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Form 990



Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

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

OMB No 1545-0047

2013

Open to Public Inspection

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

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization

St Elizabeth Hospital Inc

Doing Business As

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

1506 South Onedia Street

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

Appleton, WI 549151397

D Employer identification number

39-0816818

E Telephone number

(920) 738-2000

G Gross receipts \$ 191,724,614

F Name and address of principal officer

Jeffrey Francis

1506 South Onedia Street

Appleton, WI 549151397

H(a) Is this a group return for subordinates?

☐ Yes ☒ No

H(b) Are all subordinates included?

☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number

0928

I Tax-exempt status

☒ 501(c)(3) ☐ 501(c) () ☐ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website:

www.affinityhealth.org

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation 1899

M State of legal domicile WI

Part I Summary																																																																																
Activities & Governance	<div><div>1</div><div>Briefly describe the organization's mission or most significant activities</div><div>To further the healing ministry of Jesus by improving the health and well-being of all people</div><div></div><div></div><div></div></div>																																																																															
	<div><div>2</div><div>Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets</div></div>																																																																															
	<table><tr><td>3</td><td>Number of voting members of the governing body (Part VI, line 1a)</td><td>3</td><td>18</td></tr><tr><td>4</td><td>Number of independent voting members of the governing body (Part VI, line 1b)</td><td>4</td><td>10</td></tr><tr><td>5</td><td>Total number of individuals employed in calendar year 2013 (Part V, line 2a)</td><td>5</td><td>1,354</td></tr><tr><td>6</td><td>Total number of volunteers (estimate if necessary)</td><td>6</td><td>412</td></tr><tr><td>7a</td><td>Total unrelated business revenue from Part VIII, column (C), line 12</td><td>7a</td><td>172,652</td></tr><tr><td>b</td><td>Net unrelated business taxable income from Form 990-T, line 34</td><td>7b</td><td>-49,396</td></tr></table>	3	Number of voting members of the governing body (Part VI, line 1a)	3	18	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	10	5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	1,354	6	Total number of volunteers (estimate if necessary)	6	412	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	172,652	b	Net unrelated business taxable income from Form 990-T, line 34	7b	-49,396																																																							
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Part II

Signature Block

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

Signature of officer

2015-05-13

Date

Jeffrey Francis Ministry Health Care CAFO

Type or print name and title

Paid Preparer Use Only

Prnt/Type preparer's name

Rachel Becker

Preparer's signature

Date

2015-05-07

Check ☐ if self-employed

PTIN

P00966076

Firm's name

Deloitte Tax LLP

Firm's EIN

86-1065772

Firm's address

555 East Wells Street Suite 1400

Phone no

(414) 270-3000

Milwaukee, WI 53202

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2013)

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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O




















4a	(Code) (Expenses \$ 122,523,300 including grants of \$ 613,381) (Revenue \$ 186,133,500)
	St Elizabeth Hospital, Inc provides inpatient, outpatient, emergency room, and ancillary services regardless of an individual's ability to pay The Hospital also provides educational programs and services on health care issues to the community it serves See Schedule H for further details

[illegible][illegible]

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

4e	Total program service expenses	122,523,300
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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	No
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV	16	No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <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		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <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.	71	
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	1,354
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	18	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
1b	Enter the number of voting members included in line 1a, above, who are independent	10	
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
7b	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		
8a	a The governing body?	8a	Yes
8b	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
10b	b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	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
12b	b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
12c	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?		
15a	a The organization's CEO, Executive Director, or top management official	15a	No
15b	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	No
16b	b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶WI
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. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> 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 ▶Jeffrey Francis 222 W College Avenue 3rd Floor Appleton, WI 54911 (414) 359-3145

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) William Calhoun President at MMC	10 00 31 60	X		X				0	392,457	47,205
(2) Stephen C Morton Chairman	30 1 20	X		X				0	0	0
(3) Daniel Neufelder Sr VP Hosp Ops/Vice Chair	10 00 46 10	X		X				0	896,266	89,267
(4) John Russo end 1213 Vice Chairman	30 1 20	X		X				0	0	0
(5) Wayne Trembly Secretary	30 1 20	X		X				0	0	0
(6) Kathryn Sieman Treasurer	30 1 20	X		X				0	0	0
(7) Lane Eams Board Member	30 1 20	X						0	0	0
(8) Mark Faustich MD Board Member	30 40 80	X						0	409,546	24,567
(9) Mary Harp-Jirschele Board Member	30 1 20	X						0	0	0
(10) Frederick Klein MD Board Member	30 1 20	X						0	0	0
(11) Joseph McCormick MD Board Member	30 40 80	X						0	906,132	54,733
(12) Kevin Ralofsky start 114 Board Member	30 1 50	X						0	0	0
(13) Jay Sauter Board Member	30 1 20	X						0	0	0
(14) Stacey Sensor DO Board Member	30 41 10	X						0	582,436	36,897
(15) Sudeep Sodhi MD Board Member	30 40 80	X						0	851,724	54,749
(16) Barbara J Strand MD Board Member	30 40 80	X						0	313,912	29,366
(17) Catherine Tierney Board Member	30 1 20	X						0	0	0

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) Monica Vomastic Board Member	30 1 20	X						0	0	0
(19) Nicholas Desien Ministry Health Care CEO	1 00 55 30			X				0	2,061,606	41,974
(20) Jeffrey Francis Ministry Health Care CAFO	1 00 64 90			X				0	522,252	124,025
(21) Travis Andersen Hospital Pres - STE App	40 00 1 30			X				0	355,671	48,793
(22) Mark Kehrberg Chief Medical Officer AHS	10 00 30 60				X			0	394,415	54,779
(23) Lawrence Donatelle Vice President of Medical Affairs	40 00 0 00				X			308,458	0	46,816
(24) Jennie Rebecca Gaurkee Pharmacy Director	40 00 0 00					X		170,491	0	33,346
(25) Debra Lastofka Pharmacist	40 00 0 00					X		149,291	0	30,772
(26) Annette Siedschlag Pharmacist	40 00 0 00					X		139,884	0	25,518
(27) Brian G Humphrey Senior Ultrasound Technologist	40 00 0 00					X		139,993	0	12,903
(28) Jeanne Maurer Pharmacist	40 00 0 00					X		138,825	0	38,831
(29) Jeff Badger Former Officer	0 00 52 00						X	0	497,813	62,987
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								1,046,942	8,184,230	857,528

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▶35		
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
The Boldt Company 2525 N Roemer Rd PO Box 419 Appleton WI 54912	Purchased Services	21,242,873
Boldt Procurement LLC 2525 N Roemer Rd PO Box 419 Appleton WI 54912	Purchased Services	7,985,017
Hammel Green & Abrahamson Inc 333 East Erie Street Milwaukee WI 53202	Consulting & Design Services	3,051,068
GE Healthcare PO Box 96483 Chicago IL 60693	Equipment Repairs	963,231
Outagamie Department of Solid Waste 1419 Holland Road Appleton WI 54911	Construction Bed Tower	881,817
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 ▶36		

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	1,469,503		
	e	Government grants (contributions)	1e			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f			
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f		1,469,503		
Program Service Revenue	2a	Net Patient Revenue	Business Code 622110	184,315,801	184,315,801	
	b	Misc Hospital Revenue	622000	1,054,842	1,054,842	
	c	Outpatient Lab Revenue	621500	168,702		168,702
	d	Genetic Services	900099	3,950		3,950
	e	Equity Int in Catalpa	621500	-1,258,389	-1,258,389	
	f	All other program service revenue				
	g	Total. Add lines 2a-2f		184,284,906		
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		188,868	
4		Income from investment of tax-exempt bond proceeds				
5		Royalties				
6a		Gross rents	(i) Real 2,637,046	(ii) Personal		
b		Less rental expenses	1,092,625			
c		Rental income or (loss)	1,544,421			
d		Net rental income or (loss)		1,544,421		1,544,421
7a		Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other 104,324		
b		Less cost or other basis and sales expenses		58,051		
c		Gain or (loss)		46,273		
d		Net gain or (loss)		46,273		46,273
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	EHR Incentive Pymnt	900099	1,902,077	1,902,077		
b	Cafeteria Income	722210	1,018,721		1,018,721	
c	Other Non-Op Revenue	900099	119,169	119,169		
d	All other revenue					
e	Total. Add lines 11a-11d		3,039,967			
12	Total revenue. See Instructions		190,573,938	186,133,500	172,652	2,798,283

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.	613,381	613,381		
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.				
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
7	Other salaries and wages.	62,422,653	51,852,955	10,569,698	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	1,530,409	1,530,409		
9	Other employee benefits.	10,579,402	7,571,425	3,007,977	
10	Payroll taxes.	3,905,521	3,905,521		
11	Fees for services (non-employees):				
a	Management.				
b	Legal.				
c	Accounting.				
d	Lobbying.				
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).	4,989,172	1,128,315	3,860,857	
12	Advertising and promotion.				
13	Office expenses.	25,824,848	24,937,811	887,037	
14	Information technology.				
15	Royalties.				
16	Occupancy.	4,126,976	3,424,844	702,132	
17	Travel.	443,251	36,213	407,038	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.				
20	Interest.	2,926,656	2,926,656		
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	6,421,765	5,788,273	633,492	
23	Insurance.	632,017	617,461	14,556	
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):				
a	Purchased Services	15,003,704	9,411,042	5,592,662	
b	Pharmaceuticals	7,348,003	7,329,235	18,768	
c	Food	1,120,198	1,033,018	87,180	
d	Dues	203,432	27,935	175,497	
e	All other expenses	5,561,293	388,806	5,172,487	
25	Total functional expenses. Add lines 1 through 24e.	153,652,681	122,523,300	31,129,381	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 <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		14,212,352	1	3,280,970
	2	Savings and temporary cash investments		864,442	2	660,107
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		23,780,846	4	27,070,582
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		2,892,284	8	3,145,705
	9	Prepaid expenses and deferred charges		459,390	9	169,831
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 161,289,910			
	b	Less: accumulated depreciation	10b 7,632,800	100,453,087	10c	153,657,110
	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			13	
	14	Intangible assets			14	
	15	Other assets. See Part IV, line 11		5,223,409	15	7,544,682
	16	Total assets. Add lines 1 through 15 (must equal line 34)		147,885,810	16	195,528,987
Liabilities	17	Accounts payable and accrued expenses		25,777,492	17	36,770,693
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		79,640,825	23	79,236,726
	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		13,553,995	25	10,069,078
	26	Total liabilities. Add lines 17 through 25		118,972,312	26	126,076,497
Net Assets or Fund Balances		Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets		28,865,122	27	68,434,029
	28	Temporarily restricted net assets		48,376	28	1,018,461
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> 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		28,913,498	33	69,452,490
	34	Total liabilities and net assets/fund balances		147,885,810	34	195,528,987

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	190,573,938
2	Total expenses (must equal Part IX, column (A), line 25)	2	153,652,681
3	Revenue less expenses Subtract line 2 from line 1	3	36,921,257
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	28,913,498
5	Net unrealized gains (losses) on investments	5	47,122
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	3,570,613
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	69,452,490

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 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
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 <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		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 <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	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	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?	Yes	
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	Yes	

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 St Elizabeth Hospital Inc	Employer identification number 39-0816818
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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)

1	<input type="checkbox"/>	A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
2	<input type="checkbox"/>	A school described in section 170(b)(1)(A)(ii). (Attach Schedule E)
3	<input checked="" type="checkbox"/>	A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
4	<input type="checkbox"/>	A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state _____
5	<input type="checkbox"/>	An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II)
6	<input type="checkbox"/>	A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
7	<input type="checkbox"/>	An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II)
8	<input type="checkbox"/>	A community trust described in section 170(b)(1)(A)(vi) (Complete Part II)
9	<input type="checkbox"/>	An organization that normally receives (1) more than 33 ¹ / ₃ % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 ¹ / ₃ % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2). (Complete Part III)
10	<input type="checkbox"/>	An organization organized and operated exclusively to test for public safety See section 509(a)(4).
11	<input type="checkbox"/>	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 <input type="checkbox"/> Type I b <input type="checkbox"/> Type II c <input type="checkbox"/> Type III - Functionally integrated d <input type="checkbox"/> Type III - Non-functionally integrated
e	<input type="checkbox"/>	By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
f	<input type="checkbox"/>	If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
g	<input type="checkbox"/>	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?
h	<input type="checkbox"/>	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
St Elizabeth Hospital Inc

Employer identification number
39-0816818

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?		<input type="checkbox"/> Yes <input type="checkbox"/> 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		10,845
j	Total. Add lines 1c through 1i.			10,845
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912.			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912.			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

Return Reference	Explanation
Part II-B, Line 1	Lobbying expenses represent the portion of dues paid to national and state hospital associations that is specifically allocable to lobbying. St. Elizabeth Hospital, Inc. 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)

Supplemental Financial Statements

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b

▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

Name of the organization St Elizabeth Hospital Inc	Employer identification number 39-0816818
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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? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	
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? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	

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

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▶ \$ _____

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 52283D

Schedule D (Form 990) 2013

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 | | | | | |
| b Contributions | | | | | |
| c Net investment earnings, gains, and losses | | | | | |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | | | | | |
| f Administrative expenses | | | | | |
| g End of year balance | | | | | |
- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as
- a Board designated or quasi-endowment ▶

b Permanent endowment ▶

c Temporarily restricted endowment ▶
- The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i) unrelated organizations

(ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		
- b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?
- 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		4,117,424		4,117,424
b Buildings		56,899,329	3,427,080	53,472,249
c Leasehold improvements		415,308	66,895	348,413
d Equipment		29,841,760	4,091,700	25,750,060
e Other		70,016,089	47,125	69,968,964
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) ▶				153,657,110

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 X, Line 2	From the consolidated audited financial statements of Ministry Health Care, Inc. which include the activity of St. Elizabeth Hospital, Inc. The Health Ministry 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 or expected to be taken in a tax returns.

[illegible]

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
St Elizabeth Hospital Inc

Employer identification number
39-0816818

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 <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> 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 <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ % 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 <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> 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 Yes	
b	If "Yes," did the organization make it available to the public?	5c	No
	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)			2,115,640		2,115,640	1 380 %
b Medicaid (from Worksheet 3, column a)			3,458,733		3,458,733	2 250 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . .			86,153		86,153	0 060 %
d Total Financial Assistance and Means-Tested Government Programs . .			5,660,526		5,660,526	3 690 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	15	2,959	523,716	838	522,878	0 340 %
f Health professions education (from Worksheet 5)	3	43	1,023,770	167,765	856,005	0 560 %
g Subsidized health services (from Worksheet 6)	2		4,700,933	4,149,610	551,323	0 360 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)	11	5,351	667,886		667,886	0 430 %
j Total Other Benefits	31	8,353	6,916,305	4,318,213	2,598,092	1 690 %
k Total. Add lines 7d and 7j . .	31	8,353	12,576,831	4,318,213	8,258,618	5 380 %

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						
4Environmental improvements						
5Leadership development and training for community members	1	170	569		569	0 %
6Coalition building	2		15,966		15,966	0 010 %
7Community health improvement advocacy	2	44	983		983	0 %
8Workforce development	3	87	1,214		1,214	0 %
9Other						
10Total	8	301	18,732		18,732	0 010 %

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

7,898,641

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

0

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

65,953,283

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

6

63,403,017

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

7

2,550,266

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				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V

Facility Information

Section A. Hospital Facilities

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

Name, address, primary website address, and state license number

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
	See Additional Data Table										

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

St Elizabeth Hospital Inc

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 <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> 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 <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>See Part v, Section B</u>		
b <input type="checkbox"/> Other website (list url) _____		
c <input checked="" type="checkbox"/> Available upon request from the hospital facility		
d <input type="checkbox"/> 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 <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b <input checked="" type="checkbox"/> Execution of the implementation strategy		
c <input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input checked="" type="checkbox"/> Prioritization of health needs in its community		
h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7 Yes	
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
9	Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used	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 000000000000% 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	<input checked="" type="checkbox"/> Income level		
b	<input checked="" type="checkbox"/> Asset level		
c	<input checked="" type="checkbox"/> Medical indigency		
d	<input checked="" type="checkbox"/> Insurance status		
e	<input checked="" type="checkbox"/> Uninsured discount		
f	<input checked="" type="checkbox"/> Medicaid/Medicare		
g	<input checked="" type="checkbox"/> State regulation		
h	<input type="checkbox"/> Residency		
i	<input type="checkbox"/> 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	<input type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available upon request		
g	<input checked="" type="checkbox"/> 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	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> 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	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> 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 <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b <input type="checkbox"/> The hospital facility's policy was not in writing		
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d <input type="checkbox"/> 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 <input checked="" type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b <input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d <input type="checkbox"/> 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? _____

Name and address	Type of Facility (describe)
1 _____	
2 _____	
3 _____	
4 _____	
5 _____	
6 _____	
7 _____	
8 _____	
9 _____	
10 _____	

Part VI

Supplemental Information

Provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Form and Line Reference	Explanation
Part I, Line 3c	It is the policy of St Elizabeth Hospital, Inc to provide medically necessary health care services to people in the communities it serves, regardless of their ability to pay Affinity Care financial assistance is granted based upon the patient's inability to pay and to individuals who are uninsured, underinsured or medically indigent Affinity Care works in collaboration with other financial (both public and private) assistance programs This is to ensure holistic wellness of patients by facilitating knowledge of available services and programs for health while practicing good stewardship of funds Key criteria utilized to determine eligibility for Affinity Care financial assistance includes family size, federal poverty income guidelines and available assets The available asset test includes consideration of the amount of equity in a home, automobiles, and savings accounts which are considered part of total allowable income when assessing against the federal poverty income guidelines

Form and Line Reference	Explanation
Part I, Line 6a	St Elizabeth's Hospital, Inc is included in the annual community benefit report which is published by Ministry Health Care (EIN 39-1490371) and available to the public on its website, www.ministryhealth.org . This report includes all of the related entities within the Ministry Health Care network of hospitals, clinics and other health-related organizations.

Form and Line Reference	Explanation
Part I, Line 7	Amounts calculated in Part I, Line 7 are determined both on a cost accounting system and a cost-to-charge ratio. Other benefits are determined based on the direct and indirect costs (where allocated) associated with a program net of earned revenue. Detail for each program/activity is maintained and determined at the department level. Charity care and means-tested programs are determined based on a cost-to-charge ratio consistent with Worksheet 2, Ratio of Patient Care Cost to Charges. Prior year cost report settlements are excluded from the shortfall calculation in order to get a true fiscal year shortfall amount.

Form and Line Reference	Explanation
Part II, Community Building Activities	Community-building activities include programs that, while not directly related to health care, provide opportunities to address the root causes of health problems, such as poverty, homelessness, and environmental problems. These activities support community assets by offering the expertise and resources of the organization. Costs for these activities include cash, in-kind donations, and expenditures for the development of a variety of community health programs and partnerships. Some examples include: Rebuilding Together in which managers from St. Elizabeth Hospital went out to help low-income elderly members of the community with remodeling projects to improve safety or condition of their homes. Another example is the Health Career Experience Day in which professionals from St. Elizabeth Hospital, Inc. highlighted a variety of healthcare careers and talk about their professions (i.e., nursing, surgery, laboratory and radiology).

Form and Line Reference	Explanation
Part III, Line 2	Accounts are written off to bad debt after all internal collection efforts have been exhausted Attempts to resolve these outstanding balances can include, but are not limited to statements being sent, phone calls and letters being sent Account follow up protocol is based on personal pay balance size owed

Form and Line Reference	Explanation
Part III, Line 3	St Elizabeth Hospital, Inc has a very robust financial assistance program, therefore, no estimate is made for bad debt attributed to financial assistance eligible patients

Form and Line Reference	Explanation
Part III, Line 4	<p>From the consolidated audited financial statements of Ministry Health Care, Inc (which includes the activity of St Elizabeth Hospital, Inc) 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 Health Ministry follows established guidelines for placing certain past-due patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by Ascension Health Accounts receivable are written off after collection efforts have been followed in accordance with the Health Ministry'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 Health Ministry has not experienced material changes in write-off trends and has not materially changed its charity care policy in the current year</p>

Form and Line Reference	Explanation
Part III, Line 8	Ascension Health and related health ministries follow the Catholic Health Association ("CHA") guidelines for determining community benefit CHA community benefit reporting guidelines suggest that Medicare shortfall is not treated as community benefit

Form and Line Reference	Explanation
Part III, Line 9b	St Elizabeth Hospital, Inc has a debt collection policy which sets forth collection practices for patients who are known to qualify or may qualify for financial assistance under the charity care program Sufficient financial counseling support is made available to patients so they can easily access patient financial service representatives and have their questions answered, and gain an understanding of the reasons why they owe a balance Accounts are designated as charity care in the business offices so no additional time is spent on collection efforts

Form and Line Reference	Explanation
Part VI, Line 2	St Elizabeth Hospital, Inc performs community health needs assessments as needed Planning workgroups consisting of community partners are formed to define the community and its health needs through review of United Way Life Study results, Healthy People Initiatives, census documents, and local government health and welfare agencies Considering other community resources/assets, data collection methods are used to identify particular problems or subgroups and areas known to have high poverty rates and to be underserved The data is analyzed and priorities are set based on trending information which may target a specific need When a need is identified, the Hospital develops a plan to implement a program either through community collaboration or individually Outcomes from the programs are measured and considered in subsequent community health needs assessments The leadership at Affinity takes their commitment to the health and well-being of the community it serves very seriously In fact, it is core to the Organization's mission, "to live out the healing ministry of Christ by providing services that promote the health and well-being of the communities we serve, especially the poor " Senior leaders and management are also highly encouraged to provide direct service to the poor in their communities St Elizabeth and the leadership also subscribe to publications like the Advisory Board to compare national trends to local trends to ensure the hospital is resourcing areas to meet patient needs

Form and Line Reference	Explanation
Part VI, Line 3	<p>St Elizabeth Hospital, Inc goes to great lengths in order to inform and educate patients/persons who may be billed for patient care about their eligibility for assistance under federal, state or local government programs and under the organizations Affinity Care Policy The Affinity Care Policy and application is posted on the Organization's website Admissions and other key areas contain summary information of the Affinity Care Policy As part of the intake/discharge process, patients are provided with a copy of the policy and other information for financial assistance If during the course of the patient registration process, care encounter, treatment, or upon discharge it becomes evident that a patient may need financial assistance, the patient shall be referred to the organizations Affinity Care Program Patients may be identified as needing financial assistance at any time during the course of an encounter A referral for consideration of Affinity Care financial assistance can be initiated by any member of the Hospital's workforce, including medical staff members, who become aware of the patients potential need for Affinity Care financial assistance The Affinity Care brochure was also translated into dialects prevalent in the community in order to reach out to those that may speak another language (Spanish and Hmong) Patient registration staff and financial counselors are provided with guidelines to follow when interacting with patients As part of the Affinity Care process, patients must register with the county public assistance to see if they may qualify under any other federal or state programs</p>

Form and Line Reference	Explanation
Part VI, Line 4	<p>While there is growing agreement in the United States about what constitutes a non-profit hospitals "community benefit," this is a work in progress St Elizabeth Hospital, Inc provided significant charity care and other community benefits as defined by the IRS But in addition, we believe that we provide a critically important community benefit, which is not quantified St Elizabeth Hospital, Inc , like most community hospitals, was created and is maintained in order to provide care locally, care that without our hospital, may not be available locally Certain specialized services available include I/P adult behavioral health services, I/P adolescent behavioral health services and neonatal intensive care services The City of Appleton is located in Outagamie, Calumet, and Winnebago counties According to the 2008-2012 American Community Survey 5-Year Estimates, there were 72,575 people living in Appleton, consisting of 28,428 households and 18,074 families The population density of Appleton was 2,984.9 people per square mile The population consisted of 86.0% White, 4.7% Hispanic, 1.6% African American, 0.5% Native American, 5.3% Asian, and 1.9% Other Of the 28,428 households in Appleton, 32.8% of those had children under the age of 18, living at home The 28,428 households are categorized as 49% married couples living together, 4.1% had a male head of household with no wife present, 10.5% had a female head of household with no husband present, and 47% were non-families 29.6% of the households consisted of individuals and 10.1% had someone 65 and older living alone The age population is widely spread 28.9% were under 18, 6.5% were 19-24, 26.8% were 25-44, 26.3% were 45-64, and 11.5% were 65+ The median income for a household was \$52,605 and the median income for a family was \$66,781 The per capita income for the city was \$27,106 The largest industry in Appleton is educational, health and social services (21.5%) Manufacturing (20.4%) and retail trade (11.4%) are the next largest industries in Appleton Roughly 8% of families and 10.5% of the population were below the poverty line That includes 13.5% of those under 18 years old and 7.4% of those 65 and older The unadjusted seasonal unemployment rate for Outagamie, Calumet, and Winnebago Counties was 4.0%, 3.7%, and 4.3%, respectively, compared to a state unemployment rate of 5.1% and a national unemployment rate of 7.9%</p>

Form and Line Reference	Explanation
Part VI, Line 5	The Organization strives to further its exempt purposes by the following (1) The Organization's governing board consists primarily of persons who reside within the primary service area who are not employees of the Organization (2) As mentioned, the Organization provides several services which are not otherwise available being in a rural setting (3) Based on the Organization's mission, emergency rooms are made available to all patients regardless of the ability to pay (4) The Organization also participates in the education and training of healthcare professionals through internship programs Certain specialized services available include dental services to primarily the indigent, fertility clinic services and WIC home visits to new mothers and infants

Form and Line Reference	Explanation
Part VI, Line 6	<p>Ministry Health Care, Inc ("Ministry" or "the Health Ministry") is a member of 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 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. 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. The Health Ministry is a Wisconsin non-stock, tax-exempt corporation that manages, promotes, and supports health care and related ministries in Wisconsin and Minnesota. The Health Ministry provides inpatient, outpatient, and emergency care services for the residents of Wisconsin and Minnesota. Admitting physicians are primarily practitioners in the local area. The Health Ministry is related to Ascension Health's other sponsored organizations through common control. Substantially all expenses of the Health Ministry are related to providing health care services. The consolidated financial statements include the following affiliates in which Ministry has a controlling interest or is the sole sponsor:</p> <p>Affiliate Organization Location</p> <p>Affinity Health System, Inc (Affinity) Calumet Medical Center, Inc (CMC) Chilton, WI</p> <p>Network Health System, Inc (NHS) Affinity Medical Group (AMG) Fox Valley of Wisconsin</p> <p>Twin Med, LLC Fox Valley of Wisconsin</p> <p>Mercy Medical Center, Inc Oshkosh, WI</p> <p>Mercy Health Foundation Oshkosh, WI</p> <p>St. Elizabeth Hospital Appleton, WI</p> <p>Catalpa Health Appleton, WI</p> <p>St. Elizabeth Foundation Appleton, WI</p> <p>Agape Community Center of Milwaukee, Inc Milwaukee, WI</p> <p>Door County Memorial Hospital (Door County) Sturgeon Bay, WI</p> <p>Good Samaritan Health Center of Merrill Merrill, WI</p> <p>Good Samaritan Health Center Foundation Merrill, WI</p> <p>Howard Young Health Care, Inc (Howard Young) Dr. Kate Newcomb Convalescent Center Woodruff, WI</p> <p>Howard Young Medical Center, Inc Woodruff, WI</p> <p>Howard Young Foundation Woodruff, WI</p> <p>Eagle River Memorial Hospital, Inc Eagle River, WI</p> <p>Ministry Holdings, Inc Network Health (NH) Fox Valley of Wisconsin</p> <p>Network Health Insurance Corporation (NHIC) Fox Valley of Wisconsin</p> <p>Ministry Home Care, Inc Ministry Home Care Services Various in Wisconsin</p> <p>Ministry Medical Group, Inc Our Lady of Victory Hospital Stanley, WI</p> <p>Sacred Heart Hospital- Tomahawk, WI</p> <p>Rhine-St. Mary's Hospital, Inc -lander, WI</p> <p>Saint Clare's Hospital of Weston, Inc Weston, WI</p> <p>Foundation of St. Clare's Hospital of Weston, Inc Weston, WI</p> <p>St. Elizabeth's Hospital of Wabasha, Inc Wabasha, MN</p> <p>St. Joseph's Hospital of Marshfield, Inc Marshfield, WI</p> <p>Foundation of St. Joseph's Hospital of Marshfield, Inc Marshfield, WI</p> <p>St. Michael's Hospital of Stevens Point, Inc Stevens Point, WI</p> <p>St. Michael's Foundation of Stevens Point, Inc Stevens Point, WI</p> <p>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 - 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</p>

Form and Line Reference	Explanation
Part VI, Line 6	, 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 The amount of additional charity care provided, determined on the basis of cost, was approximately \$18,380,000 for the year ended June 30, 2014 The amount of unpaid cost of public programs, cost of other programs for persons living in poverty and other vulnerable persons, and community benefit cost are reported in the accompanying supplementary information

Additional Data

Software ID:
Software Version:
EIN: 39-0816818
Name: St Elizabeth Hospital Inc

990 Schedule H, Supplemental Information

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.	
Form and Line Reference	Explanation
St Elizabeth Hospital, Inc	
St Elizabeth Hospital, Inc	Part V, Section B, Line 4 Conducted with Calumet Medical Center, Mercy Medical Center, Thedacare, and Aurora Health
St Elizabeth Hospital, Inc	Part V, Section B, Line 5d http://www.affinityhealth.org/Affinity-Files/Community-Health-Needs-Assessments/FY2013-STE-CHNA_FINAL4.pdf
St Elizabeth Hospital, Inc	Part V, Section B, Line 7 Three other broad health categories were identified by the Community Health Needs Assessment process While individual segments within our system are addressing specific health needs within these broad categories (i.e. COPD, hypertension, palliative care, etc.), the following will not be a priority of St Elizabeth Hospital, Inc - Chronic Disease Management - already being addressed by others in the community and system (with the exception of obesity, which is a priority need for St Elizabeth Hospital, Inc), - Sexual Activity, Pregnancy and Parenting - already being addressed by others in the community, - Preventive Care Services - already being addressed by others in the community, Fourteen other health issues were identified by the Community Health Needs Assessment process Given the reasons indicated below, St Elizabeth Hospital, Inc will not be focusing on these health needs at this time - Access to dental care - already being addressed by others in the community- Low birth weights - already being addressed by others in the community - Teen birth rate up - already being addressed by others in the community - High cost of child care - Hospital does not have the expertise to effectively address the need - Increased gaps in care management for people with disabilities of all ages - already being addressed by others in the community - Increase in low income students - Hospital does not have the expertise to effectively address the need - Decreased water quality - Hospital does not have the expertise to effectively address the need - Increased elder abuse - already being addressed by others in the community - Increase in violent crime esp. drug-related - Hospital does not have the expertise to effectively address the need - Increased homelessness related to unemployment (more children) - insufficient resources (financial and personnel) to address the need - Increased FoodShare recipients - insufficient resources (financial and personnel) to address the need - Increased food insecurity and hunger - Hospital does not have the expertise to effectively address the need - Transportation challenges - Hospital does not have the expertise to effectively address the need - Availability of jobs with health care benefits - insufficient resources (financial and personnel) to address the need
St Elizabeth Hospital, Inc	Part V, Section B, Line 14g A plain language summary of the financial assistance policy is available in the following locations - The Hospital facility's website- Attachment to billing invoices- Posted to the Hospital facility's emergency rooms and waiting rooms- Posted in the Hospital facility's admission offices- Provided, in writing, to patients on admission to the Hospital facility

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
St Elizabeth Hospital Inc

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

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

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

OMB No 1545-0047

2013

Open to Public
Inspection

Employer identification number
39-0816818

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) Partnership Community Health Center Inc 5337 Grande Market Drive Appleton, WI 54913	20-2090446	Section 501(c)(3)	613,381				Provide Medical Care For the Uninsured In Our Community

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

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	Each year St Elizabeth Hospital provides a grant based on an integration agreement The integration agreement substantiates the amount and the recipient of the grant

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
St Elizabeth Hospital Inc

Employer identification number
39-0816818

Part I

Questions Regarding Compensation

	Yes	No
<div><div>1a</div><div>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</div><div><div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div></div>		
<div><div>b</div><div>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</div></div>	1b	
<div><div>2</div><div>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?</div></div>	2	
<div><div>3</div><div>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</div><div><div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div><div><div><input type="checkbox"/> Written employment contract</div><div><input type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Approval by the board or compensation committee</div></div></div></div>		
<div><div>4</div><div>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</div></div>		
<div><div>a</div><div>Receive a severance payment or change-of-control payment?</div></div>	4a	No
<div><div>b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>	4b	Yes
<div><div>c</div><div>Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</div>	4c	No
<div><div></div><div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div></div>		
<div><div>5</div><div>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</div></div>		
<div><div>a</div><div>The organization?</div></div>	5a	No
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 5a or 5b, describe in Part III</div>	5b	No
<div><div>6</div><div>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</div></div>		
<div><div>a</div><div>The organization?</div></div>	6a	No
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 6a or 6b, describe in Part III</div>	6b	No
<div><div>7</div><div>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</div></div>	7	No
<div><div>8</div><div>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</div></div>	8	No
<div><div>9</div><div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?</div></div>	9	

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
Part I, Line 3	Ministry Health Care, Inc , a related organization of St Elizabeth Hospital, Inc , uses the following to establish the compensation of the organization's 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. Benefits under the program are unfunded and non-vested. Due to the substantial risk of forfeiture provision, there is no guarantee that these executives will ever receive any benefit under the program. Any amount ultimately paid under the program to the executive is reported as compensation on Form 990, Schedule J, Part II, Column B in the year paid. No distributions were made from the plan during the year.

Additional Data

Software ID:
Software Version:
EIN: 39-0816818
Name: St Elizabeth Hospital Inc

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				
William Calhoun President at MMC	(i)	0	0	0	0	0	0	0
	(ii)	330,620	44,429	17,408	29,514	17,691	439,662	0
Daniel Neufelder Sr VP Hosp Ops/Vice Chair	(i)	0	0	0	0	0	0	0
	(ii)	770,217	95,952	30,097	70,286	18,981	985,533	0
Mark Faustich MD Board Member	(i)	0	0	0	0	0	0	0
	(ii)	387,296	0	22,250	20,384	4,183	434,113	0
Joseph McCormick MD Board Member	(i)	0	0	0	0	0	0	0
	(ii)	891,235	0	14,897	35,000	19,733	960,865	0
Stacey Sensor DO Board Member	(i)	0	0	0	0	0	0	0
	(ii)	567,140	0	15,296	17,500	19,397	619,333	0
Sudeep Sodhi MD Board Member	(i)	0	0	0	0	0	0	0
	(ii)	834,731	0	16,993	35,000	19,749	906,473	0
Barbara J Strand MD Board Member	(i)	0	0	0	0	0	0	0
	(ii)	246,953	40,532	26,427	21,723	7,643	343,278	0
Nicholas Desien Ministry Health Care CEO	(i)	0	0	0	0	0	0	0
	(ii)	1,004,953	329,299	727,354	15,000	26,974	2,103,580	0
Jeffrey Francis Ministry Health Care CAFO	(i)	0	0	0	0	0	0	0
	(ii)	427,032	63,804	31,416	101,523	22,502	646,277	0
Travis Andersen Hospital Pres - STE App	(i)	0	0	0	0	0	0	0
	(ii)	281,005	45,452	29,214	31,388	17,405	404,464	0
Mark Kehrberg Chief Medical Officer AHS	(i)	0	0	0	0	0	0	0
	(ii)	333,905	25,071	35,439	39,160	15,619	449,194	0
Lawrence Donatelle Vice President of Medical Affairs	(i)	257,910	24,454	26,094	29,525	17,291	355,274	0
	(ii)	0	0	0	0	0	0	0
Jennie Rebecca Gaurkee Pharmacy Director	(i)	160,656	0	9,835	17,275	16,071	203,837	0
	(ii)	0	0	0	0	0	0	0
Debra Lastofka Pharmacist	(i)	126,959	0	22,332	22,405	8,367	180,063	0
	(ii)	0	0	0	0	0	0	0
Annette Siedschlag Pharmacist	(i)	122,283	0	17,601	23,000	2,518	165,402	0
	(ii)	0	0	0	0	0	0	0
Brian G Humphrey Senior Ultrasound Technologist	(i)	133,518	0	6,475	6,686	6,217	152,896	0
	(ii)	0	0	0	0	0	0	0
Jeanne Maurer Pharmacist	(i)	117,818	0	21,007	23,000	15,831	177,656	0
	(ii)	0	0	0	0	0	0	0
Jeff Badger Former Officer	(i)	0	0	0	0	0	0	0
	(ii)	405,962	56,934	34,917	44,888	18,099	560,800	0

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
St Elizabeth Hospital Inc

Employer identification number
39-0816818

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section A, line 2	
Form 990, Part VI, Section A, line 6	St Elizabeth Hospital, Inc has a two corporate members, Ministry Healthcare, Inc and Affinity Health System
Form 990, Part VI, Section A, line 7a	St Elizabeth Hospital, Inc has a two corporate members, Ministry Healthcare, Inc and Affinity Health System, who has the ability to elect members to the governing body of St Elizabeth Hospital Inc
Form 990, Part VI, Section A, line 7b	All decisions that have a material impact to St Elizabeth Hospital, Inc financial information or corporation as a whole are subject to approval by its two corporate members, Ministry Healthcare, Inc and Affinity Health System
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
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 with governing board delegated powers considering the proposed transaction or arrangement The remaining individuals on the governing board or committee will decide if conflicts of interest exist Each director, principal officer and member of a committee with governing board delegated powers annually signs a statement which affirms such person has received a copy of the 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
Form 990, Part VI, Section B, line 15	In determining compensation of the organization's CEO, the process, performed by Ministry Health Care, Inc , a related organization of St Elizabeth Hospital, Inc , 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 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 of the decision was recorded in the board minutes The individual was not present when his compensation was decided In determining compensation of other officers and key employees of the organization, the process, performed by Ministry Health Care, Inc , a related organization of St Elizabeth Hospital, Inc , 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 other officers and 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 board minutes
Form 990, Part VI, Section C, line 19	The Ministry web page is available to the public for inspection with a good deal of information regarding whom Ministry Health Care is and the entities included along with our mission The Articles of Incorporation, Bylaws, Conflicts of Interest Policy, and financial statements are not included on any web page However, if an inquiry is made for any documents, they are shared as appropriate
Form 990, Part XI, line 9	FASB 136 Elimination - St Elizabeth Hospital Foundation 970,085 Pension Adjustment 2,600,528

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
St Elizabeth Hospital Inc

Employer identification number
39-0816818

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							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 50135Y

Schedule R (Form 990) 2013

Part III

Identification of Related Organizations Taxable as a Partnership

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) Twin Med LLP PO Box 8005 Menasha, WI 54952 39-1180341	Rental Property	WI	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) Network Health Plan Inc 1570 Midway Place Menasha, WI 54952 39-1442058	Insurance	WI	N/A	C					No
(2) Ministry Holdings Inc 1570 Midway Place Menasha, WI 54952 42-2966177	Insurance Holding Company	WI	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?		Yes	No
a	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	Yes	
b	Gift, grant, or capital contribution to related organization(s)		No
c	Gift, grant, or capital contribution from related organization(s)	Yes	
d	Loans or loan guarantees to or for related organization(s)		No
e	Loans or loan guarantees by related organization(s)	Yes	
f	Dividends from related organization(s)		No
g	Sale of assets to related organization(s)		No
h	Purchase of assets from related organization(s)		No
i	Exchange of assets with related organization(s)		No
j	Lease of facilities, equipment, or other assets to related organization(s)		No
k	Lease of facilities, equipment, or other assets from related organization(s)		No
l	Performance of services or membership or fundraising solicitations for related organization(s)	Yes	
m	Performance of services or membership or fundraising solicitations by related organization(s)	Yes	
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		No
o	Sharing of paid employees with related organization(s)	Yes	
p	Reimbursement paid to related organization(s) for expenses	Yes	
q	Reimbursement paid by related organization(s) for expenses	Yes	
r	Other transfer of cash or property to related organization(s)	Yes	
s	Other transfer of cash or property from related organization(s)	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			

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: 39-0816818

Name: St Elizabeth Hospital Inc

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) Ministry Health Care Inc 10925 W Lake Park Dr Ste 100 Milwaukee, WI 53224 39-1490371	Parent Corporation	WI	Section 501(c)(3)	Schedule A, Line 11b	Ascension Health		No
(3) Affinity Health System Inc 1570 Midway Place Menasha, WI 54952 39-1568866	Support related healthcare organizations	IL	Section 501(c)(3)	Schedule A, Line 3	Ministry Health Care Inc		No
(4) Agape Community Center of Milwaukee Inc 6100 North 42nd Street Milwaukee, WI 532093560 39-1461846	Community Center	WI	Section 501(c)(3)	Schedule A, Line 1	Ministry Health Care Inc	Yes	
(5) Calumet Medical Center Inc 614 Memorial Drive Chilton, WI 53014 39-0905385	Hospital	WI	Section 501(c)(3)	Schedule A, Line 3	Affinity Health System Inc	Yes	
(6) Catalpa Health Inc N4642 County N Appleton, WI 54914 45-4681563	Mental Health Facility	WI	Section 501(c)(3)	Schedule A, Line 3	St Elizabeth Hospital Inc	Yes	
(7) Saint Michael's Foundation of Stevens Point Inc 900 Illinois Avenue Stevens Point, WI 54481 39-1657410	Charitable Foundation	WI	Section 501(c)(3)	Schedule A, Line 11a	St Michael's Hospital of Stevens Point Inc	Yes	
(8) Door County Memorial Hospital 323 South 18th Avenue Sturgeon Bay, WI 54235 39-0806324	Hospital	WI	Section 501(c)(3)	Schedule A, Line 3	Ministry Health Care Inc	Yes	
(9) Dr Kate Newcomb Convalescent Center Inc PO Box 829 Woodruff, WI 54568 39-1357365	LTC Facility	WI	Section 501(c)(3)	Schedule A, Line 3	Howard Young Health Care Inc	Yes	
(10) Eagle River Memorial Hospital Incorporated 201 Hospital Road Eagle River, WI 54521 39-0985690	Hospital	WI	Section 501(c)(3)	Schedule A, Line 3	Howard Young Medical Center	Yes	
(11) Foundation of Saint Clare's Hospital of Weston Inc 3400 Ministry Parkway Weston, WI 54476 73-3193633	Charitable Foundation	WI	Section 501(c)(3)	Schedule A, Line 11a	St Clare's Hospital of Weston Inc	Yes	
(12) Foundation of Saint Joseph's Hospital of Marshfield Inc 611 Saint Joseph Avenue Marshfield, WI 54449 39-1684957	Charitable Foundation	WI	Section 501(c)(3)	Schedule A, Line 11a	St Joseph's Hospital of Marshfield Inc	Yes	
(13) Good Samaritan Health Center of Merrill Wisconsin Inc 601 South Center Avenue Merrill, WI 54452 39-0808503	Hospital	WI	Section 501(c)(3)	Schedule A, Line 3	Ministry Health Care Inc	Yes	
(14) Good Samaritan Hlth Cntr Foundation of Merrill Wisconsin Inc 601 South Center Avenue Merrill, WI 54452 39-1627755	Charitable Foundation	WI	Section 501(c)(3)	Schedule A, Line 11a	Ministry Health Care Inc	Yes	
(15) Howard Young Foundation Inc 240 Maple Street Woodruff, WI 54568 39-1521169	Charitable Foundation	WI	Section 501(c)(3)	Schedule A, Line 7	Ministry Health Care Inc	Yes	
(16) Howard Young Health Care Inc 240 Maple Street Woodruff, WI 54568 39-1499115	Home Office	WI	Section 501(c)(3)	Schedule A, Line 3	Ministry Health Care Inc	Yes	
(17) Howard Young Medical Center Inc 240 Maple Street Woodruff, WI 54568 39-0873606	Hospital	WI	Section 501(c)(3)	Schedule A, Line 3	Howard Young Health Care Inc	Yes	
(18) Mercy Health Foundation Inc PO Box 3370 Oshkosh, WI 54903 23-7140261	Charitable Foundation	WI	Section 501(c)(3)	Schedule A, Line 9	Affinity Health System Inc	Yes	
(19) Mercy Medical Center of Oshkosh Inc 500 S Oakwood Road Oshkosh, WI 54904 39-0806268	Hospital	WI	Section 501(c)(3)	Schedule A, Line 3	Ministry Health Care Inc	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c) (3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity?	
						Yes	No
(21) Ministry Home Care Inc 611 St Joseph Avenue 4S Marshfield, WI 54449 39-1936201	Home Care/Hospice	WI	Section 501(c) (3)	Schedule A, Line 3	Ministry Health Care Inc	Yes	
(1) Ministry Medical Group Inc 824 Illinois Avenue Stevens Point, WI 54481 39-1965593	Clinics	WI	Section 501(c) (3)	Schedule A, Line 3	Ministry Health Care Inc	Yes	
(2) Ministry Weight Management Inc 2251 North Shore Drive Rhineland, WI 54501 39-1829015	Health Services	WI	Section 501(c) (3)	Schedule A, Line 3	Sacred Heart-St Mary's Hospital Inc	Yes	
(3) Network Health System Inc 1570 Appleton Rd Menasha, WI 54952 39-1127163	Clinical Healthcare Services	WI	Section 501(c) (3)	Schedule A, Line 3	Affinity Health System Inc	Yes	
(4) Our Lady of Victory Hospital Inc 1120 Pine Street Stanley, WI 54768 39-0807065	Hospital	WI	Section 501(c) (3)	Schedule A, Line 3	Ministry Health Care Inc	Yes	
(5) Sacred Heart-St Mary's Hospitals Inc PO Box 347 Stevens Point, WI 54481 39-1390638	Hospital	WI	Section 501(c) (3)	Schedule A, Line 3	Ministry Health Care Inc	Yes	
(6) Saint Clare's Hospital of Weston Inc 3400 Ministry Parkway Weston, WI 54476 72-1531917	Hospital	WI	Section 501(c) (3)	Schedule A, Line 3	Ministry Health Care Inc	Yes	
(7) Saint Elizabeth's Hospital of Wabasha Inc 1200 Grant Blvd West Wabasha, MN 55981 41-0693877	Hospital	MN	Section 501(c) (3)	Schedule A, Line 3	Ministry Health Care Inc	Yes	
(8) St Elizabeth Hospital Foundation Inc 1506 S Oneida Street Appleton, WI 54915 39-1256677	Charitable Foundation	WI	Section 501(c) (3)	Schedule A, Line 7	Affinity Health System Inc	Yes	
(9) Saint Joseph's Hospital of Marshfield Inc 611 Saint Joseph Avenue Marshfield, WI 54449 39-0847631	Hospital	WI	Section 501(c) (3)	Schedule A, Line 3	Ministry Health Care Inc	Yes	
(10) Saint Michael's Hospital of Stevens Points Inc 900 Illinois Avenue Stevens Point, WI 54481 39-0808443	Hospital	WI	Section 501(c) (3)	Schedule A, Line 3	Ministry Health Care Inc	Yes	

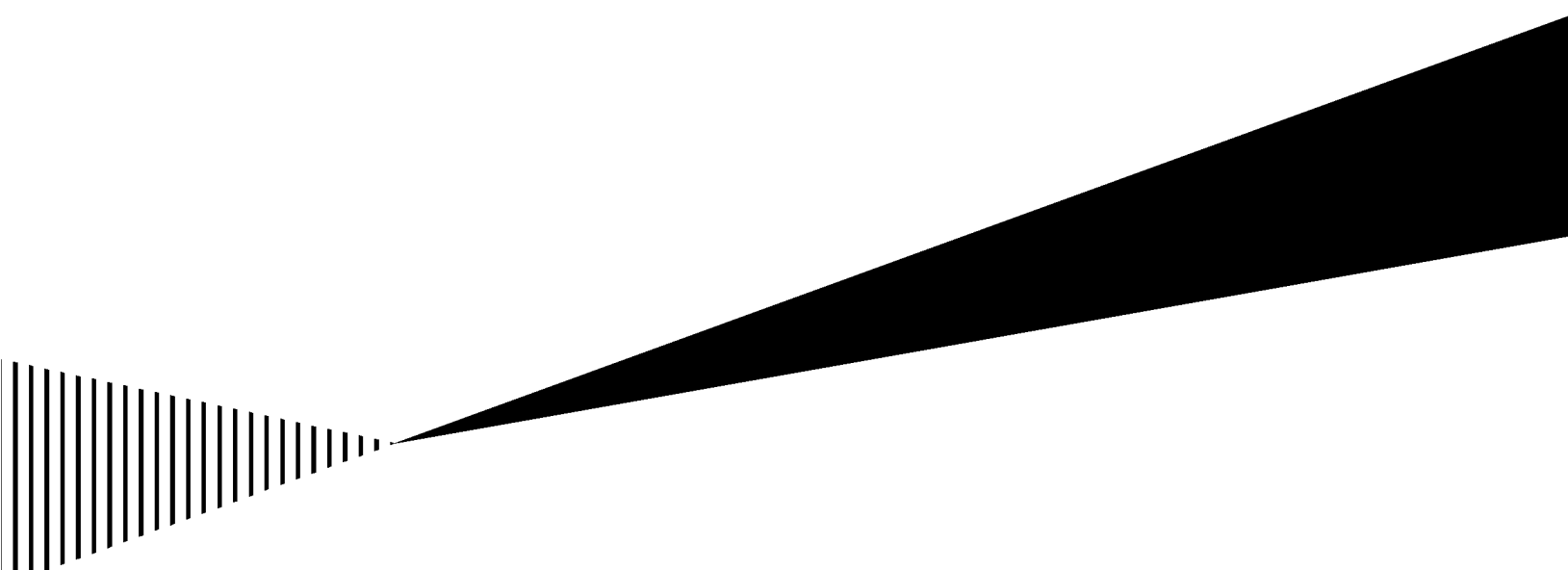
Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
Network Health System Inc	A	2,476,612	FMV
Network Health System Inc	A	161,609	FMV
St Elizabeth Hospital Foundation Inc	C	1,469,497	FMV
Ministry Health Care Inc	E	86,609,853	FMV
Mercy Medical Center of Oshkosh Inc	L	448,350	FMV
Mercy Medical Center of Oshkosh Inc	M	324,316	FMV
Network Health System Inc	O	231,896	FMV
Affinity Health System Inc	O	133,518	FMV
Ministry Health Care Inc	O	13,455,445	FMV
Network Health Plan Inc	O	58,170	FMV
Calumet Medical Center Inc	O	187,803	FMV
Mercy Medical Center of Oshkosh Inc	O	761,270	FMV
Ministry Health Care Inc	P	10,769,605	FMV
Network Health Systems Inc	Q	890,747	FMV
Ministry Health Care Inc	R	4,270,893	FMV
Network Health System Inc	S	167,750	FMV

CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

Ministry Health Care, Inc
Member of Ascension Health, a Subsidiary
of Ascension Health Alliance, d/b/a Ascension
Year Ended June 30, 2014
With Report of Independent Auditors

Ernst & Young LLP



**Building a better
working world**

Ministry Health Care, Inc.
Consolidated Financial Statements and
Supplementary Information

Year Ended June 30, 2014

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Report of Independent Auditors

The Board of Directors
Ministry Health Care, Inc.

We have audited the accompanying consolidated financial statements of Ministry Health Care, Inc., which comprise the consolidated balance sheet as of June 30, 2014, and the related consolidated statements of operations and changes in net assets and cash flows for the year 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 audit. We conducted our audit 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 Ministry Health Care, Inc at June 30, 2014, and the consolidated results of its operations and its cash flows for the year then ended, in conformity with U S generally accepted accounting principles

Ernst + Young LLP

October 24, 2014

Ministry Health Care Inc.

Consolidated Balance Sheet (Dollars in Thousands)

June 30, 2014

Assets

Current assets

Cash and cash equivalents	\$ 155,095
Short-term investments	16,773
Accounts receivable, less allowances for doubtful accounts of \$54,120	189,289
Current portion of assets limited as to use	27,158
Estimated third-party payor settlements	8,823
Inventories	28,618
Other	64,708

Total current assets	<u>490,464</u>
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Assets limited as to use and other long-term investments	253,135
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Beneficial interest in trust	47,484
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Interest in investments held by Ascension	703,358
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Property and equipment, net	749,262
-----------------------------	---------

Other assets

Investment in unconsolidated entities	15,208
Other	131,613

Total other assets	<u>146,821</u>
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Total assets	<u><u>\$ 2,390,524</u></u>
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Liabilities and net assets

Current liabilities

Current portion of long-term debt	\$ 17,363
Accounts payable and accrued liabilities	173,999
Estimated third-party payor settlements	20,518
Current portion of self-insurance liabilities	14,925
Insurance claims liability	60,299
Other	26,319
Total current liabilities	<u>313,423</u>

Non-current liabilities

Long-term debt	686,824
Self-insurance liabilities	4,341
Pension and other postretirement liabilities	47,519
Other	73,193
Total non-current liabilities	<u>811,877</u>
Total liabilities	<u>1,125,300</u>

Net assets

Unrestricted	
Controlling interest	1,184,648
Non-controlling interests	1,947
Unrestricted net assets	<u>1,186,595</u>
Temporarily restricted	21,524
Permanently restricted	57,105
Total net assets	<u>1,265,224</u>
Total liabilities and net assets	<u><u>\$ 2,390,524</u></u>

See accompanying notes.

Ministry Health Care Inc.

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

Year Ended June 30, 2014

Operating revenue:	
Net patient service revenue	\$ 1,348,239
Less provision for doubtful accounts	66,671
Net patient service revenue, less provision for doubtful accounts	1,281,568
Capitation revenue	138
Premium revenue	824,142
Other revenue	54,002
Income from unconsolidated entities	9,340
Net assets released from restrictions for operations	523
Total operating revenue	2,169,713
Operating expenses:	
Salaries and wages	690,208
Employee benefits	171,559
Purchased services	154,158
Professional fees	78,808
Claims expense	522,472
Supplies	204,300
Insurance	6,240
Interest	24,243
Depreciation and amortization	75,685
Other	136,572
Total operating expenses before impairment, restructuring, and nonrecurring gains, net	2,064,245
Income from operations before impairment, restructuring, and nonrecurring gains, net	105,468
Impairment, restructuring, and nonrecurring gains, net	1,620
Income from operations	103,848
Non-operating gains (losses)	
Investment return	78,717
Other	(4,628)
Total non-operating gains, net	74,089
Excess of revenues and gains over expenses and losses	177,937
Less loss attributed to non-controlling interests	(426)
Excess of revenues and gains over expenses and losses attributable to controlling interest	178,363

Ministry Health Care Inc.

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

(Dollars in Thousands)

Unrestricted net assets, controlling interest.	
Excess of revenues and gains over expenses and losses	\$ 178,363
Pension and other postretirement liability adjustments	19,444
Transfers to sponsor and other affiliates, net	(6,401)
Net assets released from restrictions for property acquisitions	4,733
Other	(2,863)
Increase in unrestricted net assets, controlling interest	<u>193,276</u>
Unrestricted net assets, non-controlling interest	
Deficit of revenues and gains over expenses and losses	(426)
Other	157
Decrease in unrestricted net assets, non-controlling interest	<u>(269)</u>
Temporarily restricted net assets	
Contributions and grants	4,830
Net change in unrealized gains/losses on investments	1,089
Investment return	937
Net assets released from restrictions	(5,255)
Other	(717)
Increase in temporarily restricted net assets	<u>884</u>
Permanently restricted net assets	
Contributions	102
Net change in gains/losses on investments	13
Increase in beneficial interest in trust	7,307
Other	(1,000)
Increase in permanently restricted net assets	<u>6,422</u>
Increase in net assets	200,313
Net assets, beginning of year	1,064,911
Net assets, end of year	<u><u>\$ 1,265,224</u></u>

See accompanying notes

Ministry Health Care Inc.

Consolidated Statement of Cash Flows

(Dollars in Thousands)

Year Ended June 30, 2014

Operating activities

Increase in net assets	\$ 200,313
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities	
Depreciation and amortization	75,685
Provision for bad debts	66,671
Interest, dividends, and net gains on investments	(78,717)
Pension and other post retirement liability adjustments	(19,444)
Loss on sale of assets, net	671
Impairment, restructuring, and nonrecurring gains, net	(1,620)
Transfers to sponsor and other affiliates, net	6,401
Change in interest in net assets of affiliated foundations	205
Increase in	
Short-term investments	(5,011)
Accounts receivable	(86,823)
Estimated third-party payor settlements	(2,524)
Inventories and other current assets	(14,865)
Investments classified as trading, including interest in investments held by Ascension	(128,215)
Beneficial interest in trust	(5,651)
Other assets	(9,421)
Increase (decrease) in	
Accounts payable and accrued liabilities	9,931
Estimated third-party payor settlements	7,374
Self-insurance liabilities	(5,771)
Other current liabilities	3,080
Other non-current liabilities	(2,780)
Net cash provided by operating activities	<u>9,489</u>

Ministry Health Care Inc.

Consolidated Statement of Cash Flows (continued)

(Dollars in Thousands)

Investing activities

Property and equipment additions, net	\$ (130,999)
Proceeds from sale of property and equipment	1,966
Purchases of new operating assets, net of cash acquired	<u>(750)</u>
Net cash used in investing activities	<u>(129,783)</u>

Financing activities

Repayment of long-term debt	(22,730)
Increase in assets under bond indenture agreements	33
Transfers to sponsors and other affiliates, net	(6,401)
Restricted contributions, investment income and other	<u>12,823</u>
Net cash used in financing activities	<u>(16,275)</u>

Net decrease in cash and cash equivalents	(136,569)
Cash and cash equivalents at beginning of year	<u>291,664</u>
Cash and cash equivalents at end of year	<u><u>\$ 155,095</u></u>

See accompanying notes.

Ministry Health Care, Inc.

Notes to Consolidated Financial Statements (Dollars in Thousands)

June 30, 2014

1. Organization and Mission

Organizational Structure

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

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

The Health Ministry is a Wisconsin non-stock, tax-exempt corporation that manages, promotes, and supports health care and related ministries in Wisconsin and Minnesota. The Health Ministry provides inpatient, outpatient, and emergency care services for the residents of Wisconsin and Minnesota. Admitting physicians are primarily practitioners in the local area. The Health Ministry is related to Ascension Health's other sponsored organizations through common control. Substantially all expenses of the Health Ministry are related to providing health care services.

Ministry Health Care, Inc.

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

1. Organization and Mission (continued)

The consolidated financial statements include the following affiliates in which Ministry has a controlling interest or is the sole sponsor

Affiliate Organization	Location
Affinity Health System, Inc (Affinity)	
Calumet Medical Center, Inc (CMC)	Chilton, WI
Network Health System, Inc (NHS)	
Affinity Medical Group (AMG)	Fox Valley of Wisconsin
Twin Med, LLC	Fox Valley of Wisconsin
Mercy Medical Center, Inc	Oshkosh, WI
Mercy Health Foundation	Oshkosh, WI
St Elizabeth Hospital	Appleton, WI
Catalpa Health	Appleton, WI
St Elizabeth Foundation	Appleton, WI
Agape Community Center of Milwaukee, Inc	Milwaukee, WI
Door County Memorial Hospital (Door County)	Sturgeon Bay, WI
Good Samaritan Health Center of Merrill	Merrill, WI
Good Samaritan Health Center Foundation	Merrill, WI
Howard Young Health Care, Inc (Howard Young)	
Dr Kate Newcomb Convalescent Center	Woodruff, WI
Howard Young Medical Center, Inc	Woodruff, WI
Howard Young Foundation	Woodruff, WI
Eagle River Memorial Hospital, Inc	Eagle River, WI
Ministry Holdings, Inc.	
Network Health (NH)	Fox Valley of Wisconsin
Network Health Insurance Corporation (NHIC)	Fox Valley of Wisconsin
Ministry Home Care, Inc	
Ministry Home Care Services	Various in Wisconsin
Ministry Medical Group, Inc	
Our Lady of Victory Hospital	Stanley, WI
Sacred Heart Hospital-St Mary's Hospital, Inc	Tomahawk, WI/Rhinelander, WI
St. Clare's Hospital of Weston, Inc.	Weston, WI
Foundation of St. Clare's Hospital of Weston, Inc	Weston, WI
St. Elizabeth's Hospital of Wabasha, Inc.	Wabasha, MN
St. Joseph's Hospital of Marshfield, Inc	Marshfield, WI
Foundation of St. Joseph's Hospital of Marshfield, Inc.	Marshfield, WI
St. Michael's Hospital of Stevens Point, Inc	Stevens Point, WI
St. Michael's Foundation of Stevens Point, Inc.	Stevens Point, WI

Ministry Health Care, Inc.

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

1. Organization and Mission (continued)

Mission

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

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

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

Ministry Health Care, Inc.

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

1. Organization and Mission (continued)

The amount of traditional charity care provided, determined on the basis of cost, was approximately \$18,380 for the year ended June 30, 2014. The amount of unpaid cost of public programs, cost of other programs for persons living in poverty and other vulnerable persons, and community benefit cost are reported in the accompanying supplementary information.

2. Significant Accounting Policies

Principles of Consolidation

All corporations and other entities for which operating control is exercised by the Health Ministry or one of its member corporations are consolidated, and all significant interentity transactions have been eliminated in consolidation.

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

	Investment in Unconsolidated Entities	Effect on Excess of Revenues and Gains Over Expenses and Losses
Gold Cross – St Elizabeth	\$ 1,322	\$ 30
Gold Cross – Mercy Medical	1,322	29
Pain Center of WI – Stevens Point	384	(97)
Pain Center of WI – Wausau	934	1,682
Flambeau Hospital	4,380	635
Diagnostic and Treatment Center	6,866	7,061
	<u>\$ 15,208</u>	<u>\$ 9,340</u>

Ministry Health Care, Inc.

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

2. Significant Accounting Policies (continued)

The net income (loss) from unconsolidated entities represents income (loss) from providing health services, therefore, the Health Ministry has recorded the net income (loss) as part of the operating revenue in the accompanying statement of operations and changes in net assets

Affiliations

The Health Ministry is the sole corporate member of Howard Young and Door County If Ministry and Howard Young or Door County were to dissolve or terminate their affiliations upon the occurrence of certain specified events, the net assets of Howard Young or Door County as of the original affiliation dates plus one-half of the increase in the net assets since the affiliation dates or the net assets as of the date of termination, whichever is less, would either remain with the former affiliate or be distributed to a not-for-profit entity designated by the Howard Young Board of Directors or to the Door County Memorial Hospital Foundation, and such entities may not be related to the Health Ministry. Similar provisions apply to Calumet Medical Center, however, the net assets remaining with Calumet or distributable to an unrelated entity are limited to the net assets in existence on the original affiliation date or date of termination, whichever is less. Howard Young and Door County represent 10.0% and 5.3% of consolidated unrestricted net assets, respectively, at June 30, 2014.

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 and the Long-Term Debt note.

Cash and Cash Equivalents

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

Ministry Health Care, Inc.

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

2. Significant Accounting Policies (continued)

Short-Term Investments

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

Interest in Investments Held by Ascension, Investments, and Investment Return

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

The Health Ministry also invests in equity and debt securities, which are locally managed. Most of these funds are held in locally managed foundations in which the Health Ministry exercises control over foundation assets.

The Health Ministry reports its interest in investments held by Ascension in the accompanying consolidated balance sheet as long-term based on liquidity. The Health Ministry's interest in investments held by Ascension are classified based on whether such investments are restricted by law or donors or designated for specific purposes by a governing body of the Health Ministry. The Health Ministry reports its other investments in the accompanying balance sheet based upon the long or short-term nature of the investments and whether such investments are restricted by law or donors or designated for specific purposes by a governing body of the Health Ministry.

The Health Ministry's investments are measured at fair value and are classified as trading securities. The Alpha Fund's and the Ascension Legacy Portfolio's investments include pooled short-term investment funds, U.S. government, state, municipal, and agency obligations,

Ministry Health Care, Inc.

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

2. Significant Accounting Policies (continued)

corporate and foreign fixed income securities, asset-backed securities, and equity securities. The Alpha Fund's and the Ascension Legacy Portfolio's investments also include alternative investments and other investments, which are valued based on the net asset value of the investments. In addition, the Alpha Fund participates, and the Ascension Legacy Portfolio participated, in securities lending transactions whereby a portion of its investments is loaned to selected established brokerage firms in return for cash and securities from the brokers as collateral for the investments loaned.

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

Beneficial Interest in Trust

Howard Young is the sole beneficiary of the Howard Young Medical Center Trust (Trust). The corpus of the Trust is permanently restricted. Realized and unrealized gains on investments are retained in the Trust corpus. Interest and dividend income earned on Trust investments will be received in perpetuity at least annually for use in operations by Howard Young. The Health Ministry measures its beneficial interest in the trust using the fair value of the Trust assets. The Trust assets were \$47,484 at June 30, 2014.

Inventories

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

Ministry Health Care, Inc.

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 other non-current assets on the accompanying consolidated balance sheet and are comprised of the following.

Capitalized computer software costs	\$ 54,316
Accumulated amortization	(11,268)
Capitalized software costs, net	<u>\$ 43,048</u>
Other intangible assets	\$ 36,600
Accumulated amortization	(3,850)
Total intangible assets, net	<u>\$ 32,750</u>

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 of between three and ten years. Amortization expense in 2014 was \$11,834.

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, is as follows:

Land and improvements	\$ 73,592
Buildings and equipment	652,273
Subtotal	<u>725,865</u>
Accumulated depreciation	(75,758)
	<u>650,107</u>
Construction-in-progress	99,155
Total property and equipment, net	<u>\$ 749,262</u>

Ministry Health Care, Inc.

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

2. Significant Accounting Policies (continued)

Depreciation is determined on a straight-line basis over the estimated useful lives of the related assets. Depreciation expense in 2014 was \$63,851.

Estimated useful lives by asset category are as follows: land improvements – 5 to 25 years, buildings – 10 to 40 years, and equipment – 3 to 15 years. Interest costs incurred as part of related construction are capitalized during the period of construction. Net interest capitalized in 2014 was \$1,382.

Several capital projects have remaining construction and related equipment purchase commitments of approximately \$21,500 as of June 30, 2014.

The Health Ministry recognizes the fair value of asset retirement obligations, including conditional asset retirement obligations, if the fair value can be reasonably estimated, in the period in which the liability is incurred. Asset retirement obligations include, but are not limited to, certain types of environmental issues that are legally required to be remediated upon an asset's retirement, as well as contractually required asset retirement obligations. Conditional asset retirement obligations are obligations whose settlement may be conditional on a future event and/or where the timing or method of such settlement may be uncertain. Subsequent to initial recognition, accretion expense is recognized until the asset retirement liability is estimated to be settled.

The Health Ministry's most significant asset retirement obligation relates to required future asbestos remediation. Asset retirement obligations of \$1,769 as of June 30, 2014, are recorded in other non-current liabilities in the accompanying consolidated balance sheet. The fair value of assets that are legally restricted for purposes of settling asset retirement obligations are \$54 as of June 30, 2014, and are recorded in property and equipment in the accompanying consolidated balance sheet. During 2014, no retirement obligations were incurred and settled. Accretion expense of \$25 was recorded in 2014.

Non-controlling Interest

The consolidated financial statements include all assets, liabilities, revenue, and expenses of less than 100% owned or controlled entities the Health Ministry controls in accordance with applicable accounting guidance. Accordingly, the Health Ministry has reflected a non-controlling interest for the portion of net assets not owned or controlled by the Health Ministry separately on the accompanying consolidated balance sheet.

Ministry Health Care, Inc.

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

2. Significant Accounting Policies (continued)

Temporarily and Permanently Restricted Net Assets

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

Performance Indicator

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

Operating and Non-operating Activities

The Health Ministry's primary mission is to meet the health care needs in its market area through a broad range of general and specialized health care services, including inpatient acute care, outpatient services, long-term care, and other health care services. Activities directly associated with the furtherance of this purpose are considered to be operating activities. Other activities that result in gains or losses peripheral to the Health Ministry's primary mission are considered to be non-operating, consisting primarily of realized and unrealized gains and losses on investments.

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 include estimated retroactive adjustments under reimbursement agreements with third-party payors. The Health Ministry 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

Ministry Health Care, Inc.

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

2. Significant Accounting Policies (continued)

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 decreased net patient service revenue by approximately \$6,100 for the year ended June 30, 2014.

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

Medicare	35%
Medicaid	10
Managed care and other third-party payors	52
Self-pay	3
	<hr/>
	100%

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

Medicare	30%
Medicaid	7
Managed care and other third-party payors	57
Self-pay	6
	<hr/>
	100%

The provision for doubtful accounts is based upon management's assessment of expected net collections considering economic conditions, historical experience, trends in health care coverage, and other collection indicators. Periodically throughout the year, management assesses the adequacy of the allowance for doubtful accounts based upon historical write-off experience by payor category, including those amounts not covered by insurance. The results of this review are then used to make any modifications to the provision for doubtful accounts to establish an

Ministry Health Care, Inc.

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

2. Significant Accounting Policies (continued)

appropriate allowance for doubtful accounts. After satisfaction of amounts due from insurance and reasonable efforts to collect from the patient have been exhausted, the Health Ministry follows established guidelines for placing certain past-due patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by Ascension Health. Accounts receivable are written off after collection efforts have been followed in accordance with the Health Ministry'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 Health Ministry has not experienced material changes in write-off trends and has not materially changed its charity care policy in the current year.

Medicaid Third-Party Reimbursement

During the year ended June 30, 2014, the State of Wisconsin enacted a hospital assessment under which hospitals were assessed a percentage of their revenue. In turn, the State of Wisconsin revised the level of Medicaid reimbursement to those hospitals, improving Medicaid reimbursement for most hospitals. Ministry's assessment for the year ended June 30, 2014, was \$25,867 and is included in other expenses in the accompanying consolidated statement of operations and changes in net assets. Ministry management estimates that \$49,417 of additional Medicaid reimbursement was recognized during the year ended June 30, 2014, as a result of the new assessment.

Electronic Health Record Incentive Payments

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

Ministry Health Care, Inc.

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

2. Significant Accounting Policies (continued)

The Health Ministry accounts for HITECH incentive payments as a gain contingency. Income from Medicare incentive payments is recognized as revenue after the Health Ministry has demonstrated that it complied with the meaningful use criteria over the entire applicable compliance period and the cost report period that will be used to determine the final incentive payment has ended. Incentive payments totaling \$14,806 for the year ended June 30, 2014, are included in total operating revenue in the accompanying consolidated statement of operations and changes in net assets. Income from incentive payments is subject to retrospective adjustment as the incentive payments are calculated using Medicare cost report data that is subject to audit. Additionally, the Health Ministry's compliance with the meaningful use criteria is subject to audit by the federal government.

Impairment, Restructuring, and Nonrecurring Gains (Losses), net

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

During the year ended June 30, 2014, the Health Ministry recorded total impairment, restructuring, and nonrecurring losses of \$1,620, which comprised of long-lived asset impairments of \$988 and restructuring and nonrecurring expenses of \$632.

Income Taxes

The member health care entities of the Health Ministry are primarily tax-exempt organizations under Internal Revenue Code Section 501(c)(3) or 501(c)(2), and their related income is exempt from federal income tax under Section 501(a). The Health Ministry 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.

Ministry Health Care, Inc.

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

2. Significant Accounting Policies (continued)

Subsequent Events

The Health Ministry evaluates the impact of subsequent events, which are events that occur after the balance sheet date but before the financial statements are issued, for potential recognition in the financial statements as of the balance sheet date. For the year ended June 30, 2014, the Health Ministry evaluated subsequent events through October 24, 2014, representing the date on which the financial statements were available to be issued. During this period, there were no material subsequent events that required recognition or disclosure in the financial statements, other than those disclosed in the Subsequent Event note.

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

In July 2011, the FASB issued ASU No. 2011-06, *Fees Paid to the Federal Government by Health Insurers*. This ASU clarifies how health insurers should recognize and classify, in their income statements, fees mandated by the Patient Protection and Affordable Care Act as amended by the Health Care and Education Reconciliation Act. This new guidance is effective for calendar years beginning after December 31, 2013, when the fee initially became effective. As a result of adopting this guidance, for the year ended June 30, 2014, NH recognized a liability and expense for the fees payable on September 30, 2014 of \$2,298.

In July 2011, the FASB issued ASU No. 2011-06, *Fees Paid to the Federal Government by Health Insurers*. This ASU clarifies how health insurers should recognize and classify, in their income statements, fees mandated by the Patient Protection and Affordable Care Act as amended by the Health Care and Education Reconciliation Act. This new guidance is effective for

Ministry Health Care, Inc.

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

2. Significant Accounting Policies (continued)

calendar years beginning after December 31, 2013, when the fee initially became effective. As a result of adopting this guidance, for the year ended June 30, 2014, NH recognized a liability and expense for the fees payable on September 30, 2014 of \$2,298

3. Network Health

Insurance Claims Liability and Medical Claims Expense

Medical claims expense includes health care services costs for fees charged by non-affiliated physicians, hospitals, and other providers for health care services provided to NH and NHIC members. NH and NHIC reimburse non-affiliated hospitals at fee for service or percent of charges if contracted with a national preferred provider organization (PPO) network, and other non-affiliated providers using fee for service, percent of charges, or usual and customary fee schedules.

At June 30, 2014, the insurance claims liability to non-affiliated entities totaled \$60,299. This liability represents the estimated ultimate net cost of all reported and unreported claims incurred through June 30 and is based on historical experience. Those estimates are subject to the effects of trends in claim severity and frequency. Although considerable variability is inherent in such estimates, management believes that the liability for medical claims payable is adequate. The estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known, such adjustments are included in income from operations.

Claims and aggregate health claim reserve activity related to outside providers for the plan during 2014 are as follows:

Balance, July 1, 2013	\$ 69,158
Incurred related to	
Period from July 1, 2013 to June 30, 2014	533,875
Prior periods	(11,403)
Total medical claims incurred	<u>522,472</u>
Paid related to	
Period from July 1, 2013 to June 30, 2014	(459,495)
Prior periods	(71,836)
Total medical claims paid	<u>(531,331)</u>
Balance, June 30, 2014	<u>\$ 60,299</u>

Ministry Health Care, Inc.

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

3. Network Health (continued)

Reinsurance

Reinsurance premiums are reported as expenses when incurred. Reinsurance recoveries are reported as reductions to expense when received or accrued as a receivable. NH recorded reinsurance premiums expense of \$3,563 and reinsurance recoveries of \$4,808 during the year ended June 30, 2014.

Loss Contracts

NH enters into contracts to provide identified healthcare services to group members for specified periods (generally one year) in return for fixed insurance premiums. NH recognizes, in the year of contractual commitment, any losses on these contracts when it is probable that expected future health care costs and maintenance costs under a group of existing contracts will exceed anticipated future premiums and recoveries on those contracts. At June 30, 2014, no losses on such contracts were determined to be probable, therefore, no loss was accrued.

Premium Revenue

Premiums are due to NH and NHIC in advance of their respective coverage periods and are recognized as revenue in the period in which NH and NHIC are obligated to provide services to members. Membership contracts are on a yearly basis subject to cancellation by the subscriber or NH/NHIC upon 90 days written notice. Premiums received in advance are included in other current liabilities in the consolidated balance sheet and totaled \$3,363 at June 30, 2014.

Ministry Health Care, Inc.

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

4. Cash and Investments

At June 30, 2014, the Health Ministry's investments are comprised of its interest in investments held by Ascension and certain other investments. Board-designated investments represent investments designated by resolution to put amounts aside primarily for future capital expansion and improvements. Assets limited as to use primarily include investments restricted by donors. The Health Ministry's cash and cash equivalents, short-term investments, interest in investments held by Ascension, and assets limited as to use and other long-term investments are reported in the accompanying consolidated balance sheet as presented in the following table:

Cash and cash equivalents	\$ 155,095
Short-term investments	16,773
Current portion of assets limited as to use	27,158
Assets limited as to use and other long-term investments	
Board-designated investments	11,122
Under bond indenture agreement	17,221
Donor restricted	71,266
Other restricted	102,153
Net pledge receivables	3,837
Other long-term investments	47,536
Total assets limited as to use and other long-term investments	253,135
Interest in investments held by Ascension	703,358
Total	<u>\$ 1,155,519</u>

Ministry Health Care, Inc.

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

4. Cash and Investments (continued)

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

Cash and cash equivalents	\$ 186,131
Short-term investments	52,323
U S government, state, municipal, and agency obligations	156,500
Corporate and foreign fixed income securities	9,418
Equity securities	40,769
Private equity	585
Pledged receivables	5,140
Investment in foundation	1,295
Subtotal, included in cash and cash equivalents, short-term investments, assets limited as to use, and other long-term investments	452,161
Interest in investments held by Ascension	703,358
Total cash and investments	<u>\$ 1,155,519</u>

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

Cash and cash equivalents	2.5%
U S government, state, municipal, and agency obligations	21.8
Asset-backed securities	6.7
Corporate and foreign fixed income securities	11.0
Equity securities	19.6
Alternative investments and other investments	
Private equity and real estate funds	7.0
Hedge funds	23.0
Commodities funds and other investments	8.4
Total	<u>100.0%</u>

Ministry Health Care, Inc.

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

4. Cash and Investments (continued)

Investment return recognized by the Health Ministry is summarized as follows.

Return on interest in investments held by Ascension	\$ 26,055
Interest and dividends	7,318
Net gains on investments reported at fair value	45,344
Restricted investment income	2,039
Total investment return	<u>\$ 80,756</u>
Investment return included in non-operating gains	\$ 78,717
Increase in restricted net assets	2,039
Total investment return	<u>\$ 80,756</u>

5. Fair Value Measurements

The Health Ministry categorizes, for disclosure purposes, assets and liabilities measured at fair value in the financial statements based upon whether the inputs used to determine their fair values are observable or unobservable. Observable inputs are inputs 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 Health Ministry'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.

Ministry Health Care, Inc.

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

5. Fair Value Measurements (continued)

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

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

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

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

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

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

Cash and Cash Equivalents and Short-term Investments

Cash and cash equivalents and 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 are primarily comprised of commercial paper, whose fair value is based on amortized cost. Significant observable inputs include security cost, maturity, and credit rating, interest rate and par value.

Ministry Health Care, Inc.

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

5. Fair Value Measurements (continued)

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 foreign fixed income securities 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.

Private Equity

The fair value of private equity is primarily determined using techniques consistent with both the market and income approaches, based on the Health Ministry'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.

Ministry Health Care, Inc.

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

5. Fair Value Measurements (continued)

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.

Alternative Investments

Alternative investments consist of hedge funds, private equity funds, commodity funds, and real estate partnerships. 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.

Interest Rate Swaps

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

Beneficial Interest in Trust

The Health Ministry measures its beneficial interest in the Howard Young Trust using the fair value of the Trust assets. The Health Ministry has classified this interest as a Level 3 investment because the Health Ministry does not have the ability to redeem its interest in the Trust at the fair value of the trust assets.

As discussed in the Significant Accounting Policies and the Cash and Investments Notes, the Health Ministry has an interest in investments held by Ascension. As of June 30, 2014, 21%, 38%, and 41% of total Alpha Fund assets that are measured at fair value on a recurring basis were measured based on Level 1, Level 2 and Level 3 inputs, respectively, while all of Alpha Fund liabilities that are measured at fair value on a recurring basis were measured at such fair values based on Level 2 inputs.

Ministry Health Care, Inc.

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

5. Fair Value Measurements (continued)

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

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 186,131	\$ —	\$ —	\$ 186,131
Short-term investments	37,623	14,700	—	52,323
U S government, state, municipal and agency obligations	—	156,500	—	156,500
Corporate and foreign fixed income securities	473	8,945	—	9,418
Equity securities	40,769	—	—	40,769
Private equity	—	—	585	585
Cash and investments not at fair value	—	—	—	6,435
Cash and investments	<u>\$ 264,996</u>	<u>\$ 180,145</u>	<u>\$ 585</u>	<u>\$ 452,161</u>
Beneficial interest in trust	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 47,484</u>	<u>\$ 47,484</u>
Interest rate swaps, included in other non-current liabilities	<u>\$ —</u>	<u>\$ 14,479</u>	<u>\$ —</u>	<u>\$ 14,479</u>

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

	Private Equity	Beneficial Interest in Trust
Beginning balance, July 1, 2013	\$ 907	\$ 41,833
Total realized and unrealized gains, included in non-operating gains	69	7,307
Sales	(391)	—
Distributions	—	(1,656)
Ending balance, June 30, 2014	<u>\$ 585</u>	<u>\$ 47,484</u>

Ministry Health Care, Inc.

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

5. Fair Value Measurements (continued)

There were no transfers into or out of Level 3 for the year ended June 30, 2014.

6. Long-Term Debt

Ascension Senior Credit Group

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

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

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

Ministry Health Care, Inc.

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

6. Long-Term Debt (continued)

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

The Senior Credit Group financing documents contain certain restrictive covenants, including the maintenance of a minimum debt service coverage ratio.

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

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

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

Ministry Health Care, Inc.

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

6. Long-Term Debt (continued)

Ministry Restricted Group

Ministry and certain of the solely sponsored hospitals have formed a Restricted Group under a Master Trust Indenture (Indenture). The related revenue bonds have been issued by the Wisconsin Health and Educational Financing Authority on behalf of the Restricted Group.

Pursuant to the Indenture, the Restricted Group's participating hospitals have executed contribution agreements with Ministry and have pledged their accounts receivable as security for the bonds. Those agreements provide that, in the event they receive written direction from Ministry to do so, the Restricted Group hospitals will transfer to Ministry, by loan or contribution, a portion of their revenue and assets as necessary to enable Ministry to make debt service payments on the bonds issued under the Indenture and to comply with the Indenture's other provisions.

The Indenture contains various covenants and restrictions including provisions limiting the amount of additional liens and indebtedness, which may be incurred and requirements for maintenance of certain financial ratios by the Restricted Group.

Howard Young

The Howard Young bonds are collateralized by substantially all revenue of the issuing entities and by a mortgage on certain assets. In addition, the loan documents contain various covenants and restrictions including the maintenance of certain financial ratios.

Door County

The Door County bonds are collateralized by the acquired interest in real estate and construction of buildings, structures, fixtures, and all other improvements constructed upon the property. In addition, the loan documents contain various covenants and restrictions including the maintenance of certain financial ratios.

Ministry Health Care, Inc.

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

6. Long-Term Debt (continued)

The carrying amounts of intercompany debt with Ascension and other debt approximate fair value based on a portfolio market valuation provided by a third party. Long-term debt at June 30, 2014, is comprised of the following and is presented in accordance with the specific master trust indenture to which the debt relates:

Tax-exempt hospital revenue bonds – secured under Ascension Health Alliance Senior Credit Group Master Trust Indenture	
Intercompany debt with Ascension, payable in installments through November 2053, interest (3.2% at June 30, 2014) adjusted based on prevailing blended market interest rate of underlying debt obligations	\$ 277,849
Tax-exempt hospital revenue bonds – secured under Ministry Master Trust Indenture	
Series 2004 fixed rate serial mode bonds payable in installments through August 2034, annual interest rates from 4.0% to 5.0%	111,730
Series 2010A fixed rate serial mode bonds payable in installments through August 2023, annual interest rates from 2.0% to 5.0%	45,070
Series 2010B fixed rate serial mode bonds payable in installments through August 2035, annual interest rates from 3.5% to 5.3%	60,000
Series 2012C fixed rate serial mode bonds payable in installments through August 2032, annual interest rates from 2.5% to 5.0%	141,615
Tax-exempt hospital revenue bonds – secured under the Howard Young Master Trust Indenture	
Series 2012 fixed rate serial and term bonds payable in installments through August 2030, annual interest rates from 3.0% to 5.0%	19,185
Tax-exempt bonds – Door County	
Series 2009 bonds payable in installments through March 2036, variable rate at London Interbank Offered Rate (LIBOR) plus 2.5% multiplied by the tax-exempt multiplier of 70%	12,595
Other	596
Total debt	668,640
Unamortized bond premiums, net	35,547
Current portion	(17,363)
Long-term debt, less current portion	<u>\$ 686,824</u>

Ministry Health Care, Inc.

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

6. Long-Term Debt (continued)

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

Year ending June 30.	Ascension	Ministry	Howard Young	Door County	Other	Total
2015	\$ 3,975	\$ 11,185	\$ 875	\$ 825	\$ 503	\$ 17,363
2016	3,363	11,665	910	865	93	16,896
2017	4,077	12,185	945	913	—	18,120
2018	4,118	12,890	975	963	—	18,946
2019	4,900	12,265	1,000	683	—	18,848
Thereafter	257,416	298,225	14,480	8,346	—	578,467
Total	\$ 277,849	\$ 358,415	\$ 19,185	\$ 12,595	\$ 596	\$ 668,640

7. Derivative Instruments

The Health Ministry uses interest rate swaps to minimize significant, unanticipated earnings fluctuations caused by interest-rate volatility

The Health Ministry has a fixed payer swap, for which it pays a fixed rate and receives a variable rate, in the notional amount of \$72,950, which expires on August 1, 2029. The Health Ministry also has a basis swap, for which it pays a tax-exempt variable rate and receives a percentage of a taxable variable rate, to hedge against rising interest costs on Ministry's variable rate debt. As of June 30, 2014, the basis swap has a notional amount of \$120,000, which expires on February 17, 2028.

The net fair value of the swap agreements of \$14,479 has been reflected as an other non-current liability in the accompanying balance sheet with the offsetting valuation change impact included in other non-operating gains (losses). The Health Ministry received net swap payments of \$1,348 during the year ended June 30, 2014, which are recorded in other non-operating gains (losses) in the accompanying consolidated statement of operations and changes in net assets.

The Health Ministry's swap agreements contain various collateralization provisions, affecting both Ministry and the swap counterparty, with collateral posting levels that are dependent on the magnitude of the value of the swaps and the credit ratings on the parties. At June 30, 2014, the Health Ministry had posted \$16,218 as collateral pursuant to the fixed payer swap, which is included in the assets limited as to use in the consolidated balance sheet.

Ministry Health Care, Inc.

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

8. Endowments

The Health Ministry's endowments consist of approximately \$16,548 funds established for a variety of purposes. These endowments consist of both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on donor-imposed restrictions.

The Health Ministry's Board of Trustees has interpreted the Wisconsin Uniform Prudent Management of Institutional Funds Act (UPMIFA), as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Health Ministry classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and, if applicable (c) accumulations to the permanent endowment made in accordance with the related gift's donor instructions. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Health Ministry in a manner consistent with the standard for expenditure as proscribed by Wisconsin's UPMIFA. In accordance with Wisconsin UPMIFA the Health Ministry considers the following factors in making determinations to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the foundation
- (7) The investment policies of the foundation

Ministry Health Care, Inc.

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

8. Endowments (continued)

Endowment Funds With Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or Wisconsin UPMIFA requires the Health Ministry to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, there are no deficiencies of this nature as of June 30, 2014.

Return Objectives and Risk Parameters

The Health Ministry Board of Trustees has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Health Ministry must hold in perpetuity or for donor-specified period, as well as amounts set aside by the Health Ministry board to function as endowments. Under these policies, endowment assets are invested in a manner that is intended to produce a real return, net of inflation and investment management costs, of approximately 8% over the long term. Actual results in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Health Ministry relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Health Ministry targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Ministry Health Care, Inc.

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

8. Endowments (continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Health Ministry has a policy of appropriating for distribution each year, 4% of its endowment fund's average fair value over the prior three years through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Health Ministry considered the long-term expected return on its endowment. Accordingly, over the long term, the Health Ministry expects the current spending policy to allow its endowment to grow at an average of 5% annually. This is consistent with the Health Ministry's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

The net asset composition of endowments by type of fund as of June 30, 2014, is as follows:

	Temporarily			Permanently		
	Unrestricted	Restricted	Restricted	Restricted	Total	
Donor-restricted endowment funds	\$ —	\$ 2,375	\$ 9,544	\$ 11,919		
Board-designated endowment funds	4,629	—	—	4,629		
Total funds	\$ 4,629	\$ 2,375	\$ 9,544	\$ 16,548		

Ministry Health Care, Inc.

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

8. Endowments (continued)

Changes in endowment net assets for the year ended June 30, 2014, are as follows.

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Beginning balance, July 1, 2013	\$ 4,317	\$ 1,153	\$ 8,773	\$ 14,243
Investment return.				
Investment income	18	202	3	223
Net appreciation (realized and unrealized)	340	1,122	10	1,472
Total investment return	358	1,324	13	1,695
Contributions	275	72	114	461
Appropriation of endowment assets for expenditure	(62)	(153)	(12)	(227)
Other changes.				
Reclassifications	(259)	(21)	656	376
Ending balance, June 30, 2014	\$ 4,629	\$ 2,375	\$ 9,544	\$ 16,548

9. Retirement Plans

Ministry Plan

The Health Ministry and certain solely sponsored hospital affiliates participate in a pension plan (the Ministry Plan). The plan provides defined benefits to employees of participating hospital affiliates, who began employment prior to January 1, 2006. The Health Ministry and the participating hospitals' employees become participants in the Ministry Plan upon the attainment of age 21 and the completion of 1,000 hours of service. Benefits under the Ministry Plan are based on employee years of credited service and compensation, as defined, paid either in lump sum or annuity form. Contributions to the Ministry Plan, which are also the amounts expensed in the financial statements, are intended to provide for benefits attributed to service to date and for those expected to be earned in the future. Upon termination of the Ministry Plan or withdrawal of

Ministry Health Care, Inc.

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

9. Retirement Plans (continued)

a participating employer, if assets in the participating employers are insufficient to pay all liabilities with respect to its participants, an assessment will be made on the accounts of the other participating employers. Plan information is not publically available.

Data and assumptions relative to the Ministry Plan as of and for the year ended June 30, 2014, are as follows:

Actuarial present value of benefit obligations.	
Accumulated benefit obligation	<u>\$ 336,219</u>
Change in projected benefit obligation	
Projected benefit obligation beginning of year	\$ 314,053
Service cost	8,369
Interest cost	15,109
Actuarial loss	8,731
Assumption changes	13,025
Benefits and expenses paid	<u>(21,288)</u>
Projected benefit at end of year	<u>\$ 337,999</u>
Change in plan assets.	
Fair value of plan assets beginning of year	\$ 285,214
Actual return on plan assets	48,513
Employer contributions	6,179
Benefits and expenses paid	<u>(21,288)</u>
Fair value of plan assets at end of year	<u>\$ 318,618</u>
Funded status	<u>\$ (19,381)</u>
Amounts recognized in unrestricted net assets during 2014 consist of	
Unrecognized net actuarial gain	<u>\$ (7,487)</u>

Ministry Health Care, Inc.

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

9. Retirement Plans (continued)

Components of net periodic pension cost.	
Service cost	\$ 8,369
Interest cost on projected benefit obligation	15,109
Expected return on plan assets	(19,270)
Net periodic pension cost	<u>\$ 4,208</u>

Assumptions used

Weighted average discount rate to determine projected benefit obligation	4 30%
Weighted average discount rate to determine net periodic pension cost	4 90
Weighted average rate of compensation increase	3 50
Weighted average expected return on plan assets	7 10

The preretirement discount rates and postretirement discount rate for those electing an annuity payment reflect the best estimate of the value of the plan because the liabilities are valued using current market rates through the use of the Towers Watson Bond Matching Tool. For those participants assumed to elect a lump sum upon termination, the postretirement discount rate is valued at the plan's lump-sum conversion rate of 8%. Currently 80% of benefits are assumed to be paid as a lump sum. The long-term rate of return on assets reflects historical returns and future expectations for returns in each asset class, as well as targeted asset allocation percentages within the pension portfolio. The Health Ministry's investment strategy is of a long-term nature so that funds are available to pay benefits as they become due and to maximize the trust's total return at an appropriate level of investment risk.

The target investment policy is 70% equity securities and 30% fixed income securities. The asset allocation of the pension plan at June 30, 2014, is as follows:

Domestic equity securities	33%
International equity securities	32
U S government obligations	29
Corporate debt obligations	5
Money market fund	1
Total	<u>100%</u>

Ministry Health Care, Inc.

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

9. Retirement Plans (continued)

The contribution to the Ministry Plan for the year ending June 30, 2015, is estimated to be \$3,472. The benefits expected to be paid in each year ending June 30 from 2015 through 2019 are \$36,300, \$25,100, \$24,300, \$23,800, and \$24,300, respectively. The aggregate benefits expected to be paid in the five years from 2020 through 2024 are \$110,500.

As discussed in the Fair Value Measurements note, the Health Ministry, as well as the System, follows a three-level hierarchy to categorize assets and liabilities at fair value. In accordance with this hierarchy, as of June 30, 2014, 0.5%, 94.2%, and 5.3% of the Ministry Plan's assets which are measured at fair value on a recurring basis were categorized as Level 1, Level 2, and Level 3, respectively.

The following table presents the Ministry Plan's fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30, 2014.

	Level 1	Level 2	Level 3	Total
Investments				
Cash and cash equivalents	\$ 1,437	\$ —	\$ —	\$ 1,437
U.S. government, state, municipal, and agency obligations	—	35,998	—	35,998
Corporate and foreign fixed income securities	—	27,268	—	27,268
Equity securities	—	237,047	—	237,047
Alternative investments	—	—	16,868	16,868
Total	\$ 1,437	\$ 300,313	\$ 16,868	\$ 318,618

Ministry Health Care, Inc.

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

9. Retirement Plans (continued)

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

	<u>Alternative Investments</u>
Beginning balance, July 1, 2013	\$ 15,403
Actual return on plan assets	1,119
Purchases	346
Ending balance, June 30, 2014	<u>\$ 16,868</u>

Please refer to the Fair Value Measurements note for descriptions of the fair value hierarchy and the fair value determination methods for different classes of investments.

Affinity Plan

Affinity, a solely sponsored affiliate of the Health Ministry, sponsors the Affinity Health System, Inc Retirement Plan (the Affinity Plan) and a related trust to provide defined retirement benefits for employees of Affinity with the exception of CMC Employees become participants in the Affinity Plan upon the attainment of age 21 and the completion of 1,000 hours of service. Benefits under the Affinity Plan are based on the employee's years of credited service and covered compensation, as defined Contributions to the Affinity Plan are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future

Ministry Health Care, Inc.

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

9. Retirement Plans (continued)

Data and assumptions relative to the Affinity Plan as of and for the year ended June 30, 2014, are as follows

Actuarial present value of benefit obligations	
Accumulated benefit obligation	<u>\$ 239,889</u>
Change in projected benefit obligation	
Projected benefit obligation beginning of year	\$ 228,591
Service cost	9,920
Interest cost	9,495
Actuarial gain	(5,820)
Assumption changes	13,913
Benefits and expenses paid	<u>(13,222)</u>
Projected benefit at end of year	<u>\$ 242,877</u>
Change in plan assets	
Fair value of plan assets beginning of year	\$ 182,532
Actual return on plan assets	32,429
Employer contributions	13,000
Benefits and expenses paid	<u>(13,222)</u>
Fair value of plan assets at end of year	<u>\$ 214,739</u>
Funded status	<u>\$ (28,138)</u>
Amounts recognized in unrestricted net assets during 2014 consist of	
Unrecognized net actuarial gain	<u>\$ (11,957)</u>

Ministry Health Care, Inc.

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

9. Retirement Plans (continued)

Components of net periodic pension cost.	
Service cost	\$ 9,920
Interest cost on projected benefit obligation	9,495
Expected return on plan assets	(12,379)
Net periodic pension cost	<u>\$ 7,036</u>

Assumptions used

Weighted average discount rate to determine projected benefit obligation	4.00%
Weighted average discount rate to determine net periodic pension cost	4.26
Weighted average rate of increase in compensation levels	
Age 25–34	3.50
Age 35–44	3.50
Age 45–54	3.01
Age 55–64	2.39
Age 65 and older	1.70
Weighted average expected long-term rate of return on plan assets	7.00

The discount rates reflect the best estimate of the value of the plan because the liabilities are valued using current market rates through the use of the Mercer Yield Curve, except for the portion of actively employed grandfathered participants' benefits that are assumed to be paid as a lump sum, which is valued at the plan's conversion rate of 8%. Currently 70% of benefits are assumed to be paid as a lump sum. The long-term rate of return on assets reflects historical returns and future expectations for returns in each asset class, as well as targeted asset allocation percentages within the pension portfolio. Affinity's investment strategy is of a long-term nature and is intended to ensure that funds are available to pay benefits as they become due and to maximize the trust's total return at an appropriate level of investment risk.

Ministry Health Care, Inc.

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

9. Retirement Plans (continued)

The target investment policy is 65% equity securities and 35% fixed income securities. The asset allocation of the pension plan at June 30, 2014, is as follows

Domestic equity securities	60%
International equity securities	13
U S government obligations	13
Corporate debt obligations	10
Money market fund	4
Total	<u>100%</u>

The contributions for the Affinity Plan for the year ending June 30, 2015, are estimated to be \$11,000. The benefits expected to be paid in each year ending June 30 from 2015 through 2019 are \$15,028, \$15,259, \$15,951, \$16,058, and \$16,006, respectively. The aggregate benefits expected to be paid in the five years from 2020 through 2024 are \$78,026.

As discussed in the Fair Value Measurements note, the Health Ministry, as well as the System, follows a three-level hierarchy to categorize assets and liabilities at fair value. In accordance with this hierarchy, as of June 30, 2014, 74.6%, and 25.4% of the Affinity Plan's assets, which are measured at fair value on a recurring basis, were categorized as Level 1 and Level 2, respectively. There were no Level 3 plan assets.

The following tables present the Affinity Plan's fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30, 2014.

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 9,437	\$ —	\$ —	\$ 9,437
U S government, state, municipal, and agency obligations	—	28,901	—	28,901
Corporate and foreign fixed income securities	—	25,620	—	25,620
Equity securities	150,781	—	—	150,781
Total	<u>\$ 160,218</u>	<u>\$ 54,521</u>	<u>\$ —</u>	<u>\$ 214,739</u>

Ministry Health Care, Inc.

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

9. Retirement Plans (continued)

Please refer to the Fair Value Measurements note for descriptions of the fair value hierarchy and the fair value determination methods for different classes of investments

Other Retirement Plans

Certain affiliates of the Health Ministry also participate in a tax-sheltered annuity retirement plan, which entails the Health Ministry matching of 50% of employee contributions, up to a defined limit. Ministry's expense relating to employer matching for that plan was \$6,765 for the year ended June 30, 2014

The Health Ministry also participates in various other pension plans and supplemental compensation plans, which are primarily defined contribution plans. Expense under these plans amounted to \$11,966 for the year ended June 30, 2014

10. Income Taxes

NH and NHIC are for-profit entities and are required to file federal tax returns. Income tax receivable consists of the following components, and included in other current assets on the accompanying consolidated balance sheet:

Federal income taxes	\$ 1,801
State income taxes	734
Income tax receivable	<u>\$ 2,535</u>

NH paid approximately \$5,624 in estimated federal taxes during the year ended June 30, 2014. For federal tax purposes, NH files consolidated tax returns with NHIC.

Deferred taxes result from the effect of transactions that are recognized in different periods for financial and tax reporting purposes. The deferred taxes relate primarily to a portion of the provision for estimated incurred but not reported claims, accruals, and depreciation on property and equipment, and results in a net deferred tax liability of \$222 at June 30, 2014, as follows:

Deferred tax assets	\$ 1,659
Deferred tax liabilities	(1,881)
Net deferred tax liability	<u>\$ (222)</u>

Ministry Health Care, Inc.

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

10. Income Taxes (continued)

The deferred tax liability is included in other current assets in the accompanying consolidated balance sheet

The income tax provision consists of the following major components included in other operating expense

Current income tax expense	\$ 3,462
Deferred income tax expense	2,579
Total income tax expense	<u>\$ 6,041</u>

NH's income tax expense differs from the amount obtained by applying the federal statutory rate of 35% to income before income taxes as follows

Income tax expense at statutory rate of 35%	\$ 5,949
State income tax, net of federal rate	1,024
Other, including change in accrual	(932)
Total income tax expense	<u>\$ 6,041</u>

As of June 30, 2014, there are no operating losses or tax credit carryforwards available for federal or state tax purposes

11. Self-Insurance Programs

The Health Ministry participates in pooled risk programs to insure professional and general liability risks and workers' compensation risks to the extent of certain self-insured limits. In addition, various umbrella insurance policies have been purchased to provide coverage in excess of the self-insured limits. Actuarially determined amounts, discounted at 6% annually, are contributed to the trusts and the captive insurance company to provide for the estimated cost of claims. The loss reserves recorded for estimated self-insured professional, general liability, and workers' compensation claims include estimates of the ultimate costs for both reported claims and claims incurred but not reported and are discounted at annual interest rate of 6% at June 30, 2014. In the event that sufficient funds are not available from the self-insurance programs, each participating entity may be assessed its pro rata share of the deficiency. If contributions exceed the losses paid, the excess may be returned to participating entities.

Ministry Health Care, Inc.

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

11. Self-Insurance Programs (continued)

Professional and General Liability Programs

The Health Ministry participates in Ascension's professional and general liability self-insured program. Professional liability coverage is provided on a claims-made basis through a commercial policy with limits of \$1,000 per occurrence and \$3,000 in aggregate in compliance with participation in the Patient Compensation Fund. The Patient Compensation Fund applies to claims in excess of the primary limit. General liability coverage is provided on a claims-made basis through a wholly owned on shore trust and offshore captive insurance company, Ascension Health Insurance, Ltd (AHIL), with a self-insured retention of \$10,000 per occurrence with no aggregate. Excess coverage is provided through AHIL with limits up to \$205,000. AHIL retains a 20% quota share of the first \$25,000 of umbrella excess. The remaining excess coverage is reinsured by commercial carriers.

Included in operating expenses in the accompanying consolidated statement of operations and changes in net assets is professional and general liability expense of \$3,020 for the year ended June 30, 2014. Included in current and long-term self-insurance liabilities on the accompanying consolidated balance sheet are liabilities for deductibles and reserves for claims incurred but not yet reported of \$11,513 and \$4,341, respectively, at June 30, 2014.

Workers' Compensation

The Health Ministry participates in Ascension's workers' compensation program, which provides occurrence coverage through a grantor trust. The 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. Excess insurance against catastrophic loss is obtained through commercial insurers. Premium payments made to the trust are expensed and reflect both claims reported and claims incurred but not reported. Included in operating expenses in the accompanying consolidated statement of operations and changes in net assets is workers' compensation expense of \$4,380 for the year ended June 30, 2014. Included in current self-insurance liabilities on the accompanying consolidated balance sheet are liabilities for claims incurred but not yet reported of \$3,412.

Ministry Health Care, Inc.

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

12. Lease Commitments

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

Year ending June 30	
2015	\$ 4,157
2016	4,059
2017	3,706
2018	3,064
2019	2,356
Thereafter	3,990
Total	<u>\$ 21,332</u>

In addition, the Health Ministry is a lessor under certain operating lease agreements, primarily ground leases related to third-party owned medical office buildings on land owned by the Health Ministry. Future minimum rental receipts under all non-cancelable operating leases with terms of one year or more are as follows

Year ending June 30	
2015	\$ 4,871
2016	4,380
2017	4,280
2018	4,244
2019	4,041
Thereafter	19,377
Total	<u>\$ 41,193</u>

Rental expense under operating leases amounted to \$19,157 for the year ended June 30, 2014

Ministry Health Care, Inc.

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

13. Related-Party Transactions

The Health Ministry uses various centralized programs and overhead services of the System or its other sponsored organizations including risk management, retirement services, treasury, debt management, executive management support, administrative services, and information technology services. The charges allocated to the Health Ministry for these services represent both allocations of common costs and specifically identified expenses that are incurred by the System on behalf of the Health Ministry. Allocations are based on relevant metrics such as the Health Ministry's pro rata share of revenues, certain costs, debt, or investments to the consolidated totals of the System. The amounts charged to the Health Ministry for these services may not necessarily result in the net costs that would be incurred by the Health Ministry on a stand-alone basis. The charges allocated to the Health Ministry were approximately \$6,400 for the year ended June 30, 2014.

14. Contingencies and Commitments

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

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

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

Ministry Health Care, Inc.

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

14. Commitments and Contingencies (continued)

The Health Ministry enters into agreements with non-employed physicians that include minimum revenue guarantees. The guarantee is a minimum income loan to a neurology group, to recruit and retain an additional neurologist to meet the identified market demand. This guaranteed income loan covers a two-year period, commencing on August 30, 2015. The guaranteed income loan will be forgiven if the physician continues to practice for a three-year period following the two-year guaranteed period. The neurology group and recruited physician are jointly and severally liable for the loan repayment, should either party fail to meet the terms of the agreement. The agreement also includes support in the form of a loan for recruiting expenses, relocation costs, and a signing bonus. The carrying amount of the liability for the Health Ministry obligation under these guarantees was \$1,320 at June 30, 2014, and is included in other current liabilities in the accompanying consolidated balance sheet. The maximum amount of future payments that the Health Ministry could be required to make under these guarantees is \$1,320.

Under the regulations and statutes of the Wisconsin Office of the Commissioner of Insurance (OCI), NH is required to maintain surplus reserves, or total minimum net assets, determined as a percentage of subscriber premiums. The compulsory surplus requirement for NH is approximately \$59,000 at June 30, 2014. In certain cases, the OCI also requires organizations to maintain an additional security surplus reserve that, if required of NH, would be approximately an additional \$15,700 at June 30, 2014. Management believes NH's net asset balance at June 30, 2014, determined in accordance with accounting practices prescribed by the OCI, is sufficient to meet the compulsory and security reserve requirements.

NH has reinsurance agreements with an unaffiliated insurance company that limit NH's losses on individual claims. Under terms of these agreements prior to January 1, 2009, the insurance company reimburses NH for a percentage of eligible inpatient hospital and medical costs and an additional umbrella policy for catastrophic coverage in excess of a deductible, up to a lifetime limit of \$5,000 per member. From January 1, 2009 to December 31, 2013, NH entered reinsurance agreements, under which the insurance company reimburses NH for a percentage of all eligible service costs in excess of a deductible, up to a \$5,000 lifetime limit. As of January 1, 2014, NH entered into a reinsurance agreement, under which the insurance company reimburses NH for a percentage of all eligible service costs in excess of a deductible, with no lifetime limit. Union groups with contracts that have no lifetime limit are grandfathered in with no limits.

15. Subsequent Event

The Health Ministry has signed a letter of intent, dated September 30, 2014, to sell 50% of NH to an unrelated health system. A definitive sale date has not been determined.

Supplementary Information



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Report of Independent Auditors on Supplementary Information

The Board of Directors
Ministry Health Care, Inc.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Schedule of Net Cost of Providing Care of Persons Living in Poverty and Other Community Benefit Programs, the Details of Consolidated Balance Sheet and Statement of Operations – Ministry Health Care, Inc., the Restricted Group Detailed Balance Sheet and Statement of Operations, and the Howard Young Health Care, Inc. Obligated Group Detailed Balance Sheet and Statement of Operations 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 audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Ernst & Young LLP

October 24, 2014

Ministry Health Care, Inc.

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

June 30, 2014

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

Traditional charity care provided	\$ 18,380
Unpaid cost of public programs for persons living in poverty	42,674
Other programs for persons living in poverty and other vulnerable persons	6,213
Community benefit programs	<u>22,049</u>
Care of persons living in poverty and other community benefit programs	<u><u>\$ 89,316</u></u>

Ministry Health Care, Inc.

Details of Consolidated Balance Sheet

June 30, 2014
(in thousands)

	Affinity Health System, Inc. Consolidated									
	St. Elizabeth's Hospital (operating unit)					Network Health System, Inc. Consolidated				
	St. Elizabeth's Hospital	St. Elizabeth's Foundation	St. Elizabeth's Foundation	St. Elizabeth's Foundation	St. Elizabeth's Foundation	St. Elizabeth's Hospital	St. Elizabeth's Foundation	St. Elizabeth's Foundation	St. Elizabeth's Foundation	St. Elizabeth's Foundation
Assets										
Current assets										
Cash and cash equivalents	\$ 3,281	\$ 322	\$ 929	\$ -	\$ 4,532	\$ 13,698	\$ 369	\$ -	\$ 14,067	\$ 11,094
Short-term investments	-	-	-	-	-	-	-	-	-	674
Accounts receivable, less allowances for doubtful accounts of \$54,120	27,071	550	-	-	27,621	12,875	-	-	12,875	3,962
Current portion of assets limited as to use	612	-	885	-	1,497	975	122	-	1,097	169
Estimated third-party prior settlements	153	-	-	-	153	154	-	-	154	40
Inventory	3,146	-	-	-	3,146	2,494	-	-	2,494	-
Other	2,012	1,872	3	(533)	2,854	4,751	-	-	4,751	119
Total current assets	36,275	2,244	1,817	(533)	39,803	34,947	491	-	35,438	16,658
Assets limited as to use and other long-term investments	1,018	-	12,523	(970)	12,571	1,552	10,428	(1,552)	10,428	1,251
Beneficial interest in trust	791	-	-	-	791	1,652	-	-	1,652	4,959
Interest in investments held by Ascension	-	-	-	-	-	-	-	-	-	-
Property and equipment, net	153,657	1,041	-	-	154,700	95,070	-	-	95,070	13,156
Other assets	1,322	-	-	-	1,321	1,322	-	-	1,322	-
Investment in unconsolidated entities	2,123	401	-	(1,542)	983	641	-	-	10,364	-
Other	3,445	401	-	(1,542)	2,304	1,963	-	-	10,364	-
Total other assets	\$ 195,126	\$ 3,688	\$ 14,340	\$ (3,045)	\$ 210,109	\$ 135,184	\$ 10,919	\$ (1,552)	\$ 144,551	\$ 35,624
Total assets	\$ 195,126	\$ 3,688	\$ 14,340	\$ (3,045)	\$ 210,109	\$ 135,184	\$ 10,919	\$ (1,552)	\$ 144,551	\$ 35,624
Liabilities and net assets										
Current liabilities										
Current portion of long-term debt	\$ 11,802	\$ -	\$ -	\$ -	\$ 11,802	\$ 14,059	\$ -	\$ -	\$ 14,059	\$ -
Accounts payable and accrued liabilities	33,158	662	155	(533)	33,442	16,876	41	-	16,917	2,220
Estimated third-party prior settlements	754	-	-	-	754	761	-	-	761	536
Current portion of self-insurance liabilities	942	-	-	-	942	136	-	-	136	11
Insurance claims liability	3,003	-	-	-	3,003	2,043	227	-	2,270	98
Other	49,059	662	155	(533)	49,343	33,875	268	-	34,143	2,865
Total current liabilities	61,802	1,424	310	(1,066)	61,802	34,814	536	-	35,356	3,620
Noncurrent liabilities										
Long-term debt	67,435	-	-	-	67,435	28,882	-	-	28,882	-
Self-insurance liabilities	7,810	-	-	-	7,810	4,418	-	-	4,418	-
Pension and other postretirement liabilities	1,370	59	-	-	1,429	989	-	-	1,429	298
Other	26,615	59	-	-	26,674	34,289	-	-	34,289	298
Total noncurrent liabilities	103,230	118	-	-	103,628	68,578	-	-	68,578	594
Total liabilities	\$ 165,032	\$ 1,542	\$ 310	\$ (1,066)	\$ 165,430	\$ 103,392	\$ 536	\$ -	\$ 103,934	\$ 3,620
Net assets										
Unrestricted	68,434	1,116	5,139	(1,542)	73,547	65,468	2,872	-	68,340	32,261
Controlling interest	-	1,851	-	-	1,851	-	-	-	-	-
Noncontrolling interest	-	-	-	-	-	-	-	-	-	-
Unrestricted net assets	68,434	2,967	5,139	(1,542)	75,398	65,468	2,872	-	68,340	32,261
Temporarily restricted	1,018	-	6,937	(970)	6,985	838	3,228	(838)	3,228	-
Permanently restricted	-	-	1,969	-	1,969	714	4,551	(714)	4,551	-
Total net assets	\$ 69,452	\$ 2,967	\$ 14,185	\$ (2,512)	\$ 84,092	\$ 73,020	\$ 10,651	\$ (1,552)	\$ 76,119	\$ 32,261
Total liabilities and net assets	\$ 195,126	\$ 3,688	\$ 14,340	\$ (3,045)	\$ 210,109	\$ 135,184	\$ 10,919	\$ (1,552)	\$ 144,551	\$ 35,624

	St. Joseph's Hospital (operating unit)					St. Michael's Hospital (operating unit)					Howard Young Health Care, Inc. Consolidated						
	Foundation of St. Joseph's Hospital, Inc.					St. Michael's Hospital, Inc.					Howard Young Health Care, Inc.						
	St. Joseph's Hospital, Inc.	St. Joseph's Hospital, Inc.	St. Joseph's Hospital, Inc.	St. Joseph's Hospital, Inc.	St. Joseph's Hospital, Inc.	St. Michael's Hospital, Inc.	St. Michael's Hospital, Inc.	St. Michael's Hospital, Inc.	St. Michael's Hospital, Inc.	St. Michael's Hospital, Inc.	Howard Young Health Care, Inc.	Howard Young Health Care, Inc.	Howard Young Health Care, Inc.	Howard Young Health Care, Inc.	Howard Young Health Care, Inc.	Howard Young Health Care, Inc.	Howard Young Health Care, Inc.
Assets																	
Current assets																	
Cash and cash equivalents	8,220	13,302	484	-	-	13,786	11,662	-	-	167	1,585	1,149	-	-	8,331	17	2,896
Short-term investments	1,898	-	-	-	-	-	-	-	-	-	2,207	-	-	-	-	-	4,375
Accounts receivable	18,148	56,067	-	-	-	21,744	21,744	-	-	-	4,481	2,293	-	-	6,974	2,273	9,908
Accounts receivable less allowances for doubtful accounts of \$54,120	655	1,236	109	-	-	1,345	827	-	-	-	-	99	-	-	392	-	586
Current portion of assets limited as to use	330	1,681	-	-	-	1,681	98	-	-	-	72	627	-	-	-	7	5,320
Estimated third-party payor settlements	1,792	8,954	-	-	-	8,954	2,185	-	-	-	531	247	-	-	1,593	159	1,752
Inventory	1,925	1,954	-	-	-	1,954	1,652	-	-	-	242	47	-	-	436	20	3,945
Other	32,368	83,204	593	-	-	83,651	37,548	3	150	170	9,118	4,462	48	-	17,726	2,469	20,828
Total current assets	1,182	1,185	4	-	-	79	2,917	4,568	-	-	-	-	-	-	1,860	439	30,784
Assets limited as to use and other long-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Beneficial interest in trust	5,466	257,178	3,707	-	-	261,085	75,626	-	-	-	3,118	-	-	-	47,484	13,044	47,484
Interest in investments held by Ascension	69,489	137,772	-	-	-	137,772	67,674	25	-	-	7,702	8,125	3,315	-	24,507	7,359	36,046
Property and equipment, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in unconsolidated entities	3,833	4,050	-	-	-	4,050	6,723	-	-	-	370	295	385	-	2,635	532	2,389
Other	3,833	4,050	-	-	-	4,050	6,723	-	-	-	370	295	385	-	2,635	532	2,389
Total other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 112,438	\$ 483,389	\$ 4,304	\$ (1,256)	\$ (1,256)	\$ 486,637	\$ 190,488	\$ 4,596	\$ (2,930)	\$ (2,930)	\$ 20,308	\$ 12,885	\$ 3,748	\$ 163,583	\$ 23,843	\$ 100	\$ 83,366
Liabilities and net assets																	
Current liabilities																	
Accounts payable and accrued liabilities	1,707	-	-	-	-	-	711	-	-	-	94	774	875	-	-	-	875
Accounts payable and accrued liabilities	13,991	25,635	183	-	-	25,672	18,529	22	(17)	-	2,480	1,738	463	-	6,320	685	7,381
Estimated third-party payor settlements	5,285	6,587	-	-	-	6,587	542	-	-	-	150	290	-	-	2,086	610	2,696
Current portion of self-insurance liabilities	-	-	-	-	-	-	-	-	-	-	178	-	-	-	-	-	141
Insurance claims liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	20,983	32,222	183	-	-	32,259	19,782	22	(17)	-	2,992	2,802	1,338	-	8,406	1,295	11,152
Noncurrent liabilities																	
Long-term debt	17,928	-	-	-	-	-	2,432	-	-	-	709	10,537	19,942	-	-	-	19,942
Self-insurance liabilities	3,306	(612)	-	-	-	(612)	1,552	-	-	-	763	-	-	-	-	-	-
Other	573	750	-	-	-	750	1,608	-	-	-	327	-	-	-	1,277	405	1,682
Other noncurrent liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total noncurrent liabilities	21,807	1,888	-	-	-	1,888	5,592	-	-	-	1,799	10,537	19,942	-	1,277	405	21,624
Total liabilities	42,790	34,110	183	-	-	34,147	25,374	22	(17)	-	4,791	13,339	21,280	-	9,683	1,700	32,776
Net assets																	
Unrestricted	68,466	450,044	1,786	-	-	451,830	162,197	6	167	167	15,667	(447)	(17,532)	-	104,556	21,704	118,071
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-enrolling asset	68,466	450,044	1,786	-	-	451,830	162,197	6	167	167	15,667	(447)	(17,532)	-	104,556	21,704	118,071
Unrestricted net assets	1,182	1,010	2,191	(1,010)	-	2,191	866	1,752	(1,029)	-	1,889	-	1	-	1,860	439	5,732
Temporarily restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Permanently restricted	69,488	451,239	4,121	(1,110)	-	454,240	165,114	4,574	(2,913)	-	166,725	15,667	(444)	(17,532)	153,900	22,143	172,011
Total net assets	\$ 112,438	\$ 483,389	\$ 4,304	\$ (1,256)	\$ (1,256)	\$ 486,637	\$ 190,488	\$ 4,596	\$ (2,930)	\$ (2,930)	\$ 20,308	\$ 12,885	\$ 3,748	\$ 163,583	\$ 23,843	\$ 100	\$ 83,366
Total liabilities and net assets																	

Details of Consolidated Statement of Operations

Year Ended June 30, 2014
(in thousands)

	Affinity Health System, Inc. Consolidated										Affinity Health System, Inc. Consolidated						
	St. Elizabeth's Hospital (operating unit)					Mercy Medical Center (operating unit)											
	St. Elizabeth's Hospital	Change Health	St. Elizabeth's Hospital Foundation	St. Elizabeth's Foundation	Subsidiary	Mary Medical Center of Children, Inc.	Mary Health Foundation	Mary Medical Center	Subsidiary	Customer Medical Center, Inc.		Affinity Medical Group	Turn Med. LLC	Network Health System Elimination	Network Health System, Inc. Consolidated	Affinity Health System Elimination	Affinity Health System Consolidated
Operating revenue	\$ 192,386	\$ 3,066	\$ -	\$ -	\$ 195,452	\$ 105,853	\$ -	\$ -	\$ 105,853	\$ 25,665	\$ 141,881	\$ -	\$ -	\$ 141,881	\$ -	\$ (465)	\$ 468,386
Less provision for doubtful accounts	7,898	110	-	-	8,008	3,863	-	-	3,863	722	3,871	-	-	3,871	-	-	10,664
Net patient service revenue, less provision for doubtful accounts	184,488	2,956	-	-	187,444	101,990	-	-	101,890	24,945	137,910	-	-	137,910	-	(463)	451,722
Capitation revenue	-	-	-	-	-	-	-	-	-	8	2,870	-	-	2,870	-	-	-
Premium revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	5,708	283	433	1,288	7,712	4,093	531	-	5,424	341	7,393	607	(406)	7,594	-	(7,699)	13,382
Income from unconsolidated entities	30	-	-	-	30	29	-	-	29	-	-	-	-	-	-	59	-
Net assets released from restrictions for operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating revenue	190,226	3,239	433	1,288	195,186	106,822	531	-	107,353	25,292	148,173	607	(406)	148,374	-	(8,164)	468,041
Operating expenses																	
Salaries and wages	62,423	3,370	335	-	66,128	39,706	253	-	39,459	8,685	111,094	-	-	111,094	-	(657)	224,709
Employee benefits	16,016	592	74	-	16,682	11,020	63	-	11,083	2,404	22,035	-	-	22,035	-	-	52,204
Purchased services	15,100	198	97	-	15,395	8,802	-	-	8,802	1,790	8,853	10	-	8,853	-	(1,088)	33,702
Professional fees	4,988	227	-	-	5,215	7,710	-	-	7,710	3,693	4,009	-	-	4,009	-	(2,471)	18,156
Charity expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	34,176	73	19	-	34,268	20,420	-	-	20,420	2,665	9,355	-	-	9,355	-	-	66,643
Insurance	657	39	-	-	696	521	-	-	521	44	1,390	-	-	1,390	-	-	2,651
Interest	2,927	-	-	-	2,927	2,923	-	-	2,923	-	500	-	-	500	-	-	5,940
Depreciation and amortization	6,012	133	-	-	7,045	5,347	-	-	5,347	779	2,194	53	-	2,247	-	-	15,418
Other	11,523	446	227	-	12,196	7,019	155	-	7,174	1,251	11,130	72	(182)	11,020	65	(3,947)	27,739
Total operating expenses before impairment, restructuring and noncontrolling gains, net	154,722	5,078	752	-	160,552	102,568	471	-	103,039	21,251	170,560	135	(182)	170,513	-	(8,163)	447,192
Income from operations before impairment, restructuring and noncontrolling gains, net	35,504	(1,839)	(319)	1,288	34,634	4,254	60	-	4,314	4,041	(22,387)	472	(224)	(22,139)	-	(1)	20,849
Impairment, restructuring, and noncontrolling gains, net	-	-	-	-	-	-	-	-	-	1	867	121	-	988	-	-	989
Income from operations	35,504	(1,839)	(319)	1,288	34,634	4,254	60	-	4,314	4,040	(23,244)	351	(224)	(23,127)	-	(1)	19,860
Nonoperating gains (losses)																	
Investment returns	236	-	849	-	1,085	272	337	-	609	361	217	-	-	217	-	-	2,472
Other	(10)	-	-	-	(10)	(49)	-	-	(49)	10	59	-	-	59	9	-	19
Total nonoperating gains, net	226	-	849	-	1,075	223	337	-	560	571	276	-	-	276	9	-	2,491
Excess of revenues and gains over expenses and losses	35,730	(1,839)	530	1,288	35,709	4,477	397	-	4,874	4,611	(22,978)	351	(221)	(22,851)	9	(1)	22,351
Less loss attributed to non-controlling interests	-	(552)	-	-	(552)	-	-	-	-	-	-	-	-	-	-	-	(426)
Excess of revenues and gains over expenses and losses attributable to controlling interest	\$ 35,730	\$ (1,287)	\$ 530	\$ 1,288	\$ 36,261	\$ 4,477	\$ 397	\$ -	\$ 4,874	\$ 4,611	\$ (22,978)	\$ 225	\$ (224)	\$ (22,977)	\$ 9	\$ (1)	\$ 22,777

	St. Joseph's Hospital (operating unit)					St. Michael's Hospital (operating unit)					Howard Young Health Care, Inc. Consolidated						
	Howard Hospital, Inc. Mary's Hospital, Inc.	St. Joseph's Hospital of Meriden, Inc.	Foundation of St. Joseph's Hospital of Meriden, Inc.	St. Joseph's Hospital Elizabethton	Subtotal	St. Michael's Hospital of Elizabethton, Inc.	Foundation of St. Michael's Hospital of Elizabethton, Inc.	St. Michael's Hospital of Elizabethton, Inc.	St. Elizabeth's Hospital of Elizabethton, Inc.	Our Lady of Victory Hospital	Howard Young Health Care, Inc. (Corporate)	Howard Young Medical Center, Inc.	Eagle River Memorial Hospital, Inc.	Dr. Eric Overmiller Office	Howard Young Health Care, Inc. Consolidated	Dover County Memorial Hospital	
Operating revenue	\$ 148,162	\$ 364,122	\$ -	\$ -	\$ 194,911	\$ 24,284	\$ 16,645	\$ -	\$ 57,868	\$ 17,239	\$ -	\$ -	\$ -	\$ -	\$ 75,107	\$ 69,686	
Net patient service revenue	9,942	12,641	-	-	9,960	172	664	-	3,271	1,377	-	28	-	-	4,676	1,261	
Less provision for doubtful accounts	139,120	351,481	-	-	184,951	24,112	15,981	-	54,597	15,862	-	-	-	-	70,431	68,425	
Net patient service revenue, less provision for doubtful accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capitalization revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Premium revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other revenue	8,313	14,132	1,781	(397)	15,516	(179)	304	-	3,248	166	187	508	1,719	(367)	5,561	2,343	
Income from unconsolidated entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net assets released from restrictions for operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total operating revenue	147,433	365,613	1,781	(397)	366,997	189,039	355	(179)	189,215	25,128	16,285	187	57,945	16,028	75,992	70,768	
Operating expenses	73,601	108,231	-	-	91,553	128	128	-	91,681	12,036	8,012	-	24,559	7,090	-	32,343	
Salaries and wages	19,841	31,560	-	-	24,427	13	13	-	24,440	3,762	2,389	-	7,486	2,135	143	9,852	
Employee benefits	10,157	43,533	-	-	12,717	3	3	-	12,720	922	1,326	3	3,426	1,068	3	4,426	
Purchased services	4,775	25,230	-	-	5,531	-	-	-	5,531	2,001	1,593	-	2,526	1,116	5	3,647	
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Claims expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Supplies	15,829	60,121	-	-	20,068	19	19	-	20,087	3,281	1,172	-	6,045	1,133	47	7,142	
Insurance	897	1,361	-	-	1,075	-	-	-	1,075	136	49	-	276	79	-	355	
Interest	1,444	-	-	-	228	-	-	-	228	60	655	-	481	308	-	789	
Depreciation and amortization	8,469	19,509	-	-	10,142	4	-	-	10,146	947	810	-	3,379	1,203	43	4,701	
Other	6,257	36,510	2,091	(397)	38,114	9,181	279	(179)	9,281	1,668	1,118	-	4,304	964	6	5,234	
Total operating expenses before impairment, restructuring, and nonrecurring gains, net	141,270	326,055	2,091	(397)	327,659	174,722	446	(179)	174,989	24,813	17,124	106	52,482	15,096	573	1,499	
Less nonrecurring gains, net	6,163	39,558	(220)	-	39,338	14,317	(91)	-	14,226	315	(839)	81	5,463	932	(65)	201	
Income from operations before impairment, restructuring, and nonrecurring gains, net	(15)	426	-	-	426	-	-	-	-	-	-	-	-	-	-	12	
Impairment, restructuring, and nonrecurring gains, net	6,178	39,132	(220)	-	38,912	14,317	(91)	-	14,226	315	(839)	81	5,463	932	(65)	189	
Income from operations	311	18,340	330	-	18,670	7,083	73	-	7,156	324	-	-	756	1,143	-	9,539	
Nonoperating gains (losses)	15	(218)	-	-	(218)	(3)	-	-	(3)	-	-	-	-	(75)	-	821	
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total nonoperating gains, net	326	18,122	330	-	18,452	7,080	73	-	7,153	324	-	-	756	1,068	-	9,398	
Excess of revenues and gains over expenses and losses	6,504	57,254	110	-	57,864	21,397	(18)	-	21,379	639	(839)	81	13,032	2,000	(60)	945	
Less loss attributed to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Excess of revenues and gains over expenses and losses attributable to controlling interest	\$ 6,504	\$ 57,254	\$ 110	\$ -	\$ 57,864	\$ 21,397	\$ (18)	\$ -	\$ 21,379	\$ 639	\$ (839)	\$ 81	\$ 13,032	\$ 2,000	\$ (60)	\$ 945	

	St. Clare's Hospital (operating unit)					Good Samaritan Health Center (operating unit)										Ministry Medical Group, Inc. - Ambrosium operating unit	Ministry Medical Group, Inc. - Ambrosium operating unit	Ministry Health Care, Inc. (Corporate)	Consolidating Eliminations	Ministry Health Care, Inc.																																																																																																																																																																																																																																		
	St. Clare's Hospital of Waukegan, Inc.	St. Clare's Foundation of St. Clare's, Inc.	St. Clare's Foundation of St. Clare's, Inc.	St. Clare's Foundation of St. Clare's, Inc.	St. Clare's Foundation of St. Clare's, Inc.	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill						Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of 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Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill	Good Samaritan Health Center of Merrill

Ministry Health Care, Inc

Restricted Group Detailed Balance Sheet

June 30, 2014
(in thousands)

	Mercy Medical Center of Oklahoma, Inc.	Sacred Heart/St. Mary's Hospitals Inc.	St. Joseph's Hospital of Marshallfield, Inc.	St. Michael's Hospital of Stevens Point, Inc.	St. Elizabeth's Hospital of Wabasha, Inc.	Ministry Health Care Inc. (Corporate)	Eliminations	Restricted Group Total
Assets								
Current assets								
Cash and cash equivalents	\$ 13,698	\$ 8,220	\$ 13,302	\$ 11,662	\$ 1,585	\$ 36,327	\$ -	\$ 84,794
Short-term investments	-	1,898	-	-	2,207	-	-	4,105
Accounts receivable, less allowances for doubtful accounts of \$54,120	-	-	-	-	-	-	-	-
Current portion of assets limited as to use	12,875	18,148	56,067	21,744	4,481	-	-	113,315
Estimated third-party payor settlements	975	655	1,236	827	-	13,316	-	17,009
Inventories	154	330	1,681	98	72	-	-	2,335
Other	2,494	1,792	8,954	2,185	531	-	-	15,956
Total current assets	4,751	1,325	1,964	1,032	242	166,502	(36,735)	139,081
	34,947	32,368	83,204	37,548	9,118	216,145	(36,735)	376,595
Assets limited as to use and other long-term investments								
Beneficial interest in trust	1,552	1,182	1,185	2,917	-	40,861	-	47,697
Interest in investments held by Ascension	1,652	5,466	257,378	75,626	3,118	243,143	-	586,383
Property and equipment, net	95,070	69,589	137,772	67,674	7,702	10,411	-	388,218
Other assets								
Investment in unconsolidated entities	1,322	-	-	-	-	5,699	-	7,021
Other	641	3,833	4,050	6,723	370	587,601	(49,925)	553,293
Total other assets	1,963	3,833	4,050	6,723	370	593,300	(49,925)	560,314
Total assets	\$ 135,184	\$ 112,438	\$ 483,589	\$ 190,488	\$ 20,308	\$ 1,103,860	\$ (86,660)	\$ 1,959,207
Liabilities and net assets								
Current liabilities								
Current portion of long-term debt	\$ 14,059	\$ 1,707	\$ -	\$ 711	\$ 94	\$ 15,161	\$ (16,432)	\$ 15,300
Accounts payable and accrued liabilities	16,876	13,991	25,635	18,529	2,480	47,014	(20,303)	104,222
Estimated third-party payor settlements	761	5,285	6,587	542	150	-	-	13,325
Current portion of self-insurance liabilities	136	-	-	-	178	8,797	-	9,111
Insurance claim liability	-	-	-	-	-	-	-	-
Other	2,043	-	-	-	-	10,477	-	12,520
Total current liabilities	33,875	20,983	32,222	19,782	2,902	81,449	(36,735)	154,478
Noncurrent liabilities								
Long-term debt	28,882	17,928	-	2,432	709	655,018	(49,925)	655,044
Self-insurance liabilities	-	-	-	-	-	4,341	-	4,341
Pension and other postretirement liabilities	4,418	3,306	(612)	1,552	703	14,422	-	23,789
Other	989	573	750	1,608	327	50,642	-	54,889
Total noncurrent liabilities	34,289	21,807	138	5,592	1,739	724,423	(49,925)	738,063
Total liabilities	68,164	42,790	32,360	25,374	4,641	805,872	(86,660)	892,541
Net assets								
Unrestricted								
Controlling interest	65,468	68,466	450,044	162,197	15,667	297,988	-	1,059,830
Non-controlling interest	-	-	-	-	-	-	-	-
Unrestricted net assets	65,468	68,466	450,044	162,197	15,667	297,988	-	1,059,830
Temporarily restricted	838	1,182	1,010	866	-	-	-	3,896
Permanently restricted	714	-	175	2,051	-	-	-	2,940
Total net assets	67,020	69,648	451,229	165,114	15,667	297,988	-	1,066,666
Total liabilities and net assets	\$ 135,184	\$ 112,438	\$ 483,589	\$ 190,488	\$ 20,308	\$ 1,103,860	\$ (86,660)	\$ 1,959,207

Ministry Health Care, Inc.

Restricted Group Detailed Statement of Operations

Year Ended June 30, 2014
(in thousands)

	Mercy Medical Center of Oshkosh, Inc	Sacred Heart/St Mary's Hospitals, Inc	St Joseph's Hospital of Marshfield, Inc	St Michael's Hospital of Steven's Point, Inc	St Elizabeth's Hospital of Wabasha, Inc	Ministry Health Care, Inc (Corporate)	Eliminations	Restricted Group Total
Operating revenue								
Net patient service revenue	\$ 105,853	\$ 148,162	\$ 364,122	\$ 194,911	\$ 24,284	\$ -	\$ -	\$ 837,332
Less provision for doubtful accounts	3,963	9,042	12,641	9,960	172	3,543	-	39,321
Net patient service revenue, less provision for doubtful accounts	101,890	139,120	351,481	184,951	24,112	(3,543)	-	798,011
Capitation revenue	-	-	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-	-	-
Other revenue	4,903	8,313	14,132	4,088	1,016	30,774	-	63,226
Income from unconsolidated entities	29	-	-	-	-	2,220	-	2,249
Net assets released from restrictions for operations	-	-	-	-	-	523	-	523
Total operating revenue	106,822	147,433	365,613	189,039	25,128	29,974	-	864,009
Operating expenses								
Salaries and wages	39,206	73,601	108,231	91,553	12,036	21	-	324,648
Employee benefits	11,020	19,841	31,560	24,427	3,762	(5,898)	-	84,712
Purchased services	8,802	10,157	43,533	12,717	922	(2,346)	-	73,785
Professional fees	7,710	4,775	25,230	5,331	2,001	(7,631)	-	37,416
Claims expense	-	-	-	-	-	-	-	-
Supplies	20,420	15,829	60,121	20,068	3,281	(6,414)	-	113,305
Insurance	521	897	1,361	1,075	136	(1,669)	-	2,321
Interest	2,523	1,444	-	228	60	24,173	(4,177)	24,251
Depreciation and amortization	5,347	8,469	19,509	10,142	947	2,582	-	46,996
Other	7,019	6,257	36,510	9,181	1,668	12,390	-	73,025
Total operating expenses before impairment, restructuring, and nonrecurring gains, net	102,568	141,270	326,055	174,722	24,813	15,208	(4,177)	780,459
Income from operations before impairment, restructuring, and nonrecurring gains, net	4,254	6,163	39,558	14,317	315	14,766	4,177	83,550
Impairment, restructuring, and nonrecurring gains, net	-	(15)	426	-	-	149	-	560
Income from operations	4,254	6,178	39,132	14,317	315	14,617	4,177	82,990
Nonoperating gains (losses)								
Investment return	272	311	18,340	7,083	324	49,889	(4,177)	72,042
Other	(49)	15	(218)	(3)	-	(4,382)	-	(4,637)
Total nonoperating gains, net	223	326	18,122	7,080	324	45,507	(4,177)	67,405
Excess of revenues and gains over expenses and losses	4,477	6,504	57,254	21,397	639	60,124	-	150,395
Less loss attributed to non-controlling interests	-	-	-	-	-	-	-	-
Excess of revenues and gains over expenses and losses attributable to controlling interest	\$ 4,477	\$ 6,504	\$ 57,254	\$ 21,397	\$ 639	\$ 60,124	\$ -	\$ 150,395

Ministry Health Care, Inc

Howard Young Health Care, Inc Obligated Group Detailed Balance Sheet

June 30, 2014
(in thousands)

	Howard Young Health Care, Inc (Corporate)	Howard Young Medical Center, Inc	Eagle River Memorial Hospital, Inc	Howard Young Eliminations	Total Howard Young Obligated Group
Assets					
Current assets					
Cash and cash equivalents	\$ -	\$ 8,331	\$ 17	\$ -	\$ 8,348
Short-term investments	-	-	-	-	-
Accounts receivable, less allowances for doubtful accounts \$3,686	-	6,974	2,273	-	9,247
Current portion of assets limited as to use	-	392	-	-	392
Estimated third-party settlements	-	-	-	-	-
Inventories	-	1,593	159	-	1,752
Other	48	436	20	-	504
Total current assets	48	17,726	2,469	-	20,243
Assets limited as to use and other long-term investments	-	1,860	439	-	2,299
Beneficial interest in trust	-	47,484	-	-	47,484
Interest in investments held by Ascension	-	69,371	13,044	-	82,415
Property and equipment, net	3,315	24,507	7,359	-	35,181
Other assets	-	-	-	-	-
Investment in unconsolidated entities	-	-	-	-	-
Other	385	2,635	532	-	3,552
Total other assets	385	2,635	532	-	3,552
Total assets	\$ 3,748	\$ 163,583	\$ 23,843	\$ -	\$ 191,174
Liabilities and net assets					
Current liabilities					
Current portion of long-term debt	\$ 875	\$ -	\$ -	\$ -	\$ 875
Accounts payable and accrued liabilities	463	6,320	685	-	7,468
Estimated third-party payor settlements	-	2,086	610	-	2,696
Current portion of self-insurance liabilities	-	-	-	-	-
Insurance claims liability	-	-	-	-	-
Other	-	-	-	-	-
Total current liabilities	1,338	8,406	1,295	-	11,039
Noncurrent liabilities					
Long-term debt	19,942	-	-	-	19,942
Self-insurance liabilities	-	-	-	-	-
Pension and other postretirement liabilities	-	-	-	-	-
Other	-	1,277	405	-	1,682
Total noncurrent liabilities	19,942	1,277	405	-	21,624
Total liabilities	21,280	9,683	1,700	-	32,663
Net assets					
Unrestricted					
Controlling interest	(17,532)	104,556	21,704	-	108,728
Non-controlling interest	-	-	-	-	-
Unrestricted net assets	(17,532)	104,556	21,704	-	108,728
Temporarily restricted	-	1,860	439	-	2,299
Permanently restricted	-	47,484	-	-	47,484
Total net assets	(17,532)	153,900	22,143	-	158,511
Total liabilities and net assets	\$ 3,748	\$ 163,583	\$ 23,843	\$ -	\$ 191,174

Ministry Health Care, Inc.

Howard Young Health Care, Inc. Obligated Group Detailed Statement of Operations

Year Ended June 30, 2014
(in thousands)

	Howard Young Health Care, Inc. (Corporate)	Howard Young Medical Center, Inc.	Eagle River Memorial Hospital, Inc.	Howard Young Eliminations	Total Howard Young Obligated Group
Operating revenue					
Net patient service revenue	\$ -	\$ 57,868	\$ 17,239	\$ -	\$ 75,107
Less provision for doubtful accounts	-	3,271	1,377	-	4,648
Net patient service revenue, less provision for doubtful accounts	-	54,597	15,862	-	70,459
Capitation revenue	-	-	-	-	-
Premium revenue	-	-	-	-	-
Other revenue	187	3,348	166	(292)	3,409
Income from unconsolidated entities	-	-	-	-	-
Net assets released from restrictions for operations	-	-	-	-	-
Total operating revenue	187	57,945	16,028	(292)	73,868
Operating expenses					
Salaries and wages	-	24,559	7,090	-	31,649
Employee benefits	-	7,486	2,135	-	9,621
Purchased services	-	3,426	1,068	(85)	4,409
Professional fees	-	2,526	1,116	-	3,642
Claims expense	-	-	-	-	-
Supplies	-	6,045	1,133	(93)	7,085
Insurance	-	276	79	-	355
Interest	-	481	308	-	789
Depreciation and amortization	63	3,379	1,203	-	4,645
Other	43	4,304	964	(114)	5,197
Total operating expenses before impairment, restructuring, and nonrecurring gains, net	106	52,482	15,096	(292)	67,392
Income from operations before impairment, restructuring, and nonrecurring gains, net	81	5,463	932	-	6,476
Impairment, restructuring, and nonrecurring gains, net	-	-	-	-	-
Income from operations	81	5,463	932	-	6,476
Nonoperating gains (losses)					
Investment return	-	7,640	1,143	-	8,783
Other	-	(71)	(75)	-	(146)
Total nonoperating gains, net	-	7,569	1,068	-	8,637
Excess of revenues and gains over expenses and losses	81	13,032	2,000	-	15,113
Less loss attributed to non-controlling interests	-	-	-	-	-
Excess of revenues and gains over expenses and losses attributable to controlling interest	\$ 81	\$ 13,032	\$ 2,000	\$ -	\$ 15,113

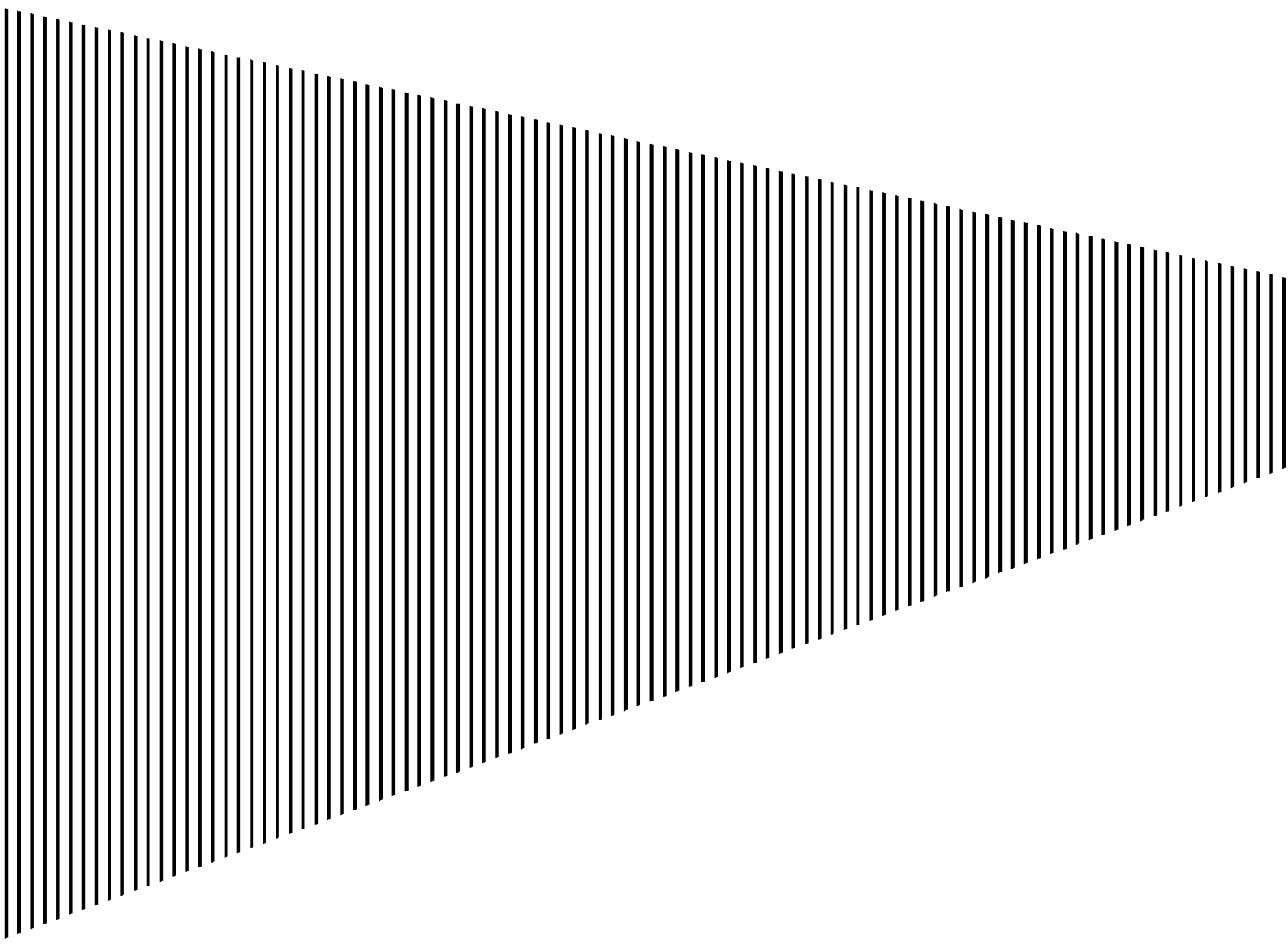
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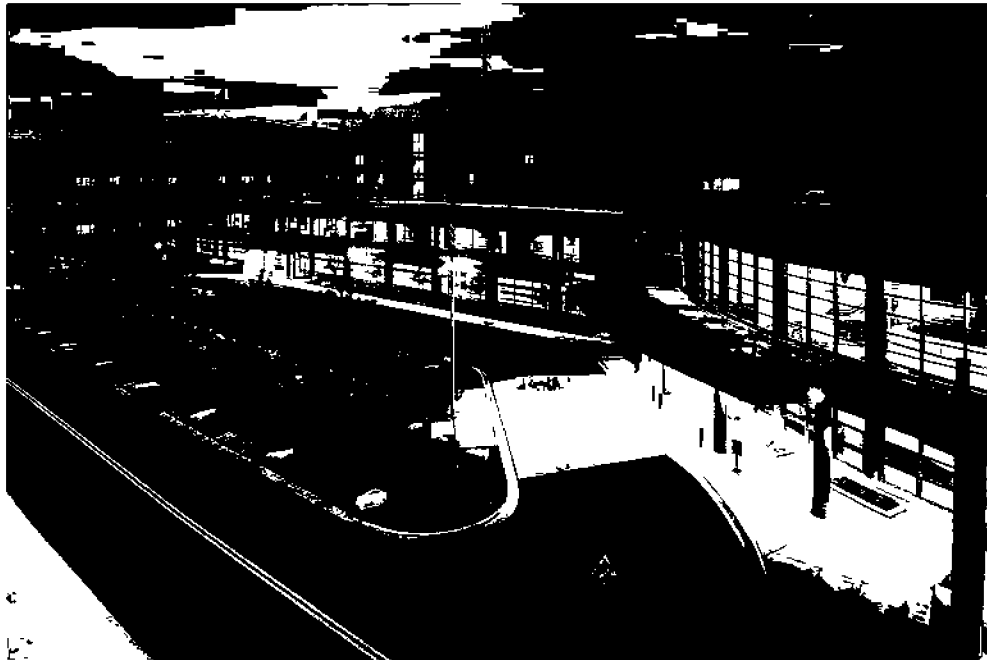
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Communities We Serve



1506 South Oneida Street, Appleton, Wisconsin 54915

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St. Elizabeth Hospital

Community Benefit Implementation Strategy

Fiscal Years 2013 – 2016

St. Elizabeth Hospital has been meeting the health needs of Outagamie County residents for more than 100 years. Founded by the Wheaton Franciscan Sisters in 1899 to serve the poor and sick, St. Elizabeth Hospital continues to carry out its mission “to further the healing ministry of Jesus by continually improving the health and well being of all people, especially the poor, in the communities we serve”

St. Elizabeth Hospital is a licensed, 332-bed hospital located in Appleton, Wisconsin, it is a member of Ministry Health Care. St. Elizabeth Hospital primarily serves Outagamie County, the Fox Cities and outlying rural communities, such as Kaukauna and Wrightstown, as identified by 80 percent of inpatient hospital discharges.

This report summarizes the plans for St. Elizabeth Hospital to sustain and develop new community benefit programs that 1) address prioritized needs from the Fiscal Year 2013 Community Health Needs Assessment (CHNA) conducted by St. Elizabeth Hospital, and 2) respond to other identified community health needs.

The overarching goal of St. Elizabeth Hospital’s community benefit and outreach is to respond to identified community health needs, increase access, improve health status, especially for the most vulnerable and underserved individuals and families in our community, and to be a leader and serve as an example to others in community service.

St. Elizabeth Hospital’s approach to community benefit and outreach is to target the intersection of documented unmet community health needs and our organization’s key strengths and mission commitments. We take prudent risks in developing innovative ideas and implementing responsive programs. We emphasize primary health care services, targeted health screening and promotion, and chronic disease prevention and management, especially for vulnerable and underserved persons, seniors and racial, ethnic and linguistic minorities.

St. Elizabeth Hospital seeks out and nurtures relationships with a broad range of collaborative partners to build community and organizational capacity. We strive to sustain an effective community benefit and outreach ministry by thoughtfully linking areas in which the hospital has a demonstrated clinical competence with unmet community needs.

For more than 100 years, St. Elizabeth Hospital has been a leader in providing quality health care to Fox Valley residents. The hospital’s humble beginnings started in an 11-room wood house converted by the Wheaton Franciscan Sisters. With a history rich in hope and compassion, St. Elizabeth Hospital’s mission is as relevant today as ever.

Today, the hospital meets a broad variety of patient needs through general care, surgical services and numerous medical specialties, including cardiology, oncology, pediatrics, emergency, intensive care and obstetrics. In 2012, there were 30,084 emergency department visits, 1,139 babies delivered and more than 237 skilled medical staff, 851 direct employees (approximately 1,030 FTEs, including corporate employees) and 407 volunteers. St. Elizabeth Hospital offers complete, compassionate, quality health care for the entire family.

Target Areas and Populations

While there is no precise definition of vulnerability, St Elizabeth Hospital's work focuses on people who don't have the same kind of opportunities to make healthy decisions as others, and whose opportunities for good health are compromised by insufficient education, inadequate housing, racism or low income. Examples include the homeless, limited income families and children, the uninsured, and ethnic minority groups

St Elizabeth Hospital utilized a breakthrough approach to assess their community need and strategically allocate resources, as one means to identify disparities. The Community Need Index (CNI) assisted St Elizabeth Hospital in understanding the public health needs of every zip code served in Outagamie County, the Fox Cities and outlying rural communities, which in turn helped to guide St Elizabeth Hospital in the development of community benefit programming

The CNI demonstrates the link between community need, access to care and preventable hospitalization for conditions that, if effectively diagnosed and managed, should be treatable in an outpatient setting. Residents of communities with the highest CNI scores are twice as likely to be hospitalized for manageable conditions — such as asthma, pneumonia, or congestive heart failure — as communities with the lowest CNI scores

The CNI for Outagamie County was used to further validate the identification of communities (by zip codes) that are the most socio-economically disadvantaged and thus most in need. Residents of these communities tend to have Disproportionate Unmet Health-Related Needs (DUHN). Lack of education or health care insurance, homelessness or transient lifestyles, no or limited access to quality health care, and high prevalence of conditions, such as diabetes, heart disease, obesity and substance abuse

With this tool, we can focus quickly on the areas of most need and devote more time and resources to planning interventions that can assure health issues are addressed in sufficient time, and in the most cost effective settings

How the Implementation Strategy Was Developed

St Elizabeth Hospital identifies unmet community health care needs in our community in a variety of ways. We used a range of quantitative and qualitative information based on review of health and quality of life data and interviews with community members and representatives of local agencies. We primarily utilized the following to assess community needs and the effectiveness of their response to these challenges: Community Commons, community forums, Community Need Index, County Health Rankings, Fox Cities LIFE Study, hospital and clinic utilization, Outagamie County Behavioral Risk Factor Surveillance System, Outagamie County Workforce Profile, Youth Risk Behavior Survey (YRBS), and other published data from reliable secondary sources

St Elizabeth Hospital participated in the CHNA processes that gathered input from both private and public Outagamie, Calumet and Winnebago County organization members including medical staff, nurses and administrators, clinic personnel; public health nurses and educators, behavioral health staff and leaders, health insurance-health management staff, elementary, high school and post high school educators, nurses and administrators, police and emergency personnel, child, women's, family and senior social services, as well as community members interested in the health needs assessment process

As an adjunct to the organization's Strategic Planning Process, community benefit and outreach planning derives input and guidance from the Community Benefit Council, as well as executive, management, and employees of the hospital. As a result, adjustments are made to programs and services.

Other stakeholders involved in the selection of priorities are those organizations with which our hospital provides support to for community benefit programs and outreach activities. Some include the Outagamie County Public Health Department, Appleton, Neenah and Menasha Health Departments, ThedaCare, and Community Health Action Team (CHAT).

Coalitions composed of individuals and groups committed to improving the identified health issues have been organized. Many coalition members were drawn from local committees and/or organizations engaged in the process to date, and other community residents are encouraged to step forward.

A Community Health Improvement Project (CHIP) form is completed for each strategy, relating to a health priority. The CHIP form consists of a program description, measurable outcome/metrics, budget information, the hospital's contribution/program expense, as well as strategies and asset inventory. An example of a completed CHIP form can be found in Appendix 1.

Identified Needs and How Priorities Were Established

St. Elizabeth Hospital strives to fulfill every element of our mission statement through actions, not just our words. Three community benefit and outreach themes, which emerged from the FY 2013-2016 planning process, framed the selected annual initiatives: 1) Play a lead role in building a better system of care for those without insurance and with limited access to health care; 2) Target low income and/or disadvantage populations and 3) Demonstrate value of community-based programs, processes and outcomes, and strengthen our leadership position in community benefit and outreach.

St. Elizabeth's Hospital recognizes that to have a meaningful impact on the populations we hope to help, we must consider how complex social factors such as poverty, education and housing affect people's health. These factors that lead to poor health are often referred to as the social determinants of health, and are documented by a significant body of research.

The focus of St. Elizabeth Hospital's community health implementation strategies are therefore based on overall determinants of health. The hospital is committed to developing partnerships with community-based organizations who share the hospital's goals to improve health, as well as advocating for policies that improve the health of whole populations equitably.

St. Elizabeth Hospital, in collaboration with a variety of internal and external stakeholders, undertook a structured approach to review public health data and conduct interviews of city and county residents and public health officials. This assessment resulted in a list of 23 health needs which were reviewed and discussed.

Community health leaders came to an agreement on a set of criteria (below) to evaluate the list of health needs identified through the CHNA process. Each member voted on their top three focus areas:

- Addresses/Impact "multi" health issues
- Addresses Disproportionate Unmet Health-Related Needs (DUHN)*
- Number of persons impacted by health issue (magnitude)
- To what extent (severity)
- Aligned with *Healthy Wisconsin 2020*

- Organizational “burning platform” to address the issue
- Community “burning platform” to address the issue
- Is it already being worked on? (i.e. who else is working on this? What is our role? Is it meaningful? How can we best complement/enhance an existing effort?)
- Likelihood of success (i.e. what is the track record to date on this approach? Are there adequate resources to implement this intervention strategy?)
- Evidence-based practice (EBV)
- Is it measurable?

*Disproportionate Unmet Health-Related Needs (DUHN) seek to accommodate the needs of communities/neighborhoods with socio-economic barriers that increase resident vulnerability to poorer health/health disparities

**Evidence-based practices (EBV) the practice of health care in which the practitioner systematically finds, appraises, and uses the most current and valid research findings as the basis for clinical decisions.

In addition to the above criteria, St. Elizabeth Hospital assessed the congruency and relevance of the health need to our mission, promise, values and strategic goals

The results of the prioritization processes identified three priority issues St Elizabeth Hospital to address in order to create a healthier community

- 1 Mental/behavioral health and substance abuse
- 2 Chronic disease management, including palliative care
- 3 Food, nutrition and exercise

Description of What St. Elizabeth Hospital Will Do to Address Community Needs

It is clear that the communities served by St Elizabeth Hospital have many health and quality of life areas that need attention and concerted effort to improve. The FY2013-16 St Elizabeth Hospital Implementation Plan is the beginning effort to address the most pressing needs. These needs will be addressed by the individual hospital, health and human service organizations within the community, as well as by the collaborative efforts by the organizations gathered to prioritize the most significant needs summarized in the needs assessment.

St Elizabeth Hospital seeks to improve the health of our community by empowering people with information, knowledge and awareness. While we cannot realistically address every issue, we strive to resolve those that most heavily affect our local community.

Using the results of the 2013 Community Health Needs Assessment, St Elizabeth Hospital has thoughtfully linked areas in which the hospital has a demonstrated clinical competence with unmet community needs.

Working collaboratively with community partners, St Elizabeth Hospital provides leadership and advocacy, stewardship of resources, assistance with local capacity building, and participation in community-wide health planning. Employees and leaders participate and chair a variety of collaborative committees throughout their service area, such as the Fox Valley Regional Community Health Improvement Coalition, Community Health Action Team (CHAT), Catalpa Health, Fox Valley Emergency Shelter, Healthy Weight of the Fox Valley, Northeastern Wisconsin Mental Health Connection, and S A N E (Sexual Assault Nurse Examiner) team. Our participation as a collaborative partner provides an opportunity to share information, resources and ideas, solve problems, identify options, and evaluate the success of our efforts.

In addition, St Elizabeth Hospital is committed to providing financial assistance to persons who have health care needs and are uninsured, underinsured, ineligible for a government program, or are otherwise unable to pay for medically necessary care based on their individual financial situations. St Elizabeth Hospital strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care.

St Elizabeth Hospital offers financial assistance to patients in Northeast Wisconsin because the hospital believes all patients deserve high-quality health care, regardless of their ability to pay. Financial assistance is not considered to be a substitute for personal responsibility, and patients are expected to cooperate with the hospitals' procedures for obtaining financial assistance and contribute to the cost of their care based on individual ability to pay.

Brochures announcing financial assistance are located in the emergency department, patient registration area, and at various locations throughout each facility for patient and family review. Every patient is given a financial assistance brochure upon admission. If admitted in an emergent manner, the patient information binder contains the financial assistance information. Each facility also has financial counselors on site to assist patients and their families upon discharge with bill resolution and applications for government sponsored insurance services. Individuals with financial capacity to purchase health insurance shall be encouraged to do so as a means of assuring access to health care services.

Action Plans

This important work is a fulfillment of our mission, which calls us to advocate for the underserved and partner with others in the community to improve the quality of life. Therefore, the implementation strategy is a collaborative effort by St. Elizabeth Hospital, Affinity Medical Group, ThedaCare, Aurora Health Care, Children's Hospital of Wisconsin, Fox Cities Community Health Center, Appleton, Neenah and Menasha city health departments, Calumet, Winnebago and Outagamie counties, Department of Health and Human Services, Division of Public Health, Fox Valley Regional Community Health Coalition and other community partners.

St Elizabeth Hospital strives to sustain an effective community benefit and outreach ministry by thoughtfully linking areas in which the hospital has a demonstrated clinical competence with unmet community needs. Below are the priority areas of focus and key community based programs of St Elizabeth Hospital. These needs will be addressed by the hospital itself and/or in collaboration with other community partners.

No single organization has the depth of resources needed to raise community health to an optimal level or even to maintain it at its current level. However, in collaboration with our community partners, St Elizabeth Hospital plans to address three of the identified community health needs by

Improve Access to/Affordability of Health Care

St Elizabeth Hospital strives to ensure that all community residents have timely and ready access to the full array of medical and behavioral health services required to maintain and improve their health, regardless of their ability to pay. Additionally, St Elizabeth Hospital continues to work on improving access to medical, social and mental health services while improving transitions of care across health care delivery system. Some of the ways we plan on doing this are

- Catalpa Health, a new joint venture between Affinity, ThedaCare and Children's Hospital of Wisconsin, reaffirming its promise to provide comprehensive outpatient pediatric mental health services

- St. Elizabeth Hospital Financial Advocates
- St. Elizabeth Hospital Transition of Care
- Fox Valley Community Health Center (community agency)
- 24/7 Sexual Assault Nurse Examiner (SANE) (community partnership)

Mental/Behavioral Health and Substance Abuse

St. Elizabeth Hospital is committed to improving access to and services related to mental and behavioral health, especially children, adolescents and the uninsured. St. Elizabeth Hospital will continue its collaboration with existing community providers and agencies to increase access, along with providing effective case management to link patients and their families to necessary resources. Some of the ways we plan on doing this are.

- Catalpa Health, a new joint venture between Affinity, ThedaCare and Children's Hospital of Wisconsin, reaffirming its promise to provide comprehensive outpatient pediatric mental health services.
- Northeastern Wisconsin Mental Health Connection, community coalition strengthening 24/7 crisis response, No Wrong Door, support school-based mental health and primary care support
- Emergency Shelter of the Fox Valley (community agency)
- Affinity Behavioral Health
- Rural Health Initiative (Outagamie County) (community partnership)

Chronic Disease Management, including Palliative Care

Certain patient populations require enhanced coordination of care, particularly because of the prevalence of chronic, co-morbid medical and behavioral conditions within a specific population. St. Elizabeth Hospital staff coordinates care across all levels. Some of the ways we plan on doing this are.

- Rural Health Initiative (Outagamie County) (community partnership)
- Affinity Health System's Palliative Care Program
- Northeast Wisconsin Immunization Coalition (community partnership)
- Network Health Case Management
- Affinity Visiting Nurses, a member of Ministry Home Care
- Affinity Health System Call It Quits (tobacco cessation)
- Affinity Medical Home clinics (family practice, internal medicine and pediatrics)
- Transition of Care
- Readmission prevention program
- Medical Home Model, disease case management

Food, Nutrition and Exercise

In collaboration with public health will be assisting in the promotion of wellness and prevention activities to ensure Outagamie County residents have an opportunity to live a healthy lifestyle. Some of the ways we plan on doing this are.

- Fox Valley Regional Community Health Coalition (community partnership)
- Fox Valley Healthy Weight (community partnership)
- Community Health Improvement Action Team (community partnership)
- National Bike Challenge – Fox Cities Cycling (community partnership)
- Fox Cities Well Cities (community partnership)
- Eat Smart (community partnership)
- Make it a Mile – St. Elizabeth Hospital Orthopaedics
- Medical Home Model, disease case management

These key strategies will be continually monitored for performance and quality with ongoing improvements to facilitate their success. The Affinity Board of Directors, hospital leadership and Affinity Community Benefit Council will receive quarterly updates on program performance.

Next Step for Priorities

For each of three priority areas listed above, St. Elizabeth Hospital will work with community coalitions and partners to

- Identify any related activities being conducted by others in the community that could be built upon
- Develop measurable goals and objectives to determine that the effectiveness of their efforts can be measured
- Build support for the strategies within the community and among other health care providers
- Develop detailed work plans - Affinity Community Health Improvement Plan (ACHIP)

Priority Needs Not Being Addressed and the Reasons

Fourteen other health issues were identified by the Community Health Needs Assessment process. Given the reasons indicated below, St. Elizabeth Hospital will not be focusing on these health needs at this time.

- Access to dental care - already being addressed by others in the community
- Low birth weights – already being addressed by others in the community
- Teen birth rate up – already being addressed by others in the community
- High cost of child care – hospital does not have the expertise to effectively address the need
- Increased gaps in care management for people with disabilities of all ages – already being addressed by others in the community
- Increase in low income students – hospital does not have the expertise to effectively address the need
- Decreased water quality – hospital does not have the expertise to effectively address the need
- Increased elder abuse – already being addressed by others in the community
- Increase in violent crime esp. drug-related – hospital does not have the expertise to effectively address the need
- Increased homelessness related to unemployment (more children) – insufficient resources (financial and personnel) to address the need
- Increased FoodShare recipients – insufficient resources (financial and personnel) to address the need
- Increased food insecurity and hunger – hospital does not have the expertise to effectively address the need
- Transportation challenges – hospital does not have the expertise to effectively address the need
- Availability of jobs with health care benefits – insufficient resources (financial and personnel) to address the need

While we will focus the majority of our efforts on the identified needs that are outlined in the prior section, we will review the complete set of priorities defined by FY2013 Community Health Needs Assessment (CHNA) process as they emerge to determine our response and make any adjustments. In addition, we will seek the advice of our external review group as we determine our FY2014 plans.

By definition the Community Health Needs Assessment and Planning process is a cyclical progression toward community health improvement. With the completion of the Community Health Implementation Plan, St. Elizabeth Hospital will move to the Action Phase. This part of the cycle consists of implementing and evaluating initiatives and interventions to reach measurable objectives.

St. Elizabeth Hospital staff members have already joined community coalitions and taskforces that will focus on each of the three priority health issues. Their next step will be to bring more community members "to the table" who will help set measurable objectives and select strategies to reach them.

Evaluation will remain foremost so that progress toward goals can be quantified.

The level of achievement will result from the commitment of the community coalitions and taskforce members. All residents and community and civic organizations are invited to join the effort. To become involved or for more information, contact St. Elizabeth Hospital Community Benefit and Outreach department at (920) 223-2308 or (920) 223-0543.

Lastly, St. Elizabeth Hospital's CHNA and Implementation plans are freely available to the public. We also widely distribute our annual community benefit report, which is posted on our website. We also provide a detailed narrative response to the supplemental questions on our Form 990 Schedule H submission to the Internal Revenue Service.

Approval

Annually, the Affinity Governing Board, which includes representatives from Outagamie County and the surrounding community will review the Community Benefit Health Needs Assessment of the prior fiscal year and approve the Community Benefit Implementation Strategy for addressing priorities identified in the most recent Community Assessment and other plans for community benefit. This report was prepared for the May 14th, 2013 meeting of the Governing Board.

Affinity Governing Board Approval

By Name and Title

Date

Community Health Improvement project (CHIP) PROGRAM OVERVIEW – Rural Health Initiative (Outagamie)

Affinity is committed to improving the health, well-being and quality of life of the communities we serve. The CHIP process is an ambitious and bold effort at community engagement for a common good (Justice). No single organization has the depth of resources needed to raise community health to an optimal level or even to maintain it at its current level. The CHIP process is based on the idea that through collaboration and synergy two plus two will equal a great deal more than four. Another important feature of CHIP is that the plan arises out of the community, which then has a greater investment in its implementation (*Teamwork*).

According to a survey conducted by the Shawano County UW Extension Office in 2004, the number one concern of county farmers was healthcare. Because of the lack of insurance combined with their independent nature, most farmers avoid health checkups and basic health care services only seeking care when absolutely necessary.

	A community needs assessment developed or accessed by the organization
X	Documentation that demonstrated community need or a request from a public agency or community group was the basis for initiating or continuing the activity or program
X	The involvement of unrelated, collaborative tax-exempt or government organizations as partners in the activity or programs.
	Disproportionate Unmet Health-Related Needs
X	Primary Prevention
	Seamless Continuum of Care
	Build Community Capacity
X	Collaborative Governance
X	Improve access to health care services, e.g. barrier (geographic financial or cultural) to access is reduced or eliminated, or out in the community providing service vs. the patient coming to you
	Enhance health of the community, e.g. Designed around public health goals or Yields measurable improvement in health
	Advanced medical or health care knowledge
	Relieve/reduce the burden of gov't or other community effect, e.g. enhanced public health dept activities or if the program were closed, cost to gov't or another tax-exempt org would increase.
The impact of the RHI since its inception includes	
<ul style="list-style-type: none"> • 1660 farm visits with an additional 640 phone encounters • 1948 health risk assessments providing critical health information and education (over 200 per year) • 670 referrals to health care providers • 266 detections of acute, potentially life-threatening conditions • 921 referrals to local agencies such as domestic abuse, financial services or insurance • More than 250 pieces of personal protective equipment provided to farm families • 10 farms piloted for "Certified Safe Farms" safety reviews • Hundreds of people reached at outreach community events 	
<ul style="list-style-type: none"> • Health Risk Assessment • Cholesterol screening • Blood pressure screening • Glucose screening • BMI measurement • Visits for education or consultation, standardized educational materials 	

RHI is a best practice model that brings a solid base of knowledge to other organizations wanting to replicate. Advantages of aligning with RHI include.

- 501c3 status
- Experienced Executive Director
- Established governance with Board of Directors
- Solid financial partners, ThedaCare
- Operational manual with processes in place
- Proven and recognized organization with multiple awards
- Data collection and shared objectives for evaluation
- Local, state, and national rural networks
- Reputable health risk assessment tool
- Strong funding strategies
- Buying power for supplies
- Efficient accounting system

- Shawano RHI
- Community support and collaboration
- Monetary contribution

The Rural Health Initiative (RHI) is a bridge to improve and sustain the health and safety of the farming community. The RHI is unique because of going to the farm, taking wellness to the kitchen table. RHI goes to the farm and meets with farm families about overall well-being. This includes prevention & referrals, and reduction of risks for physical health, emotional health, financial health and safety. The RHI was formed by grass-root organizations including healthcare, farmers, and agribusiness.

A three year pilot project (2003-2006) that launched the RHI plus five years of a governed organization (2007-2011) has been successfully completed. More than 320 farm families (640 individuals) have been visited by a part-time coordinator resulting in care to 40 percent of the farming population.

In addition to the local focus, RHI contracted with the Farmer's Health Cooperative of WI to perform their mandatory health risk assessments for all enrollees in their insurance plan. About 1,000 individual or agricultural workers throughout WI were screened by the RHI Wellness coaches in 2007-2008.

9 years

- Telephonic health coach provided if individual qualifies after HRA tool completed, for 1-9 sessions
- Proven 58 percent engagement rate

- 1 Lack of financial resources
- 2 Lack of human resources

See attached itemized budget

Total costs	\$69,400
Funds already obtained	The Rural Health Initiative total budget for three counties (Shawano, Waupaca and Outagamie) is \$185,000. Outagamie County has a budget of \$66,000. Affinity Health System made a donation of \$5,000 (Outagamie County only) for 2012. Additional 2012 funding obtained for RHI Outagamie include \$10,000 from ThedaCare, \$5,000 from New London Family Medical Center, \$12,500 from Community Health Action Team (CHAT), \$500 from personal donations, \$12,000 from Wisconsin Office of Rural Health (1 year grant ended in Sept), and \$3,000 from United Cooperative. A Basic Needs grant from the Community Foundation was secured for one year with the possibility of another one to two years. Partners that contribute annually are

	the sustainable collaborations we desire for a sustainable program.
Amount requested in this proposal	\$6,000
Funding Partners.	ThedaCare Physicians and three hospital systems, United Cooperative, Modern Dairy Systems, Agropur, Outagamie Farm Bureau, Fox Cities Credit Union, Caroline Implement, AgVentures, and Community Foundation Fox Cities
Community Benefit Category	E1 Cash Donation

- Improve access to health care, preventive services and community resources
- Increase health status awareness
- Increase incidence of healthy behaviors and reduce risk
- Improve occupational safety for farm families

Key objectives are

- Improve access to preventive services
- Increase health status awareness
- Improve access to community resources
- Improve access to health care
- Increase healthy behaviors and reduce risky behaviors
- Improve occupational safety for farm families

Key Metrics to measure those objectives are

- Number of home visits with interventions and progress reports
- Number of phone interventions
- Number of HRA's
- Number of health screenings
- Number of detected unmanaged chronic illnesses
- Number of detected acute cases
- Number of referrals to healthcare providers
- Number of referrals to other community services
- Number of farm families receiving safety education or equipment
- Improved annual HRA scores (shown in year 2 & 3)

RHI has a strong blueprint from their nine years of experience in Shawano County. We were aware that the first three years are mainly program development phases, the strategy is to build a community program with advisory members from all sectors, including healthcare, agriculture, business, government and academia. It takes time to bring awareness to the agricultural population. Awareness comes from community partners, especially the agricultural businesses and UW-Extension. Community involvement is key to the success of the program. It might look from the outside that a small number of people have been served. The numbers do not represent the work and commitment that was put into the initiative. The culture of farm workers is reluctance, a sort of wait and see attitude. Getting the word out to the rural population has its obstacles and we have learned that Outagamie County geographically appears to be like two counties in the agricultural world, very divided and segregated. RHI Outagamie needed to change staff and had an obstacle of not having the engagement of the farming community.

The first RN was able to go to 28 farms and complete 54 Health Risk Assessments, seeing sixty individuals total.

(2/7-10/4) Including follow up visits, she made 101 visits to farms. Of the 54 individuals, none had coverage for preventative coverage and all had financial needs due to high deductibles. Thirty-eight individuals were identified with elevated risks of blood pressure, glucose, or cholesterol levels. Twenty-three had pre-existing chronic conditions that were untreated. Educational interventions were a key part of the visits, individuals with risks were seen one to three times and were advised on diet and/or exercise changes. Twenty of the individuals completed a plan that changed their lifestyles to show corrective measures. Twenty-five were referred to healthcare providers.

The second RN has sustained the original 28 farm families and has seen an additional 22 homes totaling 50 farm families, more than 100 individuals' total. In two short months of seeing patients, she has seen 23 people, and has identified nine elevated cholesterol levels, four elevated blood pressures, six for obesity, and six for glucose intolerance, 13 for safety, and eight for mental health issues. Even though the number of people is small, the health and safety risks are high and would not have been identified if she had not made a home visit. This tells us that this is populations being missed that have serious health and safety situations. In addition to trying to get out to farms, since hired in August, she has gone to numerous agencies and has shared the program, learned the resources available to residents in Outagamie County, has gone through Agri-Safe training and hosted the advisory meetings. About 89 percent of farm families seen are underinsured due to high deductibles or preventative care not covered.

- \$6,000- times one year
- Affinity representative serving on the local advisory committee and task forces

Submitted by.	Julia E. Salomon
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Submitted date	February 2013
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AET Champion Signature:	Travis Andersen
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