixed rate serial and term bonds payable in installments through November 2029, interest at 3.00% to 5.00%	24,040	25,060
Total hospital revenue bonds under the Mercy Regional Health Center, Inc. Master Trust Indenture	24,040	25,060
Tax-exempt hospital revenue bonds – secured under The Howard Young Medical Center, Inc. Master Trust Indenture		
Fixed rate serial and term bonds payable in installments through August 2030, interest at 3.00% to 5.00%	19,185	20,040
Total hospital revenue bonds under The Howard Young Medical Center, Inc. Master Trust Indenture	19,185	20,040

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

7. Long-Term Debt (continued)

	June 30,	
	2014	2013
Tax-exempt hospital revenue bonds – secured under St. John Health System Master Trust Indenture		
Fixed rate serial and term bonds payable in installments through February 2042, interest at 4.00% to 5.00%	\$ 407,550	\$ 414,500
Total hospital revenue bonds under the St. John Health System Master Trust Indenture	407,550	414,500
Tax-exempt hospital revenue bonds – secured under Ministry Health Care Master Trust Indenture		
Fixed rate serial and term bonds payable in installments through August 2035, interest at 3.00% to 5.50%	358,415	368,260
Total hospital revenue bonds under the Ministry Health Care Master Trust Indenture	358,415	368,260
Total hospital revenue bonds under the Ascension Health Alliance Senior Master Trust Indenture, Ascension Health Alliance Subordinate Master Trust Indenture, the Alexian Brothers Health System Master Trust Indenture, the Mercy Regional Health Center, Inc. Master Trust Indenture, The Howard Young Medical Center, Inc. Master Trust Indenture, St. John Health System Master Trust Indenture, and Ministry Health Care Master Trust Indenture	6,082,405	6,181,095
Other debt		
Obligations under capital leases	30,623	41,957
Other	123,368	113,710
	6,236,396	6,336,762
Unamortized premium, net	195,579	218,536
Less current portion	(91,532)	(89,869)
Less long-term debt subject to short-term remarketing arrangements	(1,345,530)	(1,187,125)
Long-term debt, less current portion and long-term debt subject to short-term remarketing arrangements	\$ 4,994,913	\$ 5,278,304

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

7. Long-Term Debt (continued)

	June 30,	
	2014	2013
Ascension Health Alliance Senior Master Trust Indenture long-term debt obligations, including unamortized premium, net	\$ 3,329,323	\$ 3,579,334
Ascension Health Alliance Subordinate Master Trust Indenture long-term debt obligations, including unamortized premium, net	505,843	511,009
Alexian Brothers Health System Master Trust Indenture long-term debt obligations, including unamortized premium, net	160,965	162,594
Mercy Regional Health Center, Inc Master Trust Indenture long-term debt obligations, including unamortized premium, net	25,498	27,258
The Howard Young Medical Center, Inc Master Trust Indenture long-term debt obligations, including unamortized premium, net	19,942	20,933
St John Health System Master Trust Indenture long-term debt obligations, including unamortized premium, net	429,154	437,503
Ministry Health Care Master Trust Indenture long-term debt obligations, including unamortized premium, net	381,144	394,781
Other	143,044	144,892
Long-term debt, less current portion, and long-term debt subject to short-term remarketing arrangements	<u>\$ 4,994,913</u>	<u>\$ 5,278,304</u>

Scheduled principal repayments of long-term debt, considering obligations subject to short-term remarketing as due according to their long-term amortization schedule, as of June 30, 2014, are as follows:

	Ascension Health Alliance MTIs	Alexian Brothers Health System MTI	Mercy Regional Health Center, Inc. MTI	The Howard Young Medical Center, Inc. MTI	St. John Health System MTI	Ministry Health Care MTI	Other Debt	Total
Year ending June 30								
2015	\$ 59,835	\$ 340	\$ 1,045	\$ 875	\$ 7,305	\$ 11,185	\$ 10,947	\$ 91,532
2016	50,130	7,485	1,080	910	7,680	11,665	22,513	101,463
2017	65,945	13,130	1,125	945	8,070	12,185	9,200	110,600
2018	69,045	15,655	1,175	975	6,890	12,890	35,710	142,340
2019	85,230	5,735	1,230	1,000	7,230	12,265	8,908	121,598
Thereafter	4,789,320	111,365	18,385	14,480	370,375	298,225	66,713	5,668,863
Total	<u>\$ 5,119,505</u>	<u>\$ 153,710</u>	<u>\$ 24,040</u>	<u>\$ 19,185</u>	<u>\$ 407,550</u>	<u>\$ 358,415</u>	<u>\$ 153,991</u>	<u>\$ 6,236,396</u>

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

7. Long-Term Debt (continued)

The carrying amounts of variable rate bonds and other notes payable approximate fair value. The fair values of the unsecured fixed rate serial and term bonds are obtained from independent public valuation services. The fair value of fixed rate serial and term bonds, including the component of variable rate demand bonds subject to long-term fixed interest rates, approximates carrying value at June 30, 2014 and 2013. During the years ended June 30, 2014 and 2013, interest paid was approximately \$223,000 and \$170,000, respectively. Capitalized interest was approximately \$5,500 and \$5,400 for the years ended June 30, 2014 and 2013, respectively.

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

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

A Subordinate Credit Group, which is comprised of subordinate obligated group members, subordinate designated affiliates, and subordinate limited designated affiliates, was created under the Subordinate Master Trust Indenture (Subordinate MTI). The subordinate obligated group members are jointly and severally liable under the Subordinate MTI to make all payments required with respect to obligations under the Subordinate MTI and may be entities not controlled directly or indirectly by the System. Subordinate designated affiliates and subordinate limited designated affiliates are not obligated to make debt service payments on the obligations under the Subordinate MTI. The System may cause each subordinate designated affiliate to

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

7. Long-Term Debt (continued)

transfer such amounts as are necessary to enable the obligated group members to comply with the terms of the Subordinate MTI, including payment of the outstanding obligations. Additionally, each subordinate limited designated affiliate has an independent subordinate limited designated affiliate agreement and promissory note with the System, with stipulated repayment terms and conditions, each subject to the governing law of the subordinate limited designated affiliate's state of incorporation.

The unsecured variable rate demand bonds of both the Senior and Subordinate Credit Groups, while subject to long-term amortization periods, may be put to the System at the option of the bondholders in connection with certain remarketing dates. To the extent that bondholders may, under the terms of the debt, put their bonds within 12 months after June 30, 2014, the principal amount of such bonds has been classified as a current liability in the accompanying Consolidated Balance Sheets. Management believes the likelihood of a material amount of bonds being put to the System to be remote. However, to address this possibility, management has taken steps to provide various sources of liquidity in the event any bonds would be put, including the line of credit, commercial paper program, and maintaining unrestricted assets as a source of self-liquidity.

On January 1, 2012, Alexian Brothers became part of the System. Subsequently, the System redeemed or refinanced a portion of Alexian Brothers' debt; however, a portion of the bonds previously issued for the benefit of Alexian Brothers remains outstanding (the Alexian Brothers' Bonds). The Alexian Brothers' Bonds continue to be secured by the Alexian Brothers Health System Master Trust Indenture (As Amended and Restated), dated October 1, 1992, between the Members of the Alexian Brothers Health System Obligated Group established under this document and the Alexian Brothers Health System Master Trustee.

On April 1, 2013, Marian Health System joined Ascension Health. Subsequently, the System redeemed or refinanced a portion of the debt of the Marian Systems; however, a portion of the bonds previously issued for the benefit of the Marian Systems remains outstanding. These bonds continue to be secured by the respective Master Trust Indentures, including the Amended and Restated Master Trust Indenture dated October 1, 1999, by and between St. John Health System and the St. John Health Master Trustee; the Master Trust Indenture dated October 1, 1984, by and between Ministry Health Care and the Ministry Health Care Master Trustee; the Master Trust Indenture dated August 15, 1993, between The Howard Young Medical Center, Inc., a subsidiary of Ministry Health Care, and The Howard Young Medical Center, Inc. Master

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

7. Long-Term Debt (continued)

Trustee; and the Master Trust Indenture dated January 15, 2013, between Mercy Regional Health Center, Inc. (a subsidiary of Via Christi Health) and the Mercy Regional Health Center, Inc. Master Trustee.

In June 2013, the System issued a total of \$521,865 of tax-exempt bonds, Series 2013A and 2013B, through the Wisconsin issuing authority. In June 2013, the System also issued a total of \$425,000 of taxable bonds, Series 2013A. The proceeds of the bonds, including original issue premium, were used to refinance debt and general corporate purposes.

Due to aggregate financing activity during the fiscal years ended June 30, 2014 and 2013, losses on extinguishment of debt of \$1,605 and \$4,079, respectively, were recorded, which are included in nonoperating gains (losses) in the accompanying Consolidated Statements of Operations and Changes in Net Assets.

The System is a party to multiple interest rate swap agreements that convert the variable or fixed rates of certain debt issues to fixed or variable rates, respectively. See the Derivative Instruments note for a discussion of these derivatives.

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

As of June 30, 2014, the Senior Credit Group has a \$75,000 revolving line of credit related to its letters of credit program toward which a bank commitment of \$75,000 extends to November 26, 2014. The revolving line of credit may be accessed solely in the form of Letters of Credit issued by the bank for the benefit of the members of the Credit Groups. Of this \$75,000 revolving line of credit, letters of credit totaling \$57,455 have been issued as of June 30, 2014. No borrowings were outstanding under the letters of credit as of June 30, 2014 and 2013.

Ascension

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

8. Derivative Instruments

The System uses interest rate swap agreements to manage interest rate risk associated with its outstanding debt. Interest rate swaps with varying characteristics are outstanding under the Master Trust Indentures of the System, Alexian Brothers, Ministry Health Care, and St. John Health. These swaps have historically been used to effectively convert interest rates on variable rate bonds to fixed rates and rates on fixed rate bonds to variable rates. At June 30, 2014 and 2013, the notional values of outstanding interest rate swaps were as follows:

	June 30,	
	2014	2013
Ascension Health Alliance MTI	\$ 2,128,757	\$ 2,128,757
Alexian Brothers Health System MTI	39,220	47,220
Ministry Health Care MTI	192,950	270,880
St. John Health System MTI	100,000	125,000
Total	<u>\$ 2,460,927</u>	<u>\$ 2,571,857</u>

The System recognizes the fair value of its interest rate swaps in the Consolidated Balance Sheets as assets, recorded in other noncurrent assets, or liabilities, recorded in other noncurrent liabilities, as appropriate. The respective fair values of interest rate swaps in an asset and liability position for the System, Alexian Brothers, Ministry Health Care and St. John Health were as follows:

	June 30, 2014		June 30, 2013	
	Asset	Liability	Asset	Liability
Ascension Health Alliance MTI	\$ 66,981	\$ 169,031	\$ 73,846	\$ 174,413
Alexian Brothers Health System MTI	—	1,934	—	2,685
Ministry Health Care MTI	2,902	17,938	2,804	16,492
St. John Health System MTI	—	756	—	956
Total	<u>\$ 69,883</u>	<u>\$ 189,659</u>	<u>\$ 76,650</u>	<u>\$ 194,546</u>

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

8. Derivative Instruments (continued)

The System's interest rate swap agreements include collateral requirements for each counterparty under such agreements, based upon specific contractual criteria, subject to master netting arrangements. Collateral requirements are separately calculated for the System, Alexian Brothers, Ministry Health Care, and St. John Health based on the credit ratings of each. In the case of the System, the applicable credit rating is the Senior Credit Group long-term debt credit ratings (Senior Debt Credit Ratings), as obtained from each of two major credit rating agencies. Credit rating and the net liability position of total interest rate swap agreements outstanding with each counterparty determine the amount of collateral to be posted. Collateral and net fair value of interest rate swap agreements with credit-risk-related contingent features at June 30, 2014 and 2013, based upon the respective net liability positions and applicable credit ratings were as follows:

	June 30, 2014		June 30, 2013	
	Net Fair Value	Collateral Posted	Net Fair Value	Collateral Posted
Ascension Health Alliance MTI	\$ (102,050)	\$ —	\$ (100,567)	\$ —
Alexian Brothers Health System MTI	(1,934)	—	(2,685)	—
Ministry Health Care MTI	(15,036)	16,218	(13,688)	23,024
St. John Health System MTI	(756)	—	(956)	—
Total	<u>\$ (119,776)</u>	<u>\$ 16,218</u>	<u>\$ (117,896)</u>	<u>\$ 23,024</u>

Prior to July 1, 2006, the System designated certain of its interest rate swaps as cash flow hedges, for accounting purposes, and accordingly deferred gains or losses associated with those swaps in net assets. As of June 30, 2014, the deferred net gain associated with these interest rate swaps was \$4,054. The portion of this gain that will be reclassified into nonoperating gains (losses) over the next 12 months is immaterial.

Beginning July 1, 2006, the System's previously designated cash flow hedging relationships were de-designated for accounting purposes. Accordingly, all changes in the fair value of interest rate swaps have been recognized in nonoperating gains (losses) in the accompanying Consolidated Statements of Operations and Changes in Net Assets. A net nonoperating gain of \$1,752 was recognized for the year ended June 30, 2014, while a net nonoperating loss of \$61,651 was recognized for the year ended June 30, 2013.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

9. Retirement Plans

Defined-Benefit Plans

Certain System entities participate in defined-benefit pension plans (the System Plans), which are noncontributory, defined-benefit pension plans covering substantially all eligible employees of certain System entities. Benefits are based on each participant's years of service and compensation. All of the System Plans' assets are invested in Trusts, which include the Master Pension Trust (the Trust) and other trusts (the Other Trusts). The System Plans' assets primarily consist of cash and cash equivalents, equity, fixed income funds, and alternative investments, consisting of various hedge funds, real estate funds, private equity funds, commodity funds, private credit funds, and certain other private funds. Contributions to the System Plans are based on actuarially determined amounts sufficient to meet the benefits to be paid to participants.

During previous fiscal years, the System approved and communicated to employees a redesign of associate retirement benefits, which affects certain System Plans, as well as provides an enhanced comprehensive defined contribution plan. This redesign resulted in the recognition of a curtailment gain of \$73,198, for the year ended June 30, 2013, which was recognized in total impairment, restructuring, and nonrecurring losses, net for the year ended June 30, 2013. This redesign resulted in a decrease to the projected benefit obligation and is included in pension and other postretirement liabilities in the Consolidated Balance Sheets.

The assets of the System Plans are available to pay the benefits of eligible employees and retirees of all participating entities. In the event entities participating in the System Plans are unable to fulfill their financial obligations under the System Plans, the other participating entities are obligated to do so.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

9. Retirement Plans (continued)

The following table sets forth the combined benefit obligations and assets of the System Plans at June 30, 2014 and 2013, components of net periodic benefit costs for the years then ended, and a reconciliation of the amounts recognized in the accompanying consolidated financial statements.

	Year Ended June 30,	
	2014	2013
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	\$ 7,201,780	\$ 6,437,246
Service Cost	51,176	119,018
Interest Cost	343,781	289,634
Amendments	290	(12,792)
Assumption change	408,908	(363,778)
Actuarial (gain) loss	55,623	(28,641)
Business combinations	—	1,137,270
Curtailment	(4,193)	(74,962)
Benefits paid	(365,406)	(301,215)
Projected benefit obligation at end of year	7,691,959	7,201,780
Accumulated benefit obligation at end of year	7,649,965	7,155,166
Change in plan assets:		
Fair value of plan assets at beginning of year	6,742,384	5,992,677
Actual return on plan assets	1,046,540	121,715
Employer contributions	41,597	54,541
Business combinations	—	874,666
Benefits paid	(365,406)	(301,215)
Fair value of plan assets at end of year	7,465,115	6,742,384
Net amount recognized at end of year and funded status	\$ (226,844)	\$ (459,396)

The System Plans' funded status as a percentage of the projected benefit obligation at June 30, 2014 and 2013, was 97.1% and 93.6%, respectively. The System Plans' funded status as a percentage of the accumulated benefit obligation at June 30, 2014 and 2013, was 97.6% and 94.2%, respectively.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

9. Retirement Plans (continued)

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

	Year Ended June 30,	
	2014	2013
Unrecognized prior service credit	\$ (17,348)	\$ (23,080)
Unrecognized actuarial loss	330,938	364,739
	<u>\$ 313,590</u>	<u>\$ 341,659</u>

Changes in plan assets and benefit obligations recognized in unrestricted net assets for System Plans during 2014 and 2013 include:

	Year Ended June 30,	
	2014	2013
Current year actuarial gain	\$ (27,867)	\$ (87,934)
Amortization of actuarial (gain) loss	(5,934)	19,725
Current year prior service cost (credit)	290	(12,792)
Amortization of prior service credit	5,442	5,944
	<u>\$ (28,069)</u>	<u>\$ (75,057)</u>

	Year Ended June 30,	
	2014	2013
Components of net periodic benefit cost		
Service cost	\$ 51,176	\$ 119,018
Interest cost	343,781	289,634
Expected return on plan assets	(558,335)	(500,497)
Amortization of prior service credit	(4,017)	(6,242)
Amortization of actuarial loss	7,709	53,783
Curtailment gain	(1,426)	(73,198)
Settlement gain	(1,774)	(12)
Net periodic benefit cost	<u>\$ (162,886)</u>	<u>\$ (117,514)</u>

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

9. Retirement Plans (continued)

The prior service credit and actuarial gain included in unrestricted net assets and expected to be recognized in net periodic pension cost during the year ending June 30, 2015, are \$4,000 and \$24,955, respectively.

The assumptions used to determine the benefit obligation and net periodic benefit cost for the System Plans are set forth below:

	June 30,	
	2014	2013
Weighted-average discount rate	4.35%	4.88%
Weighted-average rate of compensation increase	3.81%	3.81%
Weighted-average expected long-term rate of return on plan assets	8.30%	8.30%

The System Plans' assets invested in the Trust are invested in a portfolio designed to protect principal and obtain competitive investment returns and long-term investment growth, consistent with actuarial assumptions, with a reasonable and prudent level of risk. Diversification is achieved by allocating to funds and managers that correlate to one of three economic strategies: growth, deflation, and inflation. Growth strategies include U.S. equity, emerging market equity, global equity, international equity, directional hedge funds, private equity, high yield, and private credit. Deflation strategies include core fixed income, absolute return hedge funds, and cash. Inflation strategies include inflation-linked bonds, commodity-related investments, and real assets. The System Plans use multiple investment managers with complementary styles, philosophies, and approaches. In accordance with the System Plans' objectives, derivatives may also be used to gain market exposure in an efficient and timely manner.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

9. Retirement Plans (continued)

In accordance with the System Plans' asset diversification targets, as presented in the table that follows, the Trust holds certain alternative investments, consisting of various hedge funds, real asset funds, private equity funds, commodity funds, private credit funds, and certain other private funds. These investments do not have observable market values. As such, each of these investments is valued at net asset value as determined by each fund's investment manager, which approximates fair value. The fair value of the System Plans' alternative investments in the Trust as of June 30, 2014, is reported in the fair value measurement table that follows. Collectively, these funds have liquidity terms ranging from daily to annual with notice periods ranging from 1 to 180 days. Due to redemption restrictions, investments of certain private funds, whose fair value was approximately \$1,313,000 at June 30, 2014, cannot be redeemed. However, the potential for the System Plans to sell their interest in real asset funds and private equity funds in a secondary market prior to the end of the fund term does exist.

The investments in these alternative investment funds may also include contractual commitments to provide capital contributions during the investment period, which is typically five years, and may extend to the end of the fund term. During these contractual periods, investment managers may require the System Plans to invest in accordance with the terms of the agreement. Commitments not funded during the investment period will expire and remain unfunded. As of June 30, 2014, investment periods expire between July 2014 and March 2018. The remaining unfunded capital commitments of the Trust total approximately \$416,000 for 62 individual contracts as of June 30, 2014.

The weighted-average asset allocation for the System Plans in the Trust at the end of fiscal 2014 and 2013 and the target allocation for fiscal 2015, by asset category, are as follows:

Asset Category	Target Allocation	Percentage of Plan Assets At Year-End	
	2015	2014	2013
Growth	50%	53%	52%
Deflation	30	29	29
Inflation	20	18	19
Total	100%	100%	100%

Ascension

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

9. Retirement Plans (continued)

The System Plans' assets in the Other Trusts are invested in portfolios designed to best serve the participants of the System Plans' through a long-term investment strategy designed to ensure that funds are available to pay benefits as they become due and to maximize the total return at a prudent level of investment risk. The System Plans' assets invested in the Other Trusts are diversified among various assets classes based upon established investment guidelines.

Asset Category	Target Allocation	Percentage of Plan Assets At Year-End	
	2015	2014	2013
Cash	1%	1%	6%
Growth	62	67	61
Income	32	28	25
Other	5	4	8
Total	100%	100%	100%

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

9. Retirement Plans (continued)

The following tables summarize fair value measurements at June 30, 2014 and 2013, by asset class and by level, for the System Plans' assets and liabilities. As also discussed in the Fair Value Measurements note, the System follows the three-level fair value hierarchy to categorize plan assets and liabilities recognized at fair value, which prioritizes the inputs used to measure such fair values. The inputs and valuation techniques discussed in the Fair Value Measurements note also apply to the System Plans' assets and liabilities as presented in the following tables.

	Level 1	Level 2	Level 3	Total
June 30, 2014				
Short-term investments	\$ 191,495	\$ 399	\$ —	\$ 191,894
Derivatives receivable	7	15,245	19,404	34,656
U S government, state, municipal and agency obligations	—	1,704,131	—	1,704,131
Corporate and foreign fixed income securities	—	673,696	47,850	721,546
Asset-backed securities	—	232,484	24,080	256,564
Equity securities	1,649,136	395,372	3,045	2,047,553
Alternative investments and other investments				
Private equity and real estate funds	—	—	909,980	909,980
Hedge funds	—	—	1,448,274	1,448,274
Commodities funds and other investments	—	—	295,563	295,563
Assets not at fair value				154,023
Total				<u>7,764,184</u>
Derivatives payable	26	160,907	2,980	163,913
Investments sold, not yet purchased	1,555	—	—	1,555
Liabilities not at fair value				133,601
Total				<u>299,069</u>
Fair value of plan assets				<u>\$ 7,465,115</u>

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

9. Retirement Plans (continued)

	Level 1	Level 2	Level 3	Total
June 30, 2013				
Short-term investments	\$ 324,803	\$ 20,331	\$ —	\$ 345,134
Derivatives receivable	1,078	337	21,059	22,474
U S government, state, municipal and agency obligations	—	1,671,493	1,266	1,672,759
Corporate and foreign fixed income securities	25,843	566,812	53,729	646,384
Asset-backed securities	—	226,920	22,838	249,758
Equity securities	1,317,933	18,741	2,936	1,339,610
Alternative investments and other investments				
Private equity and real estate funds	—	—	747,864	747,864
Hedge funds	34,708	—	1,452,190	1,486,898
Commodities funds and other investments	—	316,971	271,282	588,253
Assets not at fair value				334,875
Total				<u>7,434,009</u>
Derivatives payable	68	300	248,988	249,356
Investments sold, not yet purchased	3,794	(71)	—	3,723
Liabilities not at fair value				438,546
Total				<u>691,625</u>
Fair value of plan assets				<u>\$ 6,742,384</u>

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

9. Retirement Plans (continued)

For the years ended June 30, 2014 and 2013, the changes in the fair value of the System Plans' assets measured using significant unobservable inputs (Level 3) consisted of the following:

	Net Derivatives	U.S. Government, State, Municipal and Agency Obligations	Corporate and Foreign Fixed Income Securities	Asset- Backed Securities	Equity Securities	Private Equity and Real Estate Funds	Hedge Funds	Commodities Funds and Other Investments
June 30, 2014								
Beginning balance	\$ (227,929)	\$ 1,266	\$ 53,729	\$ 22,838	\$ 2,936	\$ 747,864	\$1,452,190	\$ 271,282
Total actual return on assets	123,117	23	5,784	1,182	353	70,779	105,507	21,672
Purchases, issuances, and settlements	(108,811)	(1,289)	(9,038)	16,599	(351)	91,337	(109,423)	2,609
Transfers into (out of) Level 3	230,047	—	(2,625)	(16,539)	107	—	—	—
Ending balance	\$ 16,424	\$ —	\$ 47,850	\$ 24,080	\$ 3,045	\$ 909,980	\$1,448,274	\$ 295,563
Actual return on plan assets relating to plan assets still held at June 30, 2014	\$ 16,515	\$ —	\$ 2,823	\$ 869	\$ 555	\$ 56,528	\$ 146,882	\$ (20,343)
	Net Derivatives	U.S. Government, State, Municipal and Agency Obligations	Corporate and Foreign Fixed Income Securities	Asset- Backed Securities	Equity Securities	Private Equity and Real Estate Funds	Hedge Funds	Commodities Funds and Other Investments
June 30, 2013								
Beginning balance	\$ 8,174	\$ 1,903	\$ 28,308	\$ 14,243	\$ 1,514	\$ 546,165	\$1,187,124	\$ 282,320
Acquisitions	—	—	—	—	—	37,048	—	9,994
Total actual return on assets	(154,133)	130	(171)	(89)	5	54,153	147,977	(21,032)
Purchases, issuances, and settlements	(122,486)	(767)	31,994	20,384	1,417	98,174	156,513	—
Transfers into (out of) Level 3	40,516	—	(6,402)	(11,700)	—	12,324	(39,424)	—
Ending balance	\$ (227,929)	\$ 1,266	\$ 53,729	\$ 22,838	\$ 2,936	\$ 747,864	\$1,452,190	\$ 271,282
Actual return on plan assets relating to plan assets still held at June 30, 2013	\$ (280,606)	\$ 59	\$ (2,202)	\$ (115)	\$ 227	\$ 54,968	\$ 147,248	\$ (21,024)

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

9. Retirement Plans (continued)

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

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

Information about the expected cash flows for the System Plans follows:

Expected employer contributions 2015	\$ 41,714
Expected benefit payments:	
2015	502,046
2016	478,701
2017	494,566
2018	502,342
2019	506,546
2020-2024	2,499,041

The contribution amount above includes amounts paid to Trusts. The benefit payment amounts above reflect the total benefits expected to be paid from Trusts.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

9. Retirement Plans (continued)

Other Postretirement Benefit Plans

In addition to the retirement plan described above, certain Health Ministries sponsor postretirement benefit plans that provide healthcare benefits to qualified retirees who meet certain eligibility requirements. The total benefit obligation of these plans at June 30, 2014 and 2013, is \$44,473 and \$45,308, respectively. The net asset included in pension and other postretirement liabilities in the accompanying Consolidated Balance Sheets at June 30, 2014, is \$756, while the net obligation included in pension and other postretirement liabilities in the accompanying Consolidated Balance Sheets at June 30, 2013, is \$6,624. The change in the plans' assets and benefit obligations recognized in unrestricted net assets during the year ended June 30, 2014, was a decrease of \$1,471.

Defined-Contribution Plans

System entities participate in contributory and noncontributory defined-contribution plans covering all eligible associates. There are three primary types of contributions to these plans: employer automatic contributions, employee contributions, and employer matching contributions. Benefits for employer automatic contributions are determined as a percentage of a participant's salary and, for certain entities, increases over specified periods of employee service. These benefits are funded annually, and participants become fully vested over a period of time. Benefits for employer matching contributions are determined as a percentage of an eligible participant's contributions each payroll period. These benefits are funded each payroll period, and participants become fully vested in these employer contributions immediately. Expenses for the defined-contribution plans were \$280,223 and \$193,856 during 2014 and 2013, respectively.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

10. Self-Insurance Programs

Certain System hospitals and other entities participate in pooled risk programs to insure professional and general liability risks and workers' compensation risks to the extent of certain self-insured limits. In addition, various umbrella insurance policies have been purchased to provide coverage in excess of the self-insured limits. The System provides its self-insurance through various trust funds and captive insurance companies. Actuarially determined amounts, discounted at 6% for the System, are contributed to the trust funds and the captive insurance companies to provide for the estimated cost of claims. The loss reserves recorded for estimated self-insured professional, general liability, and workers' compensation claims include estimates of the ultimate costs for both reported claims and claims incurred but not reported, which are discounted at 6% in 2014 and 2013 for the System. Those entities not participating in the self-insured programs are insured under separate policies.

Professional and General Liability Programs

Professional and general liability coverage is provided on a claims-made or occurrence basis through a wholly owned onshore trust and through AHIL.

The wholly owned onshore trust has a self-insured retention of \$10,000 per occurrence with no aggregate. Excess coverage is provided through AHIL with limits up to \$205,000. AHIL retains \$5,000 per occurrence and \$5,000 annual aggregate for professional liability. AHIL also retains a 20% quota share of the first \$25,000 of umbrella excess. The remaining excess coverage is reinsured by commercial carriers.

Sunflower Assurance, Inc. (Sunflower) was acquired when Marian Health System joined the System. Sunflower provided excess coverage with limits up to \$75,000 above the primary coverage for Via Christi Health and retained 10% of the first reinsurance layer of \$10,000 on a quota share basis. The remaining excess coverage was reinsured by commercial carriers. As of October 1, 2013, Via Christi's primary and excess medical professional and general liability and employed physician programs were integrated into the System trust and AHIL. After January 1, 2014, the employer stop loss and employee life insurance coverage provided by Sunflower to Via Christi were not renewed and are in run off.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

10. Self-Insurance Programs (continued)

Self-insured entities in the states of Indiana, Kansas, Pennsylvania, and Wisconsin are provided professional liability coverage with limits in compliance with participation in the Patient Compensation Funds. The Patient Compensation Funds apply to claims in excess of the primary self-insured limit, except the Fund in Kansas, which only covers claims up to the first \$1,000 and then the trust and AHIL cover amounts above \$1,000.

Included in operating expenses in the accompanying Consolidated Statements of Operations and Changes in Net Assets is professional and general liability expense of \$99,568 and \$68,437 for the years ended June 30, 2014 and 2013, respectively. Included in current and long-term self-insurance liabilities on the accompanying Consolidated Balance Sheets are professional and general liability loss reserves of \$604,846 and \$614,913 at June 30, 2014 and 2013, respectively.

AHIL also offers physician professional liability coverage through insurance or reinsurance arrangements to nonemployed physicians practicing at the System's various facilities, primarily in Michigan, Indiana, Texas, Florida and Illinois. Coverage is offered to physicians with limits ranging from \$100 per claim to \$1,000 per claim with various aggregate limits. Beginning October 1, 2013, AHIL offered similar coverage to employed physicians from Marian Health System in Kansas and Wisconsin.

Edessa Insurance Company Ltd. (Edessa) was acquired as part of the Alexian Brothers business combination effective January 1, 2012. Effective July 1, 2012, the self-insurance programs of Edessa were consolidated into AHIL, and Edessa ceased operations.

Ascension

Notes to Consolidated Financial Statements (continued) *(Dollars in Thousands)*

10. Self-Insurance Programs (continued)

Workers' Compensation

Workers' compensation coverage is provided on an occurrence basis through a grantor trust. The self-insured trust provides coverage up to \$1,500 per occurrence with no aggregate. The trust provides a mechanism for funding the workers' compensation obligations of its members. Prior to October 1, 2013, workers' compensation coverage for Marian Health System was self-insured or commercially insured up to various limits and excess insurance against catastrophic loss was obtained through commercial insurers. As of October 1, 2013, the Marian Systems are provided coverage under the self-insured trust. Premium payments made to the trust are expensed and represent claims reported and claims incurred but not reported.

Included in operating expenses in the accompanying Consolidated Statements of Operations and Changes in Net Assets is workers' compensation expense of \$42,052 and \$41,699 for the years ended June 30, 2014 and 2013, respectively. Included in current and long-term self-insurance liabilities on the accompanying Consolidated Balance Sheets are workers' compensation loss reserves of \$114,237 and \$137,825 at June 30, 2014 and 2013, respectively.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

11. Lease Commitments

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

Year ending June 30:	
2015	\$ 188,138
2016	172,635
2017	138,931
2018	104,991
2019	75,410
Thereafter	209,295
Total	<u>\$ 889,400</u>

Certain System entities are lessees under operating lease agreements for the use of space in buildings owned by third parties, including medical office buildings (MOBs) and medical and information technology equipment. In addition, certain System entities have subleased space within buildings where the entity has a current operating lease commitment. Certain System entities are also lessors under operating lease agreements, primarily ground leases related to third-party-owned MOBs on land owned by the System entity.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

11. Lease Commitments (continued)

The System's future minimum noncancelable payments associated with operating leases where a System entity is the lessee, as well as future minimum noncancelable receipts associated with operating leases where a System entity is the sublessor or lessor, are presented in the table that follows. Future minimum payments and receipts relate to noncancelable leases with terms of one year or more.

	Future Payments Where the System is Lessee	Future Receipts Where the System is Sublessor/ Lessor	Net Future Payments (Receipts)
Year ending June 30:			
2015	\$ 188,138	\$ 50,118	\$ 138,020
2016	172,635	41,175	131,460
2017	138,931	32,104	106,827
2018	104,991	26,333	78,658
2019	75,410	20,626	54,784
Thereafter	209,295	300,833	(91,538)
Total	<u>\$ 889,400</u>	<u>\$ 471,189</u>	<u>\$ 418,211</u>

Rental expense under operating leases amounted to \$391,928 and \$347,087 in 2014 and 2013, respectively.

12. Contingencies and Commitments

The System is involved in litigation and regulatory investigations arising in the ordinary course of business. Regulatory investigations also occur from time to time. In the opinion of management, after consultation with legal counsel, these matters are expected to be resolved without material adverse effect on the System's Consolidated Balance Sheet.

In March 2013, the System and some of its subsidiaries were named as defendants to litigation surrounding the Church Plan status of its System Plans. On May 9, 2014, the United States District Court, Eastern District of Michigan, Southern Division, issued its Decision and Order Granting Defendants' Motion to Dismiss, which effectively dismissed the case against the System. On June 11, 2014, the plaintiff in the case filed a Notice of Appeal, and the appeal is pending. Regardless of the outcome of such appeal, the System does not believe that this matter will have a material adverse effect on the System's financial position or results of operations.

Ascension

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

12. Contingencies and Commitments (continued)

In September 2010, Ascension Health received a letter from the U.S. Department of Justice (the DOJ) in connection with its nationwide review to determine whether, in certain cases, implantable cardioverter defibrillators (ICD) were provided to certain Medicare beneficiaries in accordance with national coverage criteria. In connection with this nationwide review, identified System hospitals are reviewing applicable medical records and responding to the DOJ. The DOJ's investigation spans a time frame beginning in 2003 and extending through the present time. To date, four System hospitals have entered into settlements with the DOJ and the System is having settlement discussions with the DOJ regarding two other System hospitals subject to the ICD investigation.

The System enters into agreements with non-employed physicians that include minimum revenue guarantees. The terms of the guarantees vary. The carrying amounts of the liability for the System's obligation under these guarantees were \$37,623 and \$44,553 at June 30, 2014 and 2013, respectively, and are included in other current and noncurrent liabilities in the accompanying Consolidated Balance Sheets. The maximum amount of future payments that the System could be required to make under these guarantees is approximately \$95,700.

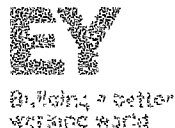
The System entered into agreements with sponsors for support through January 2017. The System's obligation under these agreements totals \$31,000 at June 30, 2014, and is included in other current and noncurrent liabilities in the accompanying Consolidated Balance Sheet.

The System entered into Master Service Agreements for information technology services provided by third parties. The maximum amount of future payments that the System could be required to make under these agreements is approximately \$190,700.

Guarantees and other commitments represent contingent commitments issued by Ascension Health Alliance Senior and Subordinate Credit Groups, generally to guarantee the performance of an affiliate to a third party in borrowing arrangements such as commercial paper issuances, bond financing, and other transactions. The terms of guarantees are equal to the terms of the related debt, which can be as long as 26 years. The following represents the remaining guarantees and other commitments of the Senior and Subordinate Credit Groups at June 30, 2014:

Hospital de la Concepción 2000 Series A debt guarantee	\$ 29,240
St. Vincent de Paul Series 2000A debt guarantee	28,300
Other guarantees and commitments	36,200

Supplementary Information



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Report of Independent Auditors on Supplementary Information

The Board of Directors
Ascension

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Schedule of Net Cost of Providing Care of Persons Living in Poverty and Community Benefit Programs, the Credit Group Consolidated Balance Sheets, the Credit Group Consolidated Statements of Operations and Changes in Net Assets, and the Schedule of Credit Group Cash and Investments are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Ernst & Young LLP

September 11, 2014

Ascension

Schedule of Net Cost of Providing Care of Persons Living in Poverty and Other Community Benefit Programs (Dollars in Thousands)

Years Ended June 30, 2014 and 2013

The net cost of providing care to persons living in poverty and other community benefit programs is as follows:

	Year Ended June 30,	
	2014	2013
Traditional charity care provided	\$ 580,606	\$ 524,605
Unpaid cost of public programs for persons living in poverty	641,981	488,959
Other programs for persons living in poverty and other vulnerable persons	117,990	89,923
Community benefit programs	480,866	383,583
Care of persons living in poverty and other community benefit programs	<u>\$ 1,821,443</u>	<u>\$ 1,487,070</u>

Ascension
Credit Group¹ Financial Statements
Consolidated Balance Sheets
(Dollars in Thousands)

	June 30,	
	2014	2013
Assets		
Current assets		
Cash and cash equivalents	\$ 414,489	\$ 413,891
Short-term investments	60,957	73,881
Accounts receivable, less allowance for doubtful accounts (\$1,077,662 and \$1,130,769 at June 30, 2014 and 2013, respectively)	1,979,167	1,887,031
Inventories	270,472	237,594
Due from brokers	343,757	178,380
Estimated third-party payor settlements	225,709	108,559
Other	617,517	1,009,996
Total current assets	<u>3,912,068</u>	<u>3,909,332</u>
Long-term investments	14,970,497	13,778,749
Property and equipment, net	6,297,972	6,227,296
Other assets		
Investment in unconsolidated entities	539,394	532,483
Capitalized software costs, net	684,996	651,627
Due from affiliates	637,799	651,022
Other	1,353,604	1,341,384
Total other assets	<u>3,215,793</u>	<u>3,176,516</u>
Total assets	<u><u>\$ 28,396,330</u></u>	<u><u>\$ 27,091,893</u></u>

Continued on next page

¹The Credit Group Financial Statements are comprised of the System (see Note 1) excluding the System's investment in Via Christi Health, Inc. prior to March 31, 2013 and assets, liabilities and net assets of Alexian Brothers Health System (ABHS), St John Health System, Inc. (St John), and Ministry Health Care, Inc. (Ministry). As discussed in Note 3, Ascension Health became the sole corporate member of Via Christi Health, Inc. on April 1, 2013, at which time Via Christi Health, Inc. became a member of the Credit Group. The Credit Group Financial Statements also include the System's noncontrolling interest (see Note 2) of the Alpha Fund (see Notes 4 and 5), which represents \$1,490,082, or approximately 10.7%, and \$1,450,580, or approximately 12.9%, of the Alpha Fund's net assets as of June 30, 2014 and 2013, respectively. See Note 5 for further discussion of noncontrolling interests of the Alpha Fund.

Ascension

Credit Group¹ Financial Statements

Consolidated Balance Sheets (continued)

(Dollars in Thousands)

	June 30,	
	2014	2013
Liabilities and net assets		
Current liabilities		
Current portion of long-term debt	\$ 69,301	\$ 66,291
Long-term debt subject to short-term remarketing arrangements	1,345,530	1,187,125
Accounts payable and accrued liabilities	1,926,657	1,903,339
Estimated third-party payor settlements	344,262	352,343
Due to brokers	332,169	493,420
Current portion of self-insurance liabilities	220,710	202,113
Other	154,472	531,141
Total current liabilities	4,393,101	4,735,772
Noncurrent liabilities		
Long-term debt (senior and subordinated)	3,961,654	4,221,758
Self-insurance liabilities	517,691	519,423
Pension and other postretirement liabilities	319,808	404,516
Other ²	2,658,030	2,252,568
Total noncurrent liabilities	7,457,183	7,398,265
Total liabilities	11,850,284	12,134,037
Net assets		
Unrestricted		
Controlling interest	14,418,042	12,919,514
Noncontrolling interests ³	1,655,092	1,591,091
Unrestricted net assets	16,073,134	14,510,605
Temporarily restricted	349,104	334,201
Permanently restricted	123,808	113,050
Total net assets	16,546,046	14,957,856
Total liabilities and net assets	\$ 28,396,330	\$ 27,091,893

²Includes \$1,490,730 and \$1,241,017 at June 30, 2014 and 2013, respectively, representing the amounts due to ABHS, St John and Ministry from Ascension attributable to interests in investments held by Ascension

³Includes \$1,490,082 and \$1,450,580 at June 30, 2014 and 2013, respectively, attributable to the Alpha Fund (see Notes 4 and 5)

Ascension

Credit Group Financial Statements

Consolidated Statement of Operations and Changes in Net Assets

(Dollars in Thousands)

	Year Ended June 30,	
	2014	2013
Operating revenue		
Net patient service revenue	\$ 15,791,162	\$ 14,730,194
Less provision for doubtful accounts	1,090,775	1,027,245
Net patient service revenue, less provision for doubtful accounts	14,700,387	13,702,949
Other revenue	1,307,373	1,090,380
Total operating revenue	16,007,760	14,793,329
Operating expenses		
Salaries and wages	6,664,407	6,282,418
Employee benefits	1,402,949	1,372,742
Purchased services	880,836	798,329
Professional fees	1,112,707	1,012,804
Supplies	2,306,106	2,106,666
Insurance	102,453	88,747
Interest	132,946	126,307
Depreciation and amortization	712,801	651,391
Other	2,026,905	1,861,777
Total operating expenses before impairment, restructuring and nonrecurring losses, net	15,342,110	14,301,181
Income from operations before self-insurance trust fund investment return and impairment, restructuring and nonrecurring losses, net	665,650	492,148
Self-insurance trust fund investment return	66,174	34,985
Impairment, restructuring and nonrecurring losses, net	(218,279)	(168,937)
Income from operations	513,545	358,196
Nonoperating gains (losses)		
Investment return ⁴	1,357,908	731,181
Loss on extinguishment of debt	(1,605)	(4,079)
(Loss) gain on interest rate swaps	(1,407)	53,746
Income from unconsolidated entities	5,016	8,137
Contributions from business combinations	—	982,018
Other	(56,771)	(73,497)
Total nonoperating gains, net	1,303,141	1,697,506
Excess of revenues and gains over expenses and losses	1,816,686	2,055,702
Less noncontrolling interests	246,390	131,380
Excess of revenues and gains over expenses and losses attributable to controlling interest	1,570,296	1,924,322

Continued on next page

⁴Includes the investment return of \$1,533,134 and \$762,550 for the years ended June 30, 2014 and 2013, respectively, attributable to the Alpha Fund. Of the Alpha Fund's investment return, \$193,400 and \$106,039 for the years ended June 30, 2014 and 2013, respectively, is included in the noncontrolling interests.

Ascension

Credit Group Financial Statements

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

(Dollars in Thousands)

	Year Ended June 30,	
	2014	2013
Unrestricted net assets, controlling interest		
Excess of revenues and gains over expenses and losses	\$ 1,570,296	\$ 1,924,322
Transfers from (to) sponsors and other affiliates, net	9,815	(6,138)
Contributed net assets	(1,534)	(1,049)
Membership interest changes, net	45,255	—
Net assets released from restrictions for property acquisitions	54,869	60,084
Pension and other postretirement liability adjustments	(2,725)	31,469
Change in unconsolidated entities' net assets	4,571	5,523
Other	(17,656)	2,759
Increase in unrestricted net assets, controlling interest, before loss from discontinued operations	1,662,891	2,016,970
Loss from discontinued operations	(164,363)	(76,829)
Increase in unrestricted net assets, controlling interest	1,498,528	1,940,141
Unrestricted net assets, noncontrolling interest		
Excess of revenues and gains over expenses and losses	246,390	131,380
Distributions of capital	(530,534)	(829,932)
Contributions of capital	400,675	1,578,371
Contributions from business combinations	—	63,757
Membership interest changes, net	(52,530)	—
Increase in unrestricted net assets, noncontrolling interest ⁵	64,001	943,576
Temporarily restricted net assets, controlling interest		
Contributions and grants	81,762	80,893
Investment return	27,264	17,524
Net assets released from restrictions	(96,232)	(97,345)
Contributions from business combinations	—	11,868
Other	2,109	3,040
Increase in temporarily restricted net assets, controlling interest	14,903	15,980
Permanently restricted net assets, controlling interest		
Contributions	10,290	2,581
Investment return	635	1,744
Contributions from business combinations	—	6,717
Other	(167)	407
Increase in permanently restricted net assets, controlling interest	10,758	11,449
Increase in net assets	1,588,190	2,911,146
Net assets, beginning of period	14,957,856	12,046,710
Net assets, end of period	\$ 16,546,046	\$14,957,856

⁵Includes net distributions of \$153,898, comprised of distributions of \$487,564 and contributions of \$333,666 for the year ended June 30, 2014 and net contributions of \$755,906, comprised of contributions of \$1,555,146 and distributions of \$799,240 for the year ended June 30, 2013, attributable to the Alpha Fund

Ascension

Schedule of Credit Group Cash and Investments (Dollars in Thousands)

The Credit Group's cash and investments at June 30, 2014 and 2013, are presented in the table that follows. Total cash and investments, net, includes both the Credit Group's membership interest in the Alpha Fund as well as the noncontrolling interests held by other Alpha Fund members. Credit Group unrestricted cash and investments, net, represent the Credit Group's cash and investments excluding the noncontrolling interests held by other Alpha Fund members and assets limited as to use.

	June 30,	
	2014	2013
Cash and cash equivalents	\$ 414,489	\$ 413,891
Short-term investments	60,957	73,881
Long-term investments	14,970,497	13,778,749
Subtotal	<u>15,445,943</u>	<u>14,266,521</u>
Other Alpha Fund and Ascension Legacy Portfolio assets and liabilities:		
In other current assets	30,671	459,050
In other long-term assets	2,641	2,785
In accounts payable and accrued liabilities	(7,013)	(5,680)
In other current liabilities	(3,341)	(394,763)
In other noncurrent liabilities	(178,732)	(6,622)
Due to brokers, net	11,588	(315,040)
Total cash and investments, net	<u>15,301,757</u>	<u>14,006,251</u>
Less noncontrolling interests of Alpha Fund	1,490,082	1,450,580
Less interest in investments held by Ascension on behalf of:		
Alexian Brothers Health System	369,491	347,403
St. John Health System	417,881	378,162
Ministry Health System	703,358	515,452
Credit Group cash and investments, net including assets limited as to use	<u>12,320,945</u>	<u>11,314,654</u>
Less assets limited as to use:		
Under bond indenture agreements	10,079	17,724
Self insurance trust funds	758,775	701,237
Temporarily or permanently restricted	425,947	390,959
Credit Group unrestricted cash and investments, net	<u><u>\$11,126,144</u></u>	<u><u>\$ 10,204,734</u></u>

Ascension

Schedule of Credit Group Statistical Information (unaudited) (Dollars in Thousands)

	For the Year Ended June 30,	
	2014	2013
Total Available Beds	18,634	18,463
Total Patient Days	4,263,264	3,784,649
Total Discharges	631,831	616,603
Average Length of Stay	6.75	6.14
Total Outpatient Visits	19,619,835	18,520,894

The percentage of net patient service revenue, less provision for doubtful accounts, earned by payor for the years ended June 30, 2014 and 2013, are as follows:

	June 30,	
	2014	2013
Medicare – traditional and managed	36%	37%
Medicaid – traditional and managed	12	12
Commercial and other managed care	43	43
Self-Pay and other	9	8
	100%	100%

Significant concentrations of accounts receivable, less allowance for doubtful accounts, at June 30, 2014 and 2013, are as follows:

	June 30,	
	2014	2013
Medicare – traditional and managed	22%	22%
Medicaid – traditional and managed	9	8
Commercial and other managed care	46	43
Self-Pay and other	23	27
	100%	100%