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

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

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

Part IV

Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	Yes	
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	Yes	
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.		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	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.		
2b	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).	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		No
3b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.		
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)?		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?		No
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
5c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
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?		No
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	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?		No
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
7d	If "Yes," indicate the number of Forms 8282 filed during the year.		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
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?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
10a	Initiation fees and capital contributions included on Part VIII, line 12.		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	Section 501(c)(12) organizations. Enter		
11a	Gross income from members or shareholders.		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13a	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.		
13b	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.		
13c	Enter the amount of reserves on hand.		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

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	8	
	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	7	
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	The governing body?	8a	Yes
8b	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	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
11b	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	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
12c	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	The organization's CEO, Executive Director, or top management official	15a	No
15b	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	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <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. ▶Lex Anderson 1923 South Utica Avenue Tulsa, OK 71404 (918) 744-2740

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) Milann Siegfried Chairperson	60 3 70	X		X				0	0	0
(2) Lee Ellsworth Vice Chairperson	70 0 00	X		X				0	0	0
(3) Robert Farris Treasurer	2 30 0 00	X		X				0	0	0
(4) Joseph P Moran III Director	50 50	X						0	0	0
(5) Sr M Felicidad Chavez Director	40 00 0 00	X						0	0	0
(6) Sr M Anastasia Joseph Director	10 00 0 00	X						0	0	300
(7) Kenneth Setter MD Director	3 00 0 00	X						0	0	0
(8) Charles Anderson VP OP/Ex-Officio	42 90 90	X		X				543,250	0	42,282
(9) Bert W Walthall VP & CFO	40 00 0 00			X				296,218	0	42,055
(10) Pamela Kiser VP & CNO	46 20 0 00			X				254,732	0	25,768
(11) Kathleen C Smarinsky Vice President	40 40 0 00			X				257,985	0	47,768
(12) Lex Anderson Treasurer/Sr VP & CFO SJHS	20 46 00			X				0	630,463	12,798
(13) H William Allred VP of Med Affairs/Med Ed	46 20 0 00			X				541,433	0	13,506
(14) Jeffrey D Nowlin President & CEO	46 20 0 00			X				484,080	0	60,835
(15) Kevin Steck Corp Resp Off /Secretary	20 54 80			X				0	303,108	46,620
(16) David Lewis Transplant Admin	40 00 0 00					X		168,624	0	31,612
(17) Oliver D Hanson Chief Med Physicist	40 00 0 00					X		186,040	0	13,647

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) Tseggy Kharkhuu Physicist II	40 00 0 00					X		181,156	0	8,354
(19) Philip A Preston Dir Operations Improv	40 00 0 00					X		189,256	0	4,196
(20) Patricia A Wright Evans RN Dir Operating Room	40 00 0 00					X		169,618	0	9,093
(21) Jessie Dragoo Former Vice President - Nursing	0 00 0 00						X	130,622	0	16,925
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								3,403,014	933,571	375,759

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year		
(A) Name and business address	(B) Description of services	(C) Compensation
Parallon Workforce Mgmt Solutions LLC PO Box 742697 Atlanta GA 303742697	Clinical Staffing	6,797,094
In His Image Inc PO Box 1191 Tulsa OK 74101	Educational Seminars	5,304,895
University of Oklahoma 4502 E 41st St Tulsa OK 74135	Resident Education	2,787,774
Siemens Healthcare Diagnostics PO Box 121102 Dallas TX 753121102	Diagnostic Products (Sch O)	2,752,705
Manhattan Construction Company 5601 S 122nd East Ave Tulsa OK 74146	Construction (Sch O)	2,486,434
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 181		

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	3,640,083				
	e	Government grants (contributions) 1e	22,400				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	8,122,129				
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f	11,784,612				
Program Service Revenue	2a	Net Patient Revenue	Business Code 621990	506,315,932	506,315,932		
	b	Fitness/Wellness/Edu	900099	3,365,246		3,365,246	
	c	Trauma Care Assistance	612990	3,150,931	3,150,931		
	d	Prescription Sales	410001	787,244		787,244	
	e	Medical Records	621990	205,415		205,415	
	f	All other program service revenue		529,191		529,191	
	g	Total. Add lines 2a-2f	514,353,959				
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	721,638			721,638
4		Income from investment of tax-exempt bond proceeds					
5		Royalties					
6a		Gross rents	(i) Real 589,366	(ii) Personal			
		b	Less rental expenses	0			
		c	Rental income or (loss)	589,366			
		d	Net rental income or (loss)	589,366			589,366
7a		Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other 15,602,955			
		b	Less cost or other basis and sales expenses	1,400,533	293,403		
		c	Gain or (loss)	-1,400,533	15,309,552		
		d	Net gain or (loss)	13,909,019			13,909,019
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	Food Service	721000	3,114,748			3,114,748	
b	Miscellaneous Income	900099	107,618			107,618	
c							
d	All other revenue						
e	Total. Add lines 11a-11d	3,222,366					
12	Total revenue. See Instructions	544,580,960	509,466,863	0		23,329,485	

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.	6,037,691	6,037,691		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	41,267	41,267		
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.				
4	Benefits paid to or for members.				
5	Compensation of current officers, directors, trustees, and key employees.	2,647,306	2,286,614	360,692	
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.	186,805,035	151,113,519	35,691,516	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	5,327,531	5,284,655	42,876	
9	Other employee benefits.	19,194,773	18,855,727	339,046	
10	Payroll taxes.	10,579,300	10,327,641	251,659	
11	Fees for services (non-employees):				
a	Management.	147,766		147,766	
b	Legal.	563,140		563,140	
c	Accounting.	77,501		77,501	
d	Lobbying.	19,696		19,696	
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).	63,696,361	62,802,354	894,007	
12	Advertising and promotion.	370,940	365,880	5,060	
13	Office expenses.				
14	Information technology.	2,829,900	1,108,276	1,721,624	
15	Royalties.				
16	Occupancy.	6,048,057	5,970,268	77,789	
17	Travel.	404,706	377,765	26,941	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.				
20	Interest.	11,908,431	11,908,431		
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	17,612,790	8,635,003	8,977,787	
23	Insurance.	2,836,922		2,836,922	
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	Supplies.	121,768,598	120,221,907	1,546,691	0
b	Oklahoma's SHOPP Fee.	11,743,949	11,743,949	0	0
c	Equipment Rental-Lease.	2,692,085	2,692,085	0	0
d	Repairs and Maintenance.	1,413,377	1,413,377	0	0
e	All other expenses.	2,971,386	3,033,195	-61,809	
25	Total functional expenses. Add lines 1 through 24e.	477,738,508	424,219,604	53,518,904	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)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		7,583,122	2	12,879,580
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		72,301,337	4	71,381,933
	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		11,862,348	8	12,843,636
	9	Prepaid expenses and deferred charges		562,863	9	234,634
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	223,188,315		
	b	Less accumulated depreciation	10b	21,043,932	194,834,037	10c 202,144,383
	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		76,083,159	13	16,131,288
	14	Intangible assets		1,152,043	14	1,663,248
	15	Other assets See Part IV, line 11		9,576,312	15	40,985,850
	16	Total assets. Add lines 1 through 15 (must equal line 34)		373,955,221	16	358,264,552
Liabilities	17	Accounts payable and accrued expenses		48,258,175	17	36,035,231
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		241,248,703	25	247,952,474
	26	Total liabilities. Add lines 17 through 25		289,506,878	26	283,987,705
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		33,252,652	27	72,692,518
	28	Temporarily restricted net assets		51,195,691	28	1,584,329
	29	Permanently restricted net assets			29	0
	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		84,448,343	33	74,276,847
	34	Total liabilities and net assets/fund balances		373,955,221	34	358,264,552

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	544,580,960
2	Total expenses (must equal Part IX, column (A), line 25)	2	477,738,508
3	Revenue less expenses Subtract line 2 from line 1	3	66,842,452
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	84,448,343
5	Net unrealized gains (losses) on investments	5	
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	-77,013,948
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	74,276,847

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

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 John Medical Center Inc	Employer identification number 73-0579286
--------------------------------------------------------	----------------------------------------------

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	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	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 John Medical Center Inc	Employer identification number 73-0579286
--------------------------------------------------------	----------------------------------------------

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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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			19,696
	j Total Add lines 1c through 1i				19,696
	2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No		
b If "Yes," enter the amount of any tax incurred under section 4912					
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912					
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?					

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

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

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
St John Medical Center Inc

Employer identification number
73-0579286

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
- 1b

If "Yes," explain the arrangement in Part XIII and complete the following table

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

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

☐ Yes

☐ No
- 2b

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	10,000,000	10,000,000	10,012,212	10,261,160	10,610,000
1b Contributions					
1c Net investment earnings, gains, and losses			136,854	106,052	201,160
1d Grants or scholarships					
1e Other expenditures for facilities and programs			149,066	355,000	550,000
1f Administrative expenses					
1g End of year balance	10,000,000	10,000,000	10,000,000	10,012,212	10,261,160

- 2

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

a

Board designated or quasi-endowment

0 %

b

Permanent endowment

100 000 %

c

Temporarily restricted endowment

0 %

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

3a

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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

b

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

3b

Yes

4

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

Part VI

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

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		10,082,018		10,082,018
1b Buildings		158,779,939	9,272,279	149,507,660
1c Leasehold improvements		138,383	10,823	127,560
1d Equipment		52,000,247	11,674,195	40,326,052
1e Other		2,187,728	86,635	2,101,093
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				202,144,383

Schedule D (Form 990) 2013

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

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

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

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

Part XIII Supplemental Information

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

Return Reference	Explanation
Part V, Line 4	The "Chapman Fund for Uncompensated Care" endowment was created to underwrite medical services for the uninsured and underinsured residents of the Tulsa Metropolitan Area. Funds are held and administered by St. John Health System Foundation, Inc. on behalf of St. John Medical Center, Inc.
Part X, Line 2	From the consolidated audited financial statements of St. John Health System, Inc., which includes the activity of St. John Medical Center, 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 taken or expected to be taken in a tax return.

[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 John Medical Center Inc

Employer identification number
73-0579286

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 checked="" 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 type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>30000 0000000000 %</u> b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care <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)			21,340,616	3,150,931	18,189,685	3 810 %
b Medicaid (from Worksheet 3, column a)			46,002,695	43,099,040	2,903,655	0 610 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . .						
d Total Financial Assistance and Means-Tested Government Programs . .			67,343,311	46,249,971	21,093,340	4 420 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			3,998,310		3,998,310	0 840 %
f Health professions education (from Worksheet 5)			16,519,457	2,454,500	14,064,957	2 940 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total Other Benefits			20,517,767	2,454,500	18,063,267	3 780 %
k Total . Add lines 7d and 7j . .			87,861,078	48,704,471	39,156,607	8 200 %

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						0 %
2Economic development						0 %
3Community support						0 %
4Environmental improvements						0 %
5Leadership development and training for community members						0 %
6Coalition building						0 %
7Community health improvement advocacy						0 %
8Workforce development						0 %
9Other						0 %
10Total						

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1Did the organization report bad debt expense in accordance with Healthcare 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

8,331,672

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

191,280,938

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

6

213,646,266

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

7

-22,365,328

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				

Section A. Hospital Facilities

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

Schedule H (Form 990) 2013

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group

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

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 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 Narrative</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 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 300 00000000000000% If "No," explain in Part VI the criteria the hospital facility used	10	Yes
11	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 00000000000000% If "No," explain in Part VI the criteria the hospital facility used	11	Yes
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	12	Yes
a	<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 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 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 checked="" 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 6a	The Hospitals are wholly-owned (wholly-sponsored) subsidiary of St John Health System, Inc - EIN 73-1215174 - ("SJHS") SJHS prepared a consolidated community benefit report for the consolidated organization for this tax year The report is made available on demand and is referenced by the Organization in a number of public meetings and community outreach activities

Form and Line Reference	Explanation
Part I, Line 7	Costs were determined using a cost to charge ratio derived from Worksheet 2, Patient Care Cost to Charges

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 John Medical Center, 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 St John Health System, Inc , which includes the activity of St John Medical Center, Inc The provision for doubtful accounts is based upon management's assessment of expected net collections considering economic conditions, historical experience, trends in health care coverage, and other collection indicators Periodically throughout the year, management assesses the adequacy of the allowance for doubtful accounts based upon historical write-off experience by payor category, including those amounts not covered by insurance The results of this review are then used to make any modifications to the provision for doubtful accounts to establish an appropriate allowance for doubtful accounts After satisfaction of amounts due from insurance and reasonable efforts to collect from the patient have been exhausted, the Health Ministry follows established guidelines for placing certain past-due patient balances with collection agencies, subject to the terms or 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 fiscal year</p>

Form and Line Reference	Explanation
Part III, Line 8	St John Medical Center, Inc follows 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	The Organization has a written debt collection policy that also includes a provision on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance If a patient qualifies for charity or financial assistance, certain collection practices do not apply

Form and Line Reference	Explanation
Part VI, Line 2	<p>The Hospitals conducted a Community Health Needs Assessment jointly with its parent entity - SJHS. SJHS participates in ongoing community-based needs assessments. Some of the most significant recent activity includes commissioning of a Community Health Needs Assessment and plan for improving community health care conducted by the Tulsa County Health Department and released in 2013. The 2013 assessment has been posted to the Hospitals and Health System websites: www.sjmc.org. Many major community health care service organizations participated in these studies. In addition to the above, SJHS through its subsidiary, St. John Medical Center, Inc., has established a Medical Access Program ("MAP") that is attempting to improve and expand access to health care services to the most vulnerable members of the Tulsa community. All SJHS Tulsa Hospitals including St. John Sapulpa, Inc., St. John Broken Arrow, Inc., Owasso Medical Facility, Inc., and St. John Medical Center, Inc. participate in this initiative. This program is overseen by representatives of St. John, the George Kaiser Family Foundation, trustees of the Chapman trusts and The University of Oklahoma Tulsa School of Community Medicine. The MAP program includes participation of other health care providers including Good Samaritan Clinics, Day Center for the Homeless, Community Health Connections FQHC, Morton Health FQHC, and a network of volunteer physician providers and other organizations. The MAP program regularly receives input from all these organizations on needed services in the community which helps to prioritize the limited resources available to address community needs.</p>

Form and Line Reference	Explanation
Part VI, Line 3	The Hospitals have a team of financial counselors who, prior to discharge, attempt to visit in person with all uninsured inpatients and all inpatients likely to qualify for medical indigency to explain our financial assistance policies and help guide them through the process of applying for financial assistance. We also attempt to meet with all the families of all Medicaid beneficiaries or individuals who we believe could potentially qualify for Medicaid to help them apply for coverage. The Hospitals mention the existence of the Financial Assistance Policy and provides a phone number to call on its website, in admitting materials, on all invoices for services sent to patients, and in other ways.

Form and Line Reference	Explanation
Part VI, Line 4	<p>As described above, the Hospitals are part of St John Health System, Inc ("SJHS") Although SJHS provides a full spectrum of health related services throughout Northeastern Oklahoma, its tertiary operations and a large part of its other services are concentrated in the Tulsa Metropolitan Statistical Area (the "Tulsa MSA") According to the 2010 Census, the State of Oklahoma had a resident population of 3,751,351 persons compared to 3,450,654 persons in 2000 This is an 8 7% increase The U S Census Bureau estimated that in 2009 13 5% of the Oklahoma resident population was eligible for Medicare, compared to 14 7% in 2000 Tulsa County, Oklahoma and the counties that make up the Tulsa MSA, according to the 2010 Census, had populations of 603,403 and 1,008,460, respectively This compares to populations of 563,299 and 803,235 persons, respectively in 2000 and represents population growth of 7 1% and 25 5%, respectively The data shows that the counties in the Tulsa MSA that surround Tulsa County grew much faster from 2000 to 2010 At the same time, the population within Tulsa County shifted away from the city of Tulsa and to suburbs such as Owasso and Broken Arrow The cities of Broken Arrow and Owasso were two of the fastest growing communities in Oklahoma between 2000 and 2010 The population of the city of Owasso grew 56% to 28,915 from 2000 to 2010 and the population of the city of Broken Arrow grew 32% to 98,850 from 2000 to 2010 Wagoner County (southeast of Tulsa) and Rogers County (northeast of Tulsa) showed the two highest population growth rates from 2000 to 2010 Every county in the 8 county Tulsa MSA except Pawnee County grew in population from 2000 to 2010 Washington County, directly north of Tulsa County and which includes the city of Bartlesville (and Jane Phillips Memorial Medical Center), also grew in population from 2000 to 2010 When the population of Washington County is added to the population of Tulsa County, the 2010 combined population was 1,059,436 There is significant disparity in the general health of populations within the service area depending upon where an individual lives and to what socioeconomic and ethnic group they belong Citizens who reside in "North" Tulsa and in some areas of "East" and "West" Tulsa generally have poorer health and shorter life spans than individuals who live in "South" Tulsa Members of minority groups (many of whom reside in the geographic areas described above) share these same health characteristics It has been demonstrated that these individuals have less access to regular health care services, including specialty care and many seek even their primary care in hospital emergency rooms, including all of the SJHS Hospitals Some significant minority groups in the Hospitals' and SJHS's principal service area include Native Americans, Hispanics and African Americans Each of these groups shares common socioeconomic challenges making them more likely to be poor and be uninsured for health care Each of these groups has unique ethnic health risk factors that contribute to health status that is generally poorer than their White counterparts However, even among the White population in the Hospital's service area, there is significant adverse health care status Oklahoma (including the Hospitals' service area) ranks near the bottom in many if not most measures of health status in the U S There are high rates of smoking, diabetes, obesity, upper respiratory illness, chronic heart conditions and many other factors There are high rates of uninsured and underinsured individuals and families in the communities and geographies served by the Hospital which create many challenges in meeting the demand for basic services and in improving the health status of the population</p>

Form and Line Reference	Explanation
Part VI, Line 5	<p>St John is a growing integrated delivery system that serves Northeastern Oklahoma and the surrounding area. It has grown significantly in recent years, with increasing revenues from outpatient and physician professional services as well as other post-acute services. Acute care services are provided on six hospital campuses that are owned by St John. The owned hospitals are St John Medical Center, Inc. (the tertiary center in Tulsa, Oklahoma), Jane Phillips Memorial Medical Center in Bartlesville, St John Owasso in Owasso, Oklahoma, St John Broken Arrow, Inc., St John Nowata Hospital, Inc., a critical access hospital in Nowata, Oklahoma, and St John Sapulpa, Inc., a critical access hospital in Sapulpa, Oklahoma. Acute care services are also provided at two additional rural critical access hospitals which are owned or managed by Jane Phillips. Diagnostic services and certain acute care services are also provided in a variety of free standing (including hospital-based) settings. The St John System now includes more than 450 employed physicians and "mid-level providers", and several urgent care clinics, as well as retirement and skilled nursing facilities including some targeted specifically to serve low-income and physically disabled individuals) and other health care providers. St John is attempting to promote community health in several ways. Most of the affiliated primary care physicians have or are establishing "medical home" models of care that are attempting to improve health status of their patients by better emphasizing preventive care and health screening and by better management of chronic disease. This includes participation in the Medicare Comprehensive Primary Care Initiative. The affiliated primary care physicians utilize a sophisticated electronic medical record that helps provide real time information to make it easier to manage patients' care. The Hospitals and the other hospitals in the system have invested heavily in clinical information systems and electronic medical records to better manage patient care during each episode of acute care. St John is investing in new systems of care to provide better coordination of care between all the different providers responsible for portions of each patient's care with an emphasis on prevention, screening and coordination of chronic care. The Hospitals and SJHS have invested in tertiary services that are needed by the community. Examples of which include development of Oklahoma's only ACS Level II Trauma Center (the highest accredited center in Tulsa), Northeastern Oklahoma's only JCAHO-accredited stroke center, neonatal intensive care, sophisticated medical technology including all-digital diagnostic radiology, cyberknife and other forms of radiation therapy, DaVinci robotic surgery, an endovascular operating suite, orthopedic and neurosurgical centers of excellence, sophisticated cardiovascular care that emphasizes rapid and effective intervention for heart attack victims and preventive care for those with chronic heart conditions. The Hospitals have an open medical staff and has community, religious and physician representatives serving on its board. SJHS has created and is continuing to create systems and policies to promote better coordination of care and allocation of resources throughout the System. The Hospitals participate in many community-wide health screening and health education events as well as hosting many such events that are open to the public. The Hospital and SJHS continue to invest in medical education to support the expansion of physicians, nurses and allied health professionals that will serve the current and future generations of patients in the service area. The Hospitals participate in SJHS's coordinated effort to assess community need collaboratively with other interested parties in the community and to allocate capital and human resources to address the needs of the entire service area. Finally as one of only two major tax-exempt health systems in our service area, St John reinvests 100% of any profits generated into new or expanded services for the community.</p>

Form and Line Reference	Explanation
Part VI, Line 6	<p>St John Health System, Inc ("St John" or "the Health Ministry") is a member of Ascension Health. St John became a member of Ascension Health on April 1, 2013. 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. Louis 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. Until April 1, 2013, St John Health System, Inc. was a wholly owned subsidiary of Marian Health System, Inc. ("Marian"). Effective April 1, 2013, Marian transferred its ownership of St. John to Ascension whereby St. John Health System, Inc. became a subsidiary of Ascension Health. The transaction was a membership substitution transaction, such that Ascension Health became the sole member of St. John, holding essentially the same reserved powers over St. John as Marian previously held. The transfer of ownership has been accounted for as a purchase. As such, on April 1, 2013, the assets and liabilities of St. John were adjusted to estimated fair market value. Also as a result of this transaction, St. John adopted a June 30 fiscal year for financial reporting purposes from its previous September 30 fiscal year. Due to the adjustment of asset and liability values to fair market value on April 1, 2013, the accompanying consolidated financial statements as of and for the year ended June 30, 2014, are not presented with comparative prior year information. St. John, headquartered in Tulsa, Oklahoma, and with facilities located throughout Northeastern Oklahoma is an Oklahoma nonprofit health system. It owns and operates an integrated tertiary health care delivery system that provides services primarily in Northeastern Oklahoma. St. John Health System, Inc. and its subsidiaries, affiliates, and employed and affiliated physicians, provide health care services for patients of all ages across a broad continuum of care, from physician primary care and specialty services to ambulatory and inpatient acute and post-acute services, and including senior nursing and senior living services. 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 accompanying consolidated financial statements includes the accounts of St. John Health System, Inc. and its subsidiaries. Principal subsidiaries as of June 30, 2014, include the following - St. John Medical Center, Inc. - Jane Phillips Memorial Medical Center- Owasso Medical Facility, Inc. - St. John Broken Arrow, Inc. - St. John Health System Foundation, Inc. - St. John Villas, Inc. - St. John Sapulpa, Inc. - Jane Phillips Nowata Hospital, Inc. - St. John Building Corporation- Utica Services, Inc. and subsidiaries- SJFI, LLC. 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 represents the unpaid cost of services provided to persons covered by public programs for the persons living in poverty and other vulnerable persons - Cost of other programs for the persons living in poverty and other vulnerable persons includes 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 per</p>

Form and Line Reference	Explanation
Part VI, Line 6	sons 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 persons living in poverty and other vulnerable persons, 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 traditional charity care provided, determined on the basis of cost, was approximately \$32,442,000 for the year ended June 30, 2014

Form and Line Reference	Explanation
Community Benefit Report	<p>St John Health System, Inc 's (the "St John System" or "St John") mission is to improve the health status of the individuals who live in the communities we serve with a special emphasis on the poor and vulnerable among us, faithful to the teaching of Jesus Christ and the values of our Sponsors and the Catholic Church. Our promise to our patients and to our communities is to provide medical excellence and compassionate care. We strive to provide healthcare that works, healthcare that is safe and healthcare that leaves no one behind. To meet this mission the St John System has operated since the 1920's, growing from a fledgling community hospital in what was then the southern edge of Tulsa, Oklahoma to an integrated health care delivery system serving Northeastern Oklahoma and surrounding states. The St John System includes 7,000 associates, 450 employed physicians and advanced practice providers, hundreds more independent physicians and dozens of volunteers. They serve patients in six owned hospitals operating nearly 800 beds, several senior nursing and housing facilities, dozens of physician offices, clinics and urgent care centers, a reference laboratory, and partnerships and ventures that include a health insurance company, several ambulatory surgery centers and other health care activities. Together, our associates, physicians and volunteers touch the lives of thousands of patients every day, including the poor and the vulnerable. In each of the last four fiscal years, the St John System provided total estimated community benefit (utilizing the measurement criteria of the U.S. Catholic Health Association) of more than \$81.1 million. These amounts represented more than 8% of total operating expenses in each year. The St John System is committed to continue the legacy of health care excellence and service started by our original founders and sponsors the Sisters of the Sorrowful Mother by continuing to provide vital services to the communities with continued emphasis on service to the poor and powerless. Our Mission and Values. Our mission of service and our Catholic values compel us to fulfill our promise of medical excellence and compassionate care to all who need our services with a special emphasis on service to the poor and the powerless. We will do this by providing healthcare that works, healthcare that is safe, and healthcare that leaves no one behind. We will endeavor to establish trusted relationships with our patients over their entire lives seeking to improve their health and working to heal their minds and bodies when afflicted by injury or illness. Healthcare that Works. Our vision calls us to ensure service that is committed to health and well-being for our communities and that responds to the needs of individuals throughout their lives. Healthcare that Works includes establishing a trusted relationship between each patient and their health care professionals so that they receive the care they need, including preventative care, when they need it and in a manner that meets their service expectations. We expect our patients to be actively involved in their own healthcare participating in informed decisions that will strive to make them healthier. Healthcare that works assumes that the care provided is person-centered and based on the best available medical evidence, reliably delivered. Becoming truly person-centered requires shifts in focus from traditional models of healthcare to build an effective and trusted relationship with each patient over their lifetime across the continuum of care emphasizing prevention and wellness, disease management, and a medical home that promotes a spiritually-centered, holistic approach to supporting a person's health and well-being. Healthcare that works strives to make sure the value of the care received is exceptional but at an acceptable economic cost both to the individual and to society. Healthcare that is Safe. St John is striving to become a "high reliability" organization. High reliability means that we will be exceptionally consistent in accomplishing goals and avoiding catastrophic errors in everything we do. In providing healthcare services, this means reducing medical errors by providing our clinicians and our patients with decision support tools to ensure the care provided is consistently based on sound scientific evidence of effectiveness. Physicians and nurses are leading our quality efforts. Among our clinical areas of focus for improvement are goals to reduce hospital acquired conditions and hospital readmissions. Some specific areas of clinical focus include reducing - Adverse Drug Events (ADE),- Catheter Urinary Tract Infections (CAUTI),- Central Line Blood Stream Infections (CLABSI),- Surgical Site Infections (SSI),- Ventilator Associated Pneumonia (VAP),- Injuries from Falls and Immobility,- Obstetrical Adverse Events,- Pressure Ulcers, and- Venous Thromboembolism (VTE). Healthcare that Leaves No One Behind. We will continue</p>

Form and Line Reference	Explanation
Community Benefit Report	<p>to advocate for state and federal public policy that recognizes the inherent value of all members of society and provides support systems and adequate funding sources to ensure all of those among us have access to the health care they need. This includes providing affordable access to health care for everyone in the U.S. in a financially sustainable way.</p> <p>Our Enabling Strengths We will use our enabling strengths to achieve our mission and vision. Those strengths include:</p> <ul style="list-style-type: none"> a model community of inspired people working to provide our services and achieve our mission, empowering knowledge clinical and business information systems that provide our associates actionable, timely data and information upon which they can make informed decisions, the creation of trusted partnerships with external partners to expand our capabilities, complement our service offerings and fulfill our mission, and achieving vital presence in the communities we serve. <p>This vital presence contemplates creation and continuation of important safety net services, world-class centers of clinical excellence and creation of medical homes that promote each individual's participation in their own health and well-being and which create and sustain the infrastructure for promoting healthy communities.</p> <p>Our Point of View Health care delivery and financing in the U.S. must change. The cost of the current system relative to the value that communities and individuals are receiving is not sustainable. In order to meet the health care needs and contribute to economic vitality of communities, with special attention to the poor and vulnerable, health care providers must fundamentally reconfigure delivery systems, care processes and cost structures.</p> <p>Delivering safe, high-quality care that is low cost with an exceptional patient experience will increasingly require providers to have a strong regional presence, integrated physician relationships and capabilities across the care continuum.</p> <p>Sustaining the St. John mission into the future will require a more continuous, dynamic relationship with those we serve and the ability to share risk with healthcare purchasers, as opportunities for inpatient growth or commercial rate increases will be limited. The movement to managing health of defined populations demands massive transformational change. This requires rapid assessment, assembly and deployment of the necessary capabilities.</p> <p>We believe the St. John System is well positioned to lead this transformation.</p> <p>Community Needs Assessment The St. John System and each St. John Hospital have completed a Community Health Needs Assessment to help us identify the priorities for the limited resources we have to address community need. We partnered with the Tulsa County Health Department, other public and private health care, educational and community service organizations throughout the service area to complete the assessments and we are now working to enhance our response to the identified needs. Additional information will be forthcoming about our specific future responses to our assessment of community need.</p> <p>Community Benefit The community benefit provided by the St. John System includes:</p> <ul style="list-style-type: none"> uncompensated care for the poor, support for the education of medical professionals, provision of subsidized health services, support for other community organizations, initiatives to improve community health, and medical research to be some of the key areas of focus for providing community benefit. <p>The St. John System does not include amounts recorded as bad debt, shortfalls in the difference between payment for and cost of service to Medicare beneficiaries, payment of property, sales, use, income, payroll, and other taxes, considerable economic value provided to the local communities in which we operate as components of community benefit.</p> <p>Care for the Poor "Care for the Poor" (which includes the estimated cost of services provided to patients who qualify for financial assistance (charity) and the uncompensated cost</p>

Additional Data

Software ID:

Software Version:

EIN: 73-0579286

Name: St John Medical Center Inc

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

Form and Line Reference	Explanation
Part V, Section B	Facility Reporting Group A

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

Form and Line Reference	Explanation
Facility Reporting Group A consists of	- Facility 1 St John Medical Center, Inc , - Facility 2 St John Dialysis, LLC, - Facility 3 St John Home Care, LLC

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

Form and Line Reference	Explanation
Facility 1 -- St John Medical Center, Inc Part V, Section B, line 3	The Tulsa County Health Departmet led the completion of the Community Health Needs Assessment The determination of priority needs was based on research findings, and priorities were developed in collaboration with many other stakeholders, including other hospitals, community service agencies, state and local leaders, interested philanthropists, universities and associated medical schools, and other parties, including public health experts and representatives of the communities served In addition, the Tulsa County Health Department's research included randomly selected households for one on one interviews and some "county resident" focus groups St John sits on a Pathways to Health Steering Committee and Working Group to coordinate and direct community health activities in the service area

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

Form and Line Reference	Explanation
Facility 1 -- St John Medical Center, Inc Part V, Section B, line 4	The other hospital facilities with which the reporting Hospital facility conducted its CHNA, include St John Broken Arrow, Inc Owasso Medical Facility, Inc St John Sapulpa, Inc Jane Phillips Memorial Medical Center (Bartlesville)Jane Phillips Nowata Hospital, Inc

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

Form and Line Reference	Explanation
Facility 1 -- St John Medical Center, Inc Part V, Section B, line 7	The Hospital facility's Implementation Strategy is listed on the following website http //www.stjohnhealthsystem com/about/community-needs-health-assessment

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

Form and Line Reference	Explanation
Facility 1 -- St John Medical Center, Inc Part V, Section B, line 14g	Signs are posted in waiting rooms and at the admissions offices to notify patients that the Hospital has a Financial Assistance Policy In addition, every billing statement, the Hospital's website, and admission packets include information regarding the Financial Assistance Policy The Policy is provided at the request of the patient

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

Form and Line Reference	Explanation
Facility 1 -- St John Medical Center, Inc Part V, Section B, line 20d	St John Medical Center, Inc provides a 30% discount on gross charges and a 15% prompt pay discount to all uninsured patients Patients who are determined to be eligible for financial assistance receive an additional charity care discount equal to 100% of the remaining amount due

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

Form and Line Reference	Explanation
Facility 2 -- St John Dialysis, LLC Part V, Section B, line 3	The Tulsa County Health Departmet led the completion of the Community Health Needs Assessment The determination of priority needs was based on research findings, and priorities were developed in collaboration with many other stakeholders, including other hospitals, community service agencies, state and local leaders, interested philanthropists, universities and associated medical schools, and other parties, including public health experts and representatives of the communities served In addition, the Tulsa County Health Department's research included randomly selected households for one on one interviews and some "county resident" focus groups St John sits on a Pathways to Health Steering Committee and Working Group to coordinate and direct community health activities in the service area

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

Form and Line Reference	Explanation
Facility 2 -- St John Dialysis, LLC Part V, Section B, line 4	The other hospital facilities with which the reporting Hospital facility conducted its CHNA, include St John Broken Arrow, Inc Owasso Medical Facility, Inc St John Sapulpa, Inc Jane Phillips Memorial Medical Center (Bartlesville)Jane Phillips Nowata Hospital, Inc

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

Form and Line Reference	Explanation
Facility 2 -- St John Dialysis, LLC Part V, Section B, line 7	The Hospital facility's Implementation Strategy is listed on the following website http //www stjohnhealthsystem com/about/community-needs-health-assessment

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

Form and Line Reference	Explanation
Facility 2 -- St John Dialysis, LLC Part V, Section B, line 14g	Signs are posted in waiting rooms and at the admissions offices to notify patients that the Hospital has a Financial Assistance Policy In addition, every billing statement, the Hospital's website, and admission packets include information regarding the Financial Assistance Policy The Policy is provided at the request of the patient

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

Form and Line Reference	Explanation
Facility 2 -- St John Dialysis, LLC Part V, Section B, line 20d	St John Medical Center, Inc provides a 30% discount on gross charges and a 15% prompt pay discount to all uninsured patients Patients who are determined to be eligible for financial assistance receive an additional charity care discount equal to 100% of the remaining amount due

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

Form and Line Reference	Explanation
Facility 3 -- St John Home Care, LLC Part V, Section B, line 3	The Tulsa County Health Departmet led the completion of the Community Health Needs Assessment The determination of priority needs was based on research findings, and priorities were developed in collaboration with many other stakeholders, including other hospitals, community service agencies, state and local leaders, interested philanthropists, universities and associated medical schools, and other parties, including public health experts and representatives of the communities served In addition, the Tulsa County Health Department's research included randomly selected households for one on one interviews and some "county resident" focus groups St John sits on a Pathways to Health Steering Committee and Working Group to coordinate and direct community health activities in the service area

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

Form and Line Reference	Explanation
Facility 3 -- St John Home Care, LLC Part V, Section B, line 4	The other hospital facilities with which the reporting Hospital facility conducted its CHNA, include St John Broken Arrow, Inc Owasso Medical Facility, Inc St John Sapulpa, Inc Jane Phillips Memorial Medical Center (Bartlesville)Jane Phillips Nowata Hospital, Inc

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

Form and Line Reference	Explanation
Facility 3 -- St John Home Care, LLC Part V, Section B, line 7	The Hospital facility's Implementation Strategy is listed on the following website http //www stjohnhealthsystem com/about/community-needs-health-assessment

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

Form and Line Reference	Explanation
Facility 3 -- St John Home Care, LLC Part V, Section B, line 14g	Signs are posted in waiting rooms and at the admissions offices to notify patients that the Hospital has a Financial Assistance Policy In addition, every billing statement, the Hospital's website, and admission packets include information regarding the Financial Assistance Policy The Policy is provided at the request of the patient

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

Form and Line Reference	Explanation
Facility 3 -- St John Home Care, LLC Part V, Section B, line 20d	St John Medical Center, Inc provides a 30% discount on gross charges and a 15% prompt pay discount to all uninsured patients Patients who are determined to be eligible for financial assistance receive an additional charity care discount equal to 100% of the remaining amount due

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
Schedule H, Section B, Line 5a	The Hospital facility's CHNA is listed on the following website http //www.stjohnhealthsystem com/about/community-needs-health-assessment

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
St John Medical Center 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
73-0579286

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
See Additional Data Table							

2

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

6

3

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

7

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
(1) Medical Assistance	1	41,267			

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	Grants to organizations - St John Medical Center, Inc ("SJMC") provides funds to selected unaffiliated entities to fund their operations SJMC determines the amount of the funds provided on an annual basis

Additional Data

Software ID:
Software Version:
EIN: 73-0579286
Name: St John Medical Center Inc

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Good Samaritan Health Service Inc 7600 S Lewis Tulsa,OK 741366836	73-1559561	501(c)(3)	645,750				Medical Assistance

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
OMNI Medical Group Inc PO Box 21228 Dept 333 Tulsa,OK 74121	73-1335536	N/A	567,456				Medical Assistance

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Regional Medical Laboratories Inc 4142 S Mingo Road Tulsa, OK 741463632	73-1131608	N/A	30,947				Medical Assistance

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
St Gregory's University 5801 E 41st St Suite 900 Tulsa, OK 741355631	73-0685198	Gov't Entity	50,000				Nursing Program

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
St John Anesthesia Services Inc PO Box 2128 Dept 151 Tulsa, OK 741211228	20-3690446	N/A	20,432				Medical Assistance

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
St John Broken Arrow Inc 1000 W Boise Cr Broken Arrow, OK 740124900	38-3833117	501(c)(3)	12,727				Medical Assistance

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Owasso Medical Facility Inc 12451 E 100th St No Owasso, OK 740554600	20-3700131	501(c)(3)	12,562				Medical Assistance

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
St John Physicians Inc PO Box 21228 Dept 334 Tulsa,OK 74121	73-1321032	N/A	108,578				Medical Assistance

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Surgery Inc 1725 E 19th St 800 Tulsa, OK 741046520	73-0768966	N/A	55,945				Medical Assistance

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Tulsa Day Center for the Homeless 415 W Archer St Tulsa, OK 741031807	73-0662663	501(c)(3)	271,950				Medical Assistance

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Tulsa Radiology Associates PO Box 4939 Tulsa, OK 741590939	73-6017987	N/A	44,904				Medical Assistance

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
University of Oklahoma 4502 E 41st St Tulsa, OK 741352512	73-6017987	501(c)(3)	4,177,790				Resident Program

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Urologic Specialists of Oklahoma Inc 10901 E 48th St Tulsa, OK 741465830	73-0729369	N/A	31,725				Medical Assistance

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 John Medical Center Inc

Employer identification number
73-0579286

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	Yes
<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>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</div></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>If "Yes," to line 5a or 5b, describe in Part III</div></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>If "Yes," to line 6a or 6b, describe in Part III</div></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	Yes
<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	St John Health System, Inc , a related organization of St John Medical Center, Inc , uses the following methods to establish the compensation of the Organization's President -Compensation Committee -Independent Compensation Consultant -Compensation Survey or Study -Approval by the Board or Compensation Committee
Part I, Line 4a	The following Former Officer received severance payments from the organization or a related organization during the calendar year 2013 Jessie Dragoo \$97,174
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. The following individual received current year distributions of Charles Anderson \$31,269 Bert W Walthall \$20,748 Pamela Kiser \$13,964 Kathleen C Smarinsky \$20,241 H Wiliam Allred \$27,000 Lex Anderson \$39,712 Kevin Steck \$24,863
Part I, Line 7	St John Health System, Inc is the controlling member organization of an integrated healthcare system ("System"). The System has established an executive accountability and financial incentive plan that encourages the executives' participation in the significant improvements of the quality, financial, growth, and human resource related operations of the Organization. Eligibility is triggered when the System meets certain earnings and community benefits targets, however payments received under the plan are not based on the earnings of the Organization. Executives receive points under a plan scoring system for meeting their predetermined goals. The points are then entered into the plan formula to determine the executives' incentive compensation. Maximum payments under the financial incentive plan are twenty percent of base pay for most executives and 25% of base pay for the System CEO. There is a small discretionary element to the plan, generally equal up to 6.0% of base pay (up to 30% of the total plan pay out).

Additional Data

Software ID:
Software Version:
EIN: 73-0579286
Name: St John Medical Center 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				
Charles Anderson VP OP/Ex-Officio	(i) (ii)	460,609 0	34,282 0	48,359 0	23,000 0	19,282 0	585,532 0	31,269 0
Bert W Walthall VP & CFO	(i) (ii)	239,762 0	26,767 0	29,689 0	21,216 0	20,839 0	338,273 0	20,748 0
Pamela Kiser VP & CNO	(i) (ii)	206,203 0	23,021 0	25,508 0	17,500 0	8,268 0	280,500 0	13,964 0
Kathleen C Smarinsky Vice President	(i) (ii)	206,628 0	23,068 0	28,289 0	40,000 0	7,768 0	305,753 0	20,241 0
Lex Anderson Treasurer/Sr VP & CFO SJHS	(i) (ii)	0 490,729	0 73,048	0 66,686	0 0	0 12,798	0 643,261	0 39,712
H William Allred VP of Med Affairs/Med Ed	(i) (ii)	469,708 0	29,791 0	41,934 0	0 0	13,506 0	554,939 0	27,000 0
Jeffrey D Nowlin President & CEO	(i) (ii)	424,368 0	47,377 0	12,335 0	35,000 0	25,835 0	544,915 0	0 0
Kevin Steck Corp Resp Off/Secretary	(i) (ii)	0 231,739	0 33,913	0 37,456	0 38,731	0 7,889	0 349,728	0 24,863
David Lewis Transplant Admin	(i) (ii)	158,947 0	9,540 0	137 0	22,500 0	9,112 0	200,236 0	0 0
Oliver D Hanson Chief Med Physicist	(i) (ii)	185,645 0	298 0	97 0	0 0	13,647 0	199,687 0	0 0
Tseggy Kharkhuu Physicist II	(i) (ii)	180,759 0	295 0	102 0	0 0	8,354 0	189,510 0	0 0
Philip A Preston Dir Operations Improv	(i) (ii)	178,197 0	10,830 0	229 0	0 0	4,196 0	193,452 0	0 0
Patricia A Wright Evans RN Dir Operating Room	(i) (ii)	161,792 0	7,458 0	368 0	0 0	9,093 0	178,711 0	0 0
Jessie Dragoo Former Vice President - Nursing	(i) (ii)	0 0	0 0	130,622 0	12,981 0	3,944 0	147,547 0	0 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 John Medical Center Inc

Employer identification number

73-0579286

Return Reference	Explanation	
	Form 990, Part III, Line 4a	<p>(the "Medical Center"), St John Sapulpa, Inc ("St John Sapulpa"), Jane Phillips Memoria l Medical Center ("Jane Phillips"), Utica Services, Inc ("Utica"), St John Villas, Inc ("St John Villas"), Owasso Medical Facility, Inc ("St John Owasso"), St John Health Sy stem Foundation, Inc ("St John Foundation"), St John Building Corporation ("SJBC"), and St John Broken Arrow, Inc ("St John Broken Arrow") St John, these subsidiaries, and all other subsidiaries under St John's direct or indirect control or ow nership are referr ed to herein as "the St John System" All hospitals and other facilities or organizations ow ned or managed by the St John System are operated in accordance with the mission and v alues of St John Mission and Values As a Catholic healthcare organization, St John car ries on the mission of its sponsors, through Ascension Health, of continuing the healing m inistry of Jesus Christ It aspires to provide health care that works, health care that is safe, and health care that leaves no one behind, with a promise to our patients and the c ommunities w e serve of providing medical excellence and compassionate care It operates in conformance with "the ethical and religious directives for Catholic health facilities " F aithful to the sponsorship mission, philosophy and values, St John's mission is to provid e healthcare and related ministries for the people served, especially the sick, the poor a nd the pow erless The board of directors, management and employees of St John are guided in their day-to-day actions and interactions with those w ho serve and w ho are served by th e values of service to the poor, wisdom, reverence, creativity, dedication and integrity St John and the Medical Center collaborate with other individuals and institutions in the various communities it serves to ascertain community needs and provide a broad range of s ervices along the healthcare continuum to help meet those needs Programs and services inc lude preventive, diagnostic, therapeutic and rehabilitative programs, including emphasis o n health promotion and disease prevention St John also advocates for public policies whi ch advance a healthy and just society St John works with local, state and national leade rs and organizations to bring about a healthcare delivery system that provides dignified a ccess to and affordable, high quality healthcare for all persons Community Needs Assessme nt Each ow ned hospital in the St John System (including the Medical Center) has complete d a Community Health Needs Assessment and plan of response and those have been posted to e ach Hospital's website and also the Health System website St John continues to look for ways to meet unmet community needs in a sustainable and collaborative way with other organ izations to build healthier communities Governance The administrative powers of the Medi cal Center are vested in its board of directors, whi ch controls and manages the properties , affairs and funds of the Medical Center, subject to reservation of certain powers by St John The board meets regularly and it works in concert with, and w hen appropriate, under the direction of the St John Health System, Inc board Community Benefit In measuring and reporting quantifiable community benefit, St John follow s guidelines promulgated by t he Catholic Health Association of the United States and endorsed by other organizations U ncompensated care and other elements of community benefit are measured at the unreimbursed estimated cost of services or resources provided The St John System serves as an import ant safety net provider of a broad continuum of health care services to the citizens of No rtheastern Oklahoma and the surrounding region Each of the six main hospitals operates a full-service, 24-hour, 365-day emergency room providing both urgent and emergency care to all individuals, regardless of their ability to pay The Medical Center, located in Tulsa, Oklahoma, is a full-service tertiary hospital whi ch provides a broad range of inpatient a nd outpatient health care services The Medical Center is a tertiary referral center and s erves as one of two primary trauma referral centers for Tulsa and Northeastern Oklahoma It serves as a primary Tulsa teaching hospital for The University of Oklahoma's School of C ommunity Medicine residency programs for internal medicine and surgery It is also the pri mary teaching hospital for the In His Image Family Medicine residency program It is also Northeastern Oklahoma's only "magnet" accredited hospital, signifying excellence in nursin g care St John Medical Center, Inc is Tulsa's and Northeastern Oklahoma's only ACS Leve l II Trauma Center and only Joint Commis sion-accredited comprehensive stroke center The Medical Center offers advanced services in trauma, neurological and neurosurgical (includin g stroke) care, cardiology and cardiothoracic surgery, kidney transplant, adult, pediatric and neonatal intensive care, cancer treatment, jo</p>

Return Reference	Explanation	
	Form 990, Part III, Line 4a	<p>int replacement, and many other areas Patients seen in the St John System for the fiscal year ended June 30, 2014 Beds in Service (including 37 new born bassinets) 782 Total Disc harges (excluding normal new borns) 38,704 Total Observation Days 19,086 Combined Discharge s and Observation Days 57,790 Total Patient Days (excl normal new born and observations) 1 76,450 Average Length of Stay in Days (excl normal new born and obs) 4 56 Births 3,248 Emergency Room Visits 140,150 Outpatient Visits (excl emergency room & one day surgeries) 3 94,526 Inpatient Surgical Cases 9,855 Outpatient Surgical Cases 15,545 Physician Office Pa tient Visits 617,023 Urgent Care Clinic Patient Visits 58,368 Combined Physician Office an d Urgent Care Visits 675,391 Total Laboratory Procedures (incl hospital and reference lab s) 8,184,993 Patients seen in St John Medical Center, Inc for the fiscal year ended June 30, 2014 Beds in Service (including 20 new born bassinets) 547 Total Discharges (excludin g normal new born) 28,728 Total Observation Days 12,382 Combined Discharges and Observation Days 41,110 Total Patient Days (excl normal new born and observation) 149,969 Average Len gth of Stay in Days (excl normal new born & obs) 5 22 Births - 2,205 Emergency Room Visit s 60,547 Outpatient Visits (excl emergency room & one day surgeries) 250,795 Inpatient Su rgical Cases 7,775 Outpatient Surgical Cases 10,815 In its fiscal year ended June 30, 2014 , St John was able to identify and quantify an initial estimate of more than \$81 1 millio n of total net consolidated quantifiable community benefit provided to thousands of indivi duals directly served This represents more than 8% of total St John System operating exp enses In addition to the quantifiable community benefit described above, the St John Sys tem charged millions of dollars to the consolidated provision for bad debts in 2014 which were not included in the total quantifiable community benefit for the year Also, unlike many other non-profit health systems based in states other than Oklahoma, the St John Syst em is not exempt from state and local sales taxes and, in fact, pays sales tax on many equ ipment, supplies and other purchases When payments from certain government programs for d irect graduate medical education and Oklahoma Trauma Fund participation are applied to com munity benefit expense, the net consolidated quantifiable community benefit expense for St John Health System, Inc for 2014 was estimated to be at least \$74.9 million The St Jo hn System considers care for the poor to be an essential part of its mission of service to the community The total cost of care for the poor includes the cost of charity care, the unreimbursed cost of services to Medicaid beneficiaries (together referred to as "uncompe nsated care for the poor"), and the cost of special programs or other activities specifica lly targeted to increase access to care or provide other services to the poor "Care for t he Poor" includes the estimated cost of care classified as charity care plus the estimated excess of the cost of services provided to Medicaid beneficiaries over the payments recei ved from Medicaid "Care for the Poor" does not include the cost of services classified an d written off as bad debts or the excess of the cost of services provided to Medicare bene ficiaries over the payments received from Medicare Charity and Uncompensated Care The St John System's Hospitals, senior-care and other facilities provide services wthout regar d to a patient's ability to pay In 2014, the St John System Hospitals provided a discoun t of at least 30% of billed charges to all uninsured patients Uninsured patients also cou ld qualify for an additional 15% prompt pay discount In addition to these automatic disco unts, patients can apply for financial assistance up to and including free care The deter mination of the patient's qualification for financial assistance is based on an objective determination of the patient's financial</p>

Return Reference	Explanation
Form 990, Part V, Line 1a and 2a	<p>Statements Regarding Other IRS Filings and Tax Compliance The number of independent contractors during the tax year for the filing organization and all other entities within the St John Medical Center, Inc master pay group are reflected in Part V, Line 1a of the filing organization Compensation for independent contractors is reported on the Form 1096, Annual Summary and Transmittal of the U S Information Returns, of St John Medical Center, Inc (SJMC), EIN 73-0579286 Expenses from all entities in the SJMC master pay group are allocated to and reimbursed by the filing organization to SJMC and are reported on Form 990, Part VII, Section B and Part IX by the respective filing organization that incurred the expense The salaries reflected on Form 990 were all reported on the Form 941 Employer's Quarterly Federal Tax Return of St John Medical Center, Inc These salaries were reimbursed to SJMC by the filing organization and were included in the number of employees on SJMC's calendar year 2013 Form W-3 The number of employees reported on Part V, Line 2a of Form 990 by the filing organization represents the number of employees providing services to the filing organization during calendar year 2013</p>

Return Reference	Explanation
Form 990, Part VI, Section A, line 2	Many of the persons listed on Part VII have a "business relationship" with each other by virtue of employment by St John Health System, Inc related entities

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

Return Reference	Explanation
Form 990, Part VI, Section A, line 7a	St John Medical Center, Inc has a single corporate member, St John Health System, Inc , w ho has the ability to elect members to the governing body of St John Medical Center, Inc

Return Reference	Explanation
Form 990, Part VI, Section A, line 7b	All decisions that have a material impact to St John Medical Center, Inc 's financial information or corporation as a whole are subject to approval by its sole corporate member, St John Health System, Inc Ascension Health, the sole corporate member of St John Health System, Inc , has designated a system authority matrix which assigns authority for key decisions that are necessary in the operation of the System Specific areas that are identified in the authority matrix are new organizations and major transactions, governing documents, appointments/removals, evaluations, debt limits, strategic and financial plans, assets, system policies and procedures These areas are subject to certain levels of approval by Ascension per the system authority matrix

Return Reference	Explanation
Form 990, Part VI, Section B, line 11	<p>St John Medical Center, Inc (SJMC) is an affiliate of St John Health System, Inc (SJHS) SJHS has hired a third party preparer experienced in the preparation of Form 990 to assist in the preparation of the return The Senior Vice President/Chief Financial Officer and SJHS personnel will work closely with the paid preparer in gathering the information for the return and will perform the initial detailed review of the return The return will then be reviewed by the SJHS Audit Committee (as delegated by the Board of the filing organization) A copy of the return will be provided to all voting Board Members of the filing Organization prior to filing</p>

Return Reference	Explanation
Form 990, Part VI, Section B, line 12c	<p>At every fiscal year end, St John Health System, Inc (SJHS) distributes a copy of the current Conflict of Interest Policy and Procedure Bulletin, together with an explanation and questionnaire to the members of the Board of Directors, administrative officers and key employees of SJHS, its subsidiaries and affiliates, including Jane Phillips Nowata Hospital, Inc. The Board Members, administrative officers and key employees of SJHS, its subsidiaries and affiliates must complete the questionnaire and return it to the designated SJHS official within two weeks of receipt. Completed questionnaires are reviewed and summarized by the Vice President, Corporate Compliance and Integrity, or his/her designee. That individual then presents the questionnaire results to the heads of each hospital for further provision to the various boards' Audit and Compliance Committees. The Audit and Compliance Committees, as appropriate, submit a confidential report to their Board Chairman summarizing the questionnaire results. The Board Chairman, as appropriate, may review with the Executive Committee the responses to the questionnaire results. Members of a committee with governing board delegated powers annually sign 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.</p>

Return Reference	Explanation
Form 990, Part VI, Section B, line 15	Compensation for all executives in St John Health System, Inc ("SJHS"), of which St John Medical Center, Inc is a part, is analyzed by an independent health care consulting firm. The analysis includes a fair market value assessment and establishment of a range for each position based on research of comparable health care systems of similar size. The report and recommended compensation levels for each executive management position is reviewed and approved by the Executive Compensation Committee of the SJHS Board of Directors. During the review and approval of the compensation, documentation of the decision was recorded in the board minutes.

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

Return Reference	Explanation
Form 990, Part VII, Line 7b	Amounts paid to Manhattan Construction Company and Siemens Healthcare Diagnostics represent payments for both services and goods. These amounts cannot be separated.

Return Reference	Explanation
Form 990, Part IX, line 11g	Professional Services Program service expenses 37,984,027 Management and general expenses 639,797 Fundraising expenses 0 Total expenses 38,623,824 Contracted Services Program service expenses 9,345,551 Management and general expenses 195,688 Fundraising expenses 0 Total expenses 9,541,239 Purchased Services Program service expenses 3,510,308 Management and general expenses 58,522 Fundraising expenses 0 Total expenses 3,568,830 Laboratory Program service expenses 11,860,179 Management and general expenses 0 Fundraising expenses 0 Total expenses 11,860,179 Miscellaneous Program service expenses 102,289 Management and general expenses 0 Fundraising expenses 0 Total expenses 102,289

Return Reference	Explanation
Form 990, Part XI, line 9	Transfers to Affiliates -28,856,750 Contributions 5,794,556 Released from Restrictions -7,757,985 Other Temporarily Restricted Net Assets 1,440,000 Other Restricted Activity -48,339,405 Other Unrestricted Activity 705,636

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 John Medical Center Inc

Employer identification number
73-0579286

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.					
(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) St John Dialysis LLC 1923 South Utica Avenue Tulsa, OK 74104 73-1594503	Dialysis	OK	0	0	St John Medical Center Inc
(2) St John Home Care LLC 1923 South Utica Avenue Tulsa, OK 74104 38-4662704	Health Care	OK	0	0	St John Medical Center Inc

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.							
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	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) Disproporionate 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) Platnum Fitness & Rehab Center LLC 4804 South 109th East Avenue Tulsa, OK 74146 20-1879493	Health Club	OK	N/A									
(2) Memorial Surgery Center LLC 8131 South Memorial Avenue Tulsa, OK 74133 20-1167151	Operate ASC	OK	N/A									
(3) Broken Arrow Development LLC 1924 South Utica Avenue Tulsa, OK 74104 26-0748994	Medical Services	OK	N/A									
(4) UticaUSP Tulsa LLC 15305 Dallas Pkwy Ste 1600 LB 28 Addison, TX 75001 27-0408231	Medical Services	TX	N/A									
(5) JPHC LLC 3500 SE Frank Phillips Blvd Bartlesville, OK 74006 61-1498699	Medical Services	OK	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
See Additional Data Table									

Part V

Transactions With Related Organizations

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

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

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

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

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

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

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

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

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

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

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

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

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

Yes

No

1a

No

1b

Yes

1c

Yes

1d

Yes

1e

Yes

1f

No

1g

No

1h

No

1i

No

1j

Yes

1k

Yes

1l

Yes

1m

Yes

1n

No

1o

Yes

1p

Yes

1q

Yes

1r

Yes

1s

Yes

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

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

Schedule R (Form 990) 2013

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

[illegible]

Part VII

Supplemental Information

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

Return Reference	Explanation
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Additional Data

Software ID:

Software Version:

EIN: 73-0579286

Name: St John Medical Center 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	501(c)(3)	Schedule A, Line 11a	N/A		No
(1) Ascension Health PO Box 45998 St Louis, MO 63134 31-1662309	National Health System	MO	501(c)(3)	Schedule A, Line 11a	Ascension Health Alliance		No
(2) St John Health System Inc 1923 South Utica Avenue Tulsa, OK 74104 73-1215174	System Parent	OK	501(c)(3)	Schedule A, Line 11a	Ascension Health		No
(3) Craig County Medical Services Corp 1923 South Utica Avenue Tulsa, OK 74104 73-1487478	Health Care	OK	501(c)(3)	Schedule A, Line 9	St John Health System Inc	Yes	
(4) St John Sapulpa Inc 1923 South Utica Avenue Tulsa, OK 74104 73-0662663	Health Care	OK	501(c)(3)	Schedule A, Line 3	St John Health System Inc	Yes	
(5) Jane Phillips Nowata Hospital Inc 237 South Locust Nowata, OK 74048 73-1440267	Health Care	OK	501(c)(3)	Schedule A, Line 3	Jane Phillips Memorial Medical Center	Yes	
(6) Jane Phillips Memorial Medical Center 3500 E Frank Phillips Blvd Bartlesville, OK 74006 73-0606129	Health Care	OK	501(c)(3)	Schedule A, Line 3	St John Health System Inc	Yes	
(7) Jane Phillips Health Care Foundation 3500 E Frank Phillips Blvd Bartlesville, OK 74006 73-1250611	Rural Health Clinics	OK	501(c)(3)	Schedule A, Line 3	Jane Phillips Memorial Medical Center	Yes	
(8) Bartlett Homes Inc 1008 E Cleveland Sapulpa, OK 74066 73-1301822	HUD Housing	OK	501(c)(3)	Schedule A, Line 7	St John Sapulpa Inc	Yes	
(9) Bethel Manor Inc 619 S Division Sapulpa, OK 74066 73-1216617	HUD Housing	OK	501(c)(3)	Schedule A, Line 7	St John Sapulpa Inc	Yes	
(10) St John Building Corporation 1923 South Utica Avenue Tulsa, OK 74104 61-1659782	Real Estate	OK	501(c)(2)	N/A	St John Health System Inc	Yes	
(11) St John Health System Foundation Inc 1923 South Utica Avenue Tulsa, OK 74104 73-1133139	Health Care	OK	501(c)(3)	Schedule A, Line 7	St John Health System Inc	Yes	
(12) St John Management Services Inc 1923 South Utica Avenue Tulsa, OK 74104 20-3742040	Health Care	OK	501(c)(3)	Schedule A, Line 7	St John Health System Inc	Yes	
(13) St John Villas Inc 1923 South Utica Avenue Tulsa, OK 74104 73-1077367	Nursing Home	OK	501(c)(3)	Schedule A, Line 9	St John Health System Inc	Yes	
(14) Owasso Medical Facility Inc 1923 South Utica Avenue Tulsa, OK 74104 20-3700131	Health Care	OK	501(c)(3)	Schedule A, Line 3	St John Health System Inc	Yes	
(15) St John Broken Arrow Inc 1923 South Utica Avenue Tulsa, OK 74104 38-3833117	Health Care	OK	501(c)(3)	Schedule A, Line 3	St John Health System Inc	Yes	
(16) St John Auxiliary 1923 South Utica Avenue Tulsa, OK 74104 73-0999759	Health Care	OK	501(c)(3)	Schedule A, Line 9	St John Health System Inc	Yes	
(17) St Teresa of Avila Villas Inc 6859 South Canton Avenue Tulsa, OK 74136 20-4791422	HUD Housing	OK	501(c)(3)	Schedule A, Line 7	St John Villas Inc	Yes	

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(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
Utica Services Inc 1923 South Utica Avenue Tulsa, OK 74104 73-1057650	Medical Services	OK	N/A	C					No
Regional Medical Laboratories Inc 1923 South Utica Avenue Tulsa, OK 74104 73-1131608	Medical Services	OK	N/A	C					No
Physician Support Services Inc 1923 South Utica Avenue Tulsa, OK 74104 73-1437252	Medical Services	OK	N/A	C					No
OMNI Medical Group Inc 1923 South Utica Avenue Tulsa, OK 74104 73-1335536	Medical Services	OK	N/A	C					No
Outbound Medical Network Inc 1923 South Utica Avenue Tulsa, OK 74104 73-1255463	Medical Services	OK	N/A	C					No
St John Urgent Care Clinic Inc 1923 South Utica Avenue Tulsa, OK 74104 20-4990275	Medical Services	OK	N/A	C					No
St John Anesthesia Services Inc 1923 South Utica Avenue Tulsa, OK 74104 20-3690446	Medical Services	OK	N/A	C					No
St John Physicians Inc 1923 South Utica Avenue Tulsa, OK 74104 73-1321032	Medical Services	OK	N/A	C					No
Ceres Medical Practice Inc 3400 E Frank Phillips Blvd Bartlesville, OK 74006 73-1522656	Medical Services	OK	N/A	C					No
Doctors Building of Bartlesville 3500 State Street Bartlesville, OK 74006 73-0759185	Building Rental	OK	N/A	C					No
Gemini Medical Group Inc 3400 E Frank Phillips Blvd Bartlesville, OK 74006 73-1503529	Medical Services	OK	N/A	C					No
Gemini After Hours Clinic Inc 3400 E Frank Phillips Blvd Bartlesville, OK 74006 30-0375407	Medical Services	OK	N/A	C					No
Jane Phillips Specialty Physicians Inc 3400 E Frank Phillips Blvd Bartlesville, OK 74006 01-0879962	Medical Services	OK	N/A	C					No
Professional Credit Recovery 4100 SE Adams Blvd Bartlesville, OK 74006 73-1057187	Collections Services	OK	N/A	C					No
Synergy Hospitalist Grp Inc 3400 E Frank Phillips Blvd Bartlesville, OK 74006 30-0375404	Medical Services	OK	N/A	C					No

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(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
Professional Medical Insurance Risk Retention Group Inc 201 Merchant Street Suite 2400 Honolulu, HI 96813 73-1525831	Insurance	HI	N/A	C					No
Jane Phillips Support Services Inc 3400 E Frank Phillips Blvd Bartlesville, OK 74006 75-1530296	Holding Company	OK	N/A	C					No

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
St John Health System Inc	O	164,146,024	FMV
Utica Services Inc	S	145,581,418	FMV
St John Health System Inc	P	129,835,951	FMV
Utica Services Inc	O	103,132,228	FMV
St John Health System Inc	L	102,759,288	FMV
St John Health System Inc	S	51,559,509	FMV
St John Building Corporation	L	24,348,152	FMV
St John Building Corporation	S	21,043,332	FMV
Utica Services Inc	M	20,376,142	FMV
St John Sapulpa Inc	Q	20,223,737	FMV
St John Broken Arrow Inc	S	18,908,847	FMV
St John Health System Inc	E	17,217,829	FMV
St John Broken Arrow Inc	L	15,624,438	FMV
St John Broken Arrow Inc	O	12,766,454	FMV
Owasso Medical Facility Inc	O	10,941,391	FMV
St John Broken Arrow Inc	Q	9,514,585	FMV
St John Sapulpa Inc	O	8,446,315	FMV
St John Sapulpa Inc	R	8,368,940	FMV
Owasso Medical Facility Inc	S	8,190,693	FMV
St John Villas Inc	Q	7,827,310	FMV
Owasso Medical Facility Inc	Q	7,017,003	FMV
Utica Services Inc	P	4,717,122	FMV
St John Villas Inc	O	4,537,084	FMV
Owasso Medical Facility Inc	L	4,241,655	FMV
St John Health System Foundation Inc	L	3,935,773	FMV

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
St John Health System Foundation Inc	C	3,640,083	FMV
St John Villas Inc	L	3,462,167	FMV
Ascension Health	L	3,436,883	FMV
St John Sapulpa Inc	L	3,388,192	FMV
St John Health System Foundation Inc	Q	3,050,000	FMV
Jane Phillips Memorial Medical Center Inc	S	2,362,944	FMV
Jane Phillips Memorial Medical Center Inc	L	2,255,388	FMV
St John Building Corporation	Q	2,173,622	FMV
St John Health System Foundation Inc	S	1,207,159	FMV
St John Building Corporation	K	856,515	FMV
St John Building Corporation	O	673,214	FMV
OMNI Medical Group Inc	B	567,456	FMV
St John Villas Inc	S	386,537	FMV
St John Health System Inc	J	328,123	FMV
St John Health System Foundation Inc	O	320,386	FMV
Craig County Medical Services Corp	Q	242,035	FMV
St John Villas Inc	D	214,596	FMV
Jane Phillips Memorial Medical Center Inc	O	136,696	FMV
Craig County Medical Services Corp	R	124,501	FMV
Craig County Medical Services Corp	L	117,534	FMV
St John Physicians Inc	B	108,578	FMV
Utica Services Inc	D	108,211	FMV

CONSOLIDATED FINANCIAL STATEMENTS

St. John Health System, Inc. and Subsidiaries –
Member of Ascension Health, a Subsidiary of
Ascension Health Alliance, d/b/a Ascension
Year Ended June 30, 2014
With Report of Independent Auditors

Exhibit D-1



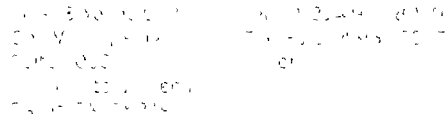
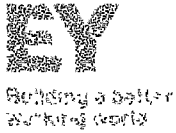
St. John Health System, Inc. and Subsidiaries

Consolidated Financial Statements

Year Ended June 30, 2014

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Report of Independent Auditors

The Board of Directors
St. John Health System, Inc.

We have audited the accompanying consolidated financial statements of St. John Health System, Inc. and subsidiaries, 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

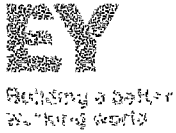
Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of St. John Health System, Inc. and subsidiaries at June 30, 2014, and the consolidated results of their operations and changes in net assets, and their cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

September 25, 2014

St. John Health System, Inc. and Subsidiaries

Consolidated Balance Sheet

(Dollars in Thousands)

June 30, 2014

Assets

Current assets:

Cash and cash equivalents	\$ 44,894
Patient accounts receivable, net of estimated allowance for doubtful accounts (\$89,474 at June 30, 2014)	130,662
Inventories	16,862
Receivable from Ascension or Ascension affiliates	5,863
Estimated third-party payor settlements	1,582
Other accounts and notes receivable	17,926
Prepaid expenses and other current assets	4,541
Total current assets	<u>222,330</u>

Assets whose use is limited:

Board or management designated for internal use	15,391
Restricted investments	21,619
Other	617
Total assets whose use is limited	<u>37,627</u>

Long-term investments – held in Ascension Investment Management Funds	417,881
Other long-term investments	5,569
Total long-term investments	<u>423,450</u>

Property and equipment, net	670,921
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Other assets:

Investment in unconsolidated entities	90,123
Capitalized software costs and other intangible assets, net	53,121
Other assets	30,954
Total other assets	<u>174,198</u>
Total assets	<u><u>\$ 1,528,526</u></u>

Liabilities and net assets

Current liabilities:

Current portion of long-term debt, including \$707 payable to Ascension	\$ 9,210
Accounts payable and accrued liabilities	91,076
Accounts payable to Ascension and Ascension affiliates	11,423
Estimated third-party payor settlements	9,136
Other current liabilities	13,073
Total current liabilities	<u>133,918</u>

Long-term debt, less current portion, including \$48,678

payable to Ascension	508,022
Defined benefit pension liability	47,056
Other liabilities	39,363
Derivative financial instruments	756
Total liabilities	<u>729,115</u>

Net assets:

Net assets	
Unrestricted	777,792
Temporarily restricted	11,619
Permanently restricted	10,000
Total net assets	<u>799,411</u>

Commitments and contingencies —

Total liabilities and net assets	<u><u>\$ 1,528,526</u></u>
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The accompanying notes are an integral part of the consolidated financial statements.

St. John Health System, Inc. and Subsidiaries

Consolidated Statement of Operations and Changes in Net Assets

(Dollars in Thousands)

Year Ended June 30, 2014

Operating revenues:	
Net patient service revenue	\$ 916,330
Premium revenue	124,807
Less provision for doubtful accounts	(79,648)
Net patient service revenue less provision for doubtful accounts	<u>961,489</u>
Equity in earnings of unconsolidated entities	8,377
Gain on sale of certain clinical operations and assets	17,954
Other operating revenue	69,132
Total operating revenues	<u>1,056,952</u>
Operating expenses:	
Salaries and wages	454,845
Employee benefits	85,834
Purchased services	58,491
Professional fees	33,886
Supplies	179,396
Insurance	6,822
Interest	21,155
Depreciation and amortization	55,309
Provider fees	16,907
Other	97,890
Total operating expenses before restructuring charges	<u>1,010,535</u>
Income from operations before restructuring charges	46,417
Restructuring charges	(2,438)
Income from operations	<u>43,979</u>
Nonoperating gains:	
Investment return	42,613
Gain on interest rate swaps	25
Other, net	(5,180)
Total nonoperating gains, net	<u>37,458</u>
Excess of revenues and gains over expenses and losses	<u>81,437</u>

continued on next page

St. John Health System, Inc. and Subsidiaries

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

Unrestricted net assets:	
Excess of revenues and gains over expenses and losses	\$ 81,437
Transfers to Ascension and Ascension affiliates	(9,166)
Pension liability adjustments	5,132
Net assets released from restriction for property acquisitions	<u>1,317</u>
Increase in unrestricted net assets	78,720
Temporarily restricted net assets:	
Contributions received	9,022
Investment return	1,431
Net assets released from restrictions	<u>(9,856)</u>
Increase in temporarily restricted net assets	<u>597</u>
Increase in net assets	79,317
Net assets, beginning of year	<u>720,094</u>
Net assets, end of year	<u><u>\$ 799,411</u></u>

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

St. John Health System, Inc. and Subsidiaries

Consolidated Statement of Cash Flows

(Dollars in Thousands)

Year Ended June 30, 2014

Operating activities

Increase in net assets	\$	79,317
Adjustments to reconcile increase in net assets to cash provided by operating activities:		
Investment return		(42,613)
Gain on sale of certain clinical operations and assets		(17,954)
Transfers to Ascension and Ascension affiliates		9,166
Net assets released from restriction for property acquisitions		(1,317)
Change in fair market value of derivative instruments		(25)
Depreciation and amortization		55,309
Provision for bad debts		79,648
Loss on disposal of fixed assets		375
Amortization of bond premiums		(1,044)
Equity in earnings of unconsolidated entities		(8,377)
Distributions from unconsolidated entities		1,693
Pension liability adjustments		(5,132)
Change in assets and liabilities:		
Net patient accounts receivable		(84,314)
Inventories of supplies		(1,096)
Receivable from Ascension or Ascension affiliates		(5,863)
Other accounts and notes receivable		(738)
Prepaid expenses and other current assets		1,226
Accounts payable and accrued liability		(3,212)
Estimated net amounts due to and from Medicare		5,464
Accounts payable to Ascension and Ascension affiliates		11,423
Other current liabilities		(5,340)
Other long-term liabilities		(8,800)
Net cash provided by operating activities		<u>57,796</u>

St. John Health System, Inc. and Subsidiaries

Consolidated Statement of Cash Flows (continued)

(Dollars in Thousands)

Investing activities

Maturities of investments and assets whose use is limited	\$ 75,024
Purchases of investments and assets whose use is limited	(31,648)
Additions to property and equipment and intangible assets	(79,092)
Change in other assets	(3,031)
Proceeds from sale of fixed assets	<u>11,505</u>
Net cash used in investing activities	<u>(27,242)</u>

Financing activities

New debt issued	4,042
Repayment of long-term debt	(9,126)
Transfers to Ascension and Ascension affiliates	(9,166)
Other net restricted fund activity	<u>(2,345)</u>
Net cash used in financing activities	<u>(16,595)</u>

Net change in cash and cash equivalents	13,959
Cash and cash equivalents, beginning of period	<u>30,935</u>
Cash and cash equivalents, end of period	<u><u>\$ 44,894</u></u>

Supplemental noncash investing disclosure

Investment in dialysis joint venture from sale of assets	<u><u>\$ 6,562</u></u>
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The accompanying notes are an integral part of the consolidated financial statements.

St. John Health System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (Dollars in Thousands)

June 30, 2014

1. Organization and Mission

Organizational Structure

St. John Health System, Inc. (St. John or the Health Ministry) is a member of Ascension Health. St. John became a member of Ascension Health on April 1, 2013. 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.

Until April 1, 2013, St. John Health System, Inc. was a wholly owned subsidiary of Marian Health System (Marian). Effective April 1, 2013, Marian transferred its ownership of St. John to Ascension whereby St. John Health System, Inc. became a subsidiary of Ascension Health. The transaction was a membership substitution transaction, such that Ascension Health became the sole member of St. John, holding essentially the same reserved powers over St. John as Marian previously held. The transfer of ownership has been accounted for as a purchase. As such, on April 1, 2013, the assets and liabilities of St. John were adjusted to estimated fair market value. Also as a result of this transaction, St. John adopted a June 30 fiscal year for financial reporting purposes from its previous September 30 fiscal year. Due to the adjustment of asset and liability values to fair market value on April 1, 2013, the accompanying consolidated financial statements as of and for the year ended June 30, 2014, are not presented with comparative prior year information.

St. John Health System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

1. Organization and Mission (continued)

St. John, headquartered in Tulsa, Oklahoma, and with facilities located throughout northeastern Oklahoma is an Oklahoma nonprofit health system. It owns and operates an integrated tertiary health care delivery system that provides services primarily in northeastern Oklahoma. St. John Health System, Inc. and its subsidiaries, affiliates, and employed and affiliated physicians, provide health care services for patients of all ages across a broad continuum of care, from physician primary care and specialty services to ambulatory and inpatient acute and post-acute services, and including senior nursing and senior living services. 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 accompanying consolidated financial statements include the accounts of St. John Health System, Inc. and its subsidiaries. Principal subsidiaries as of June 30, 2014, include the following:

- St. John Medical Center, Inc. (the Medical Center), a not-for-profit acute-care tertiary hospital located in Tulsa, Oklahoma, licensed for 740 beds and bassinets and currently operating 547 beds, including newborn bassinets;
- Jane Phillips Memorial Medical Center, Inc. (JPMMC), a not-for-profit acute-care general hospital located in Bartlesville, Oklahoma, licensed for 156 beds and bassinets and currently operating 122 beds, including newborn bassinets;
- Owasso Medical Facility, Inc. (Owasso), a not-for-profit acute-care hospital located in Owasso, Oklahoma, licensed for and currently operating 45 beds, including newborn bassinets, and doing business as St. John Owasso;
- St. John Broken Arrow, Inc. (Broken Arrow), a not-for-profit acute-care hospital located in Broken Arrow, Oklahoma, licensed for and currently operating 44 beds;
- St. John Health System Foundation, Inc. (the Foundation), a not-for-profit charitable foundation created to support the Health System;
- St. John Villas, Inc., a not-for-profit corporation which owns and operates long-term care retirement communities, including Franciscan Villa located in Broken Arrow, Oklahoma;

St. John Health System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

1. Organization and Mission (continued)

- St. John Sapulpa, Inc. (Sapulpa), a not-for-profit acute-care critical access hospital located in Sapulpa, Oklahoma, licensed for and currently operating 25 beds;
- Jane Phillips Nowata, Inc., a not-for-profit corporation which owns and operates a critical access hospital which is located in Nowata, Oklahoma, licensed for 25 beds and currently operating 10 beds;
- St. John Building Corporation (SJBC), a not-for-profit corporation which owns and operates buildings and real property to centralize management of these income producing activities;
- Utica Services, Inc. and subsidiaries (Utica), a taxable organization that operates a variety of healthcare related activities, including physician practices and a reference laboratory; and
- SJFI, LLC (doing business as Oklahoma Health Initiatives (OHI)); a taxable corporation and subsidiary of Utica formed as an entity which can participate in and manage various accountable care and other collaborative quality and population health management initiatives. OHI formed an accountable care organization that was accepted into the Medicare Shared Savings Program effective January 1, 2014.

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 (and the Health Ministry) 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.

St. John Health System, Inc. and Subsidiaries

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

1. Organization and Mission (continued)

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

Discounts are provided to all uninsured patients, including those with the means to pay. Discounts provided to those patients who did not qualify for assistance under charity care guidelines are not included in the cost of providing care of persons living in poverty and other community benefit programs. The cost of providing care to persons living in poverty and other community benefit programs is estimated 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.

The amount of traditional charity care provided, determined on the basis of cost, was approximately \$32,442 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 inter-entity transactions have been eliminated in consolidation.

St. John Health System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

2. Significant Accounting Policies (continued)

Investments in entities where the Health Ministry does not have operating control are recorded under the equity or cost method of accounting. For entities recorded under the equity method of accounting, the following reflects 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 consolidated excess of revenues and gains over expenses and losses in the accompanying consolidated statements of operations and changes in net assets. The Health Ministry's equity in the net income (loss) of unconsolidated entities is recorded in other operating revenue if the investment relates to providing health care services. All such investments below are included in equity in earnings of unconsolidated affiliates for the year ended June 30, 2014.

	Investment Recorded in Consolidated Balance Sheet as of June 30, 2014	Effect on Consolidated Excess of Revenues and Gains Over Expenses and Losses for the Year Ended June 30, 2014
SFSJ Joint Ventures, LLC	\$ 3,179	\$ 20
CommunityCare Managed Healthcare Plans of Oklahoma, Inc.	69,525	5,757
All Saints Home Medical LLC	5,985	1,235
Platinum Fitness and Rehabilitation Center, LLC	350	(140)
Union Pines Surgery Center LLC	1,745	933
Utica USP Tulsa, LLC	1,753	155
Fresenius MC of Tulsa LLC	6,979	417
JPHC LLC	607	—
	\$ 90,123	\$ 8,377

St. John Health System, Inc. and Subsidiaries

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

2. Significant Accounting Policies (continued)

	Ownership % as of <u>June 30, 2014</u>
SFSJ Joint Ventures, LLC	50.0
CommunityCare Managed Healthcare Plans of Oklahoma, Inc.	50.0
All Saints Home Medical LLC	50.0
Platinum Fitness and Rehabilitation Center, LLC	40.0
Union Pines Surgery Center LLC	30.0
Utica USP Tulsa, LLC	50.1
Fresenius MC of Tulsa LLC	24.5
JPHC LLC	25.0

A summary of investments in certain of the Health Ministry's more significant affiliates and summarized financial information as of and for the year ended June 30, 2014, follows:

CommunityCare Managed Healthcare Plans of Oklahoma, Inc.:	
Total assets	\$ 244,442
Total liabilities	(107,526)
Total equity	<u>\$ 136,916</u>
Health Ministry's investment	\$ 69,525
Total operating revenues	741,936
Net income	11,514
All Saints Home Medical LLC:	
Total assets	\$ 8,700
Total liabilities	(2,813)
Total equity	<u>\$ 5,887</u>
Health Ministry's investment	\$ 5,985
Total operating revenues	9,744
Net income	2,470

St. John Health System, Inc. and Subsidiaries

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

2. Significant Accounting Policies (continued)

Fresenius Medical Care of Tulsa LLC:

Total assets	\$ 33,162
Total liabilities	(15,239)
Total equity	<u>\$ 17,923</u>
Health Ministry's investment	\$ 6,979
Total operating revenues	12,831
Net income	1,699

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.

Short-Term Investments

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

St. John Health System, Inc. and Subsidiaries

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

2. Significant Accounting Policies (continued)

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 are included in the accompanying consolidated balance sheet, and represent 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 asset allocation, selection and monitoring of outside investment managers, and risk management.

The Health Ministry also holds certain investments which are locally managed. Most of these funds are held in the St. John Health System Foundation, Inc.

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 reports its other investments, including Foundation investments in the accompanying consolidated balance sheet based upon the long-term or short-term nature of the investments, and whether such investments are restricted by law or donors or designated for specific purposes by management or the board of directors of the Health Ministry.

The Health Ministry's investments are measured at fair value and all are classified as trading securities at June 30, 2014. The Alpha Fund's investments include pooled short-term investment funds; U.S. government, state, municipal, and agency obligations; corporate and foreign fixed income securities; asset backed securities; and equity securities. The Alpha Fund's 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 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.

St. John Health System, Inc. and Subsidiaries

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

2. Significant Accounting Policies (continued)

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 nonoperating gains (losses) in the accompanying consolidated statements of operations and changes in net assets, unless the return is restricted by donor or law.

Inventories

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

Intangible Assets

Intangible assets consist of customer relationships and capitalized computer software costs, including software internally developed and costs incurred in the development and installation of internal use software are expensed or capitalized depending on whether they are incurred in the preliminary project stage, application development stage, or post-implementation stage. Intangible assets are included in other noncurrent assets in the accompanying consolidated balance sheet and are composed of the following at June 30, 2014:

Capitalized computer software costs	\$ 51,835
Less accumulated amortization	(10,527)
Capitalized software costs, net	<u>41,308</u>
Customer relationships, net	<u>11,813</u>
Total intangible assets, net	<u><u>\$ 53,121</u></u>

St. John Health System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

2. Significant Accounting Policies (continued)

The weighted-average amortization period of intangible assets, in total, and for capitalized software costs and customer relationships is 6 years, 5 years and 10 years, respectively. The following table represents the total estimated amortization of these intangible assets for the five succeeding years and thereafter:

2015	\$ 11,745
2016	10,826
2017	6,094
2018	3,114
2019	3,107
Thereafter	18,235
	<u>\$ 53,121</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 and other intangibles, are amortized over their expected useful lives. The Health Ministry has no goodwill at June 30, 2014.

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	\$ 94,066
Buildings and equipment	625,065
	<u>719,131</u>
Less accumulated depreciation	(54,278)
	<u>664,853</u>
Construction in progress	6,068
Total property and equipment, net	<u>\$ 670,921</u>

Depreciation is determined on a straight-line basis over the estimated useful lives of the related assets. Depreciation expense in 2014 was \$44,792.

St. John Health System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

2. Significant Accounting Policies (continued)

Estimated useful lives by asset category are as follows: land improvements – 10 to 40 years; buildings – 10 to 40 years; and equipment – 3 to 15 years.

Several capital projects have remaining construction and related equipment purchase commitments of approximately \$25,700 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 which 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 \$1,238 as of June 30, 2014, are recorded in other noncurrent liabilities in the accompanying consolidated balance sheet. Accretion expense of approximately \$249 was recorded in 2014.

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.

St. John Health System, Inc. and Subsidiaries

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

2. Significant Accounting Policies (continued)

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 liability adjustments, transfers to or from Ascension and Ascension affiliates, and net assets released from restrictions for property acquisitions.

Operating and Nonoperating 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, physician professional services, laboratory services, 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 or which represent donations to other non-profit organizations to further their synergistic missions of service to the community are considered to be nonoperating. Gains and losses on the investment portfolio are also considered to be nonoperating. Investment gains and losses and donations to other tax-exempt organizations are the primary components of nonoperating activities.

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

Net patient service revenue is reported at the estimated realizable amounts from patients, third-party payors, and others for services provided and includes estimated retroactive adjustments under reimbursement agreements with third-party payors. The 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 subject to audit, retroactive adjustments, and significant regulatory actions. Provisions for third-party payor settlements and adjustments are estimated in the period the related services are provided and adjusted in future periods as additional information becomes available and as final settlements are determined. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a possibility that recorded estimates will change by a material amount in the near term. Adjustments to revenue related to prior periods increased net patient service revenue by approximately \$3,028 for the year ended June 30, 2014.

St. John Health System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

2. Significant Accounting Policies (continued)

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

Medicare	37.2%
Medicaid	7.4
Commercial Insurers and other	52.2
Uninsured (self pay)	3.2
	<u>100.0%</u>

The Health Ministry 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	18.0%
Medicaid	9.1
Commercial Insurers and other	46.0
Uninsured (self pay)	26.9
	<u>100.0%</u>

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

St. John Health System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

2. Significant Accounting Policies (continued)

Third-Party Reimbursement

- Medicare – Inpatient acute-care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Outpatient services are paid at prospectively determined rates per procedure under a system called Ambulatory Payment Classifications. Certain outpatient laboratory, therapies, and dialysis services continue to be reimbursed on an established fee-for-service schedule. Inpatient services provided in critical access hospitals are paid on a cost reimbursement methodology. Certain inpatient nonacute services related to Medicare beneficiaries are paid on a cost reimbursement methodology which is subject to fee schedules and cost limits. The Health System is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of each annual cost report and audit by the Medicare fiscal intermediary. Medical services rendered to Medicare beneficiaries by physicians are paid at prospectively determined rates per encounter. These rates vary according to a patient-classification system that is based on clinical, diagnostic, and other factors. The prospectively determined rates are not subject to retroactive settlement. As of June 30, 2014, there are no recorded balances within third-party settlements related to Medicare.
- Medicaid – Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. The prospectively determined rates are not subject to retroactive adjustment. The State of Oklahoma has a Medicaid fee-for-service program that allows the Medical Center, Jane Phillips, Sapulpa, Broken Arrow, Owasso and Nowata to provide services to Medicaid beneficiaries under fee-for-service arrangements. In 2012, the State of Oklahoma adopted a Supplemental Hospital Offset Payment Program “SHOPP.” SHOPP is a federally approved program in which qualifying hospitals in Oklahoma are assessed a quarterly fee and receive quarterly supplemental payments from the state to increase Medicaid reimbursement to qualifying hospitals. All of the Health Ministry’s hospitals are participating in SHOPP and in the year ended June 30, 2014, the Health Ministry received and recognized in operations both SHOPP assessments (expenses) and SHOPP revenues. The SHOPP assessments were approximately \$16,686 and are reported as an operating expense as part of provider fees and the SHOPP supplemental payments were approximately \$27,303 and are reported as a reduction to Medicaid contractual adjustments which is included in net patient service revenue. The SHOPP program has been extended by the State Legislature to remain in effect through at least fiscal year 2017.

St. John Health System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

2. Significant Accounting Policies (continued)

Capitation Revenue and Medical Claims

The Health Ministry has agreements with Health Maintenance Organizations (HMOs) operated by a related party, CommunityCare Managed Healthcare Plans of Oklahoma, Inc. (CCHMO), to provide medical services to subscribing participants. CCHMO is 50% owned by Utica and Utica's interest in CCHMO is accounted for under the equity method. Under such agreements, the Health Ministry receives monthly capitation payments based on the number of HMO participants electing the St. John Health System as their primary medical service provider, regardless of services actually performed by the St. John Health System. Premium revenues are recognized when earned. In addition, the HMOs make fee-for-service payments to the Health Ministry for certain covered services based upon discounted fee schedules.

Payments made to out-of-network providers for covered medical claims were \$23,292 for fiscal year 2014, and are included in other operating expenses in the accompanying consolidated statements of operations and changes in net assets. In addition, the Health Ministry estimates its liability for covered medical claims, including claims incurred but not reported, based upon historical costs incurred and payment processing experience. At June 30, 2014, the liability for such covered medical claims was \$6,952, and is included in accounts payable and accrued liabilities in the accompanying consolidated balance sheet.

Electronic Health Record Incentive Payments

The American Recovery and Reinvestment Act of 2009 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.

St. John Health System, Inc. and Subsidiaries

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. The Health Ministry recognizes Medicaid incentive payments when qualifying patient volume thresholds and meaningful use objectives have been met for the applicable reporting period. Incentive payments totaling \$9,907 for the year ended June 30, 2014, are included in total operating revenue in the accompanying consolidated statements of operations and changes in net assets. Income from incentive payments is subject to retrospective adjustment as the incentive payments are calculated using Medicare cost report and other 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. No such impairments were recorded in 2014.

During the year ended June 30, 2014, the Health Ministry recorded restructuring and nonrecurring losses of \$2,438. This entire amount was composed of restructuring and nonrecurring expenses related to severance costs accrued in a workforce restructuring.

Hospital or Health Ministry Income Taxes

Except as described, 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.

St. John Health System, Inc. and Subsidiaries

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

2. Significant Accounting Policies (continued)

Utica Services Inc. and its majority-owned affiliates file a consolidated income tax return. In addition, certain other affiliates file a separate consolidated income tax return. These entities, collectively referred to as the Health Ministry's for-profit affiliates, account for income taxes by the asset and liability method, whereby deferred income taxes are recognized for the future tax consequences of operating loss carryforwards and differences between the financial statement carrying amounts of assets and liabilities and their tax bases. Net deferred tax assets are composed of net operating losses and have been entirely offset by a valuation allowance of approximately \$111,000 at June 30, 2014, as management has determined it is more likely than not that the deferred tax assets will not be utilized. Accordingly, no income tax benefit or expense was recorded in 2014.

Regulatory Compliance

The U.S. Department of Justice and other federal and state agencies continue to focus resources dedicated to regulatory investigations and compliance audits of health care providers. The Health Ministry is subject to these regulatory efforts. In consultation with legal counsel, management does not expect that the impact of regulatory compliance matters, including Recovery Audit Contractor and other regulatory matters, will have a material adverse effect on the Health Ministry's financial position or results of operations.

Deferred Compensation

The Health Ministry has established several nonqualified deferred compensation plans (the Plans) which are or were available to certain employees. A trust account, commonly known as a Rabbi Trust (the Trust) is maintained in connection with each Plan and employer contributions and salary withholdings are deposited into the Trust. Contributions to fund the Trust are recorded as employee benefits and accrued expense. Such contributions, and investment income earned on trust assets, are included as other long-term assets on the Health Ministry's consolidated balance sheet and the related obligation to participating employees is recorded as other long-term liability. Benefits paid and investment losses are reductions to trust assets and the related liabilities. The fair value of the trust assets and the related liabilities of the combined plans was \$24,428 at June 30, 2014. The Plans established under various sections of the Internal Revenue Code include a Section 457f Plan (terminated in 2014 with no balances outstanding at June 30, 2014), a Section 457b Plan, and a Section 451 Plan, which are available to certain employees (participants). Accounts have been set up in the participants' names in connection with the Plans and employer contributions have been deposited in the accounts. The Plans contain vesting requirements, and once vested, the funds can be distributed to the participants.

St. John Health System, Inc. and Subsidiaries

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

2. Significant Accounting Policies (continued)

Beneficial Interests in Trusts

Certain subsidiaries of the Health Ministry are income beneficiaries of irrevocable trusts held and administered by third-party trustees. At June 30, 2014, the Health Ministry has not recorded its beneficial interest in these trusts – principally due to the trustees' variance power over future distributions from the trusts. At June 30, 2014, the estimated fair value of the Health Ministry's beneficial interest in irrevocable trusts that had not been recorded by the Health Ministry in its consolidated financial statements was approximately \$147,177.

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 September 25, 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.

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 expanded the disclosure requirements in that entities were required to disclose both gross and net information about instruments and transactions eligible for offset in the balance sheet. This new guidance was 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.

St. John Health System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

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

At June 30, 2014, the Health Ministry's investments are composed of its interest in investments held by Ascension and certain other investments, including investments held and managed by the Foundation. Management-or Board-designated investments represent investments designated by the Board of Directors to put amounts aside primarily for future capital expansion and improvements. The Health Ministry's Board of Directors has delegated this designation process and approval to management. The Health Ministry's cash and cash equivalents, 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:

	June 30, 2014
Cash and cash equivalents	\$ 44,894
Assets limited as to use and other long-term investments:	
Board or management designated investments	15,391
Assets limited as to use	617
Donor restricted	21,619
Other long-term investments	5,569
Total assets limited as to use and other long-term investments	88,090
Interest in investments held by Ascension	417,881
Total	<u>\$ 505,971</u>

St. John Health System, Inc. and Subsidiaries

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

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

The composition of cash and investments classified as cash and cash equivalents, board and management designated investments, assets limited as to use, and other investments is summarized as follows (including both restricted and unrestricted investments):

	June 30, 2014
Cash and cash equivalents	\$ 54,252
Short-term investments	5,844
U.S. government, state, municipal, and agency obligations	1,391
Corporate and foreign fixed income securities	1,863
Asset-backed securities	9,500
Equity securities	8,569
Alternative investments and other investments	3,757
Other assets limited as to use	2,914
Subtotal, included in cash and cash equivalents, short-term investments, assets limited as to use and other long-term investments	88,090
Interest in investments held by Ascension	417,881
Cash and cash equivalents, assets limited as to use and other long-term investments, interest in investments held by Ascension	<u>\$ 505,971</u>

St. John Health System, Inc. and Subsidiaries

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

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

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

	June 30, 2014
Cash and cash equivalents and short-term investments	2.5%
U.S. government obligations	21.8
Corporate and foreign fixed income securities	11.0
Asset-backed securities	6.7
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
	<u>100.0%</u>

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

	Year Ended June 30, 2014
Return on interest in investments held by Ascension	\$ 43,339
Local investment losses	(726)
Restricted investment income	1,431
Total investment return	<u>\$ 44,044</u>

4. 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 which are based on market data obtained

St. John Health System, Inc. and Subsidiaries

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

4. Fair Value Measurements (continued)

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.

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.

St. John Health System, Inc. and Subsidiaries

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

4. Fair Value Measurements (continued)

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

Cash and cash equivalents and short-term investments

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

Pooled short-term investment funds

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

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

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

Corporate and foreign fixed income securities

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

St. John Health System, Inc. and Subsidiaries

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

4. Fair Value Measurements (continued)

Asset-backed securities

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

Equity securities

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

Alternative investments and other investments

Alternative investments consist of private equity, hedge funds, private equity funds, commodity funds, and real estate partnerships. The fair value of private equity is primarily determined using techniques consistent with both the market and income approaches, based on the 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.

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.

St. John Health System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

4. Fair Value Measurements (continued)

Derivative assets and liabilities

The fair value of derivative contracts is primarily determined using techniques consistent with the market approach. Derivative contracts in place at June 30, 2014, include one interest rate basis swap. Significant observable inputs to valuation models include interest rates, and treasury yields.

As discussed in the significant accounting policies and the cash and cash equivalents, interest in investments held by Ascension, and assets limited as to use and other long-term 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 0%, 100% and 0% of total Alpha Fund liabilities that are measured at fair value on a recurring basis were measured at such fair values based on Level 1, Level 2, and Level 3 inputs, respectively.

St. John Health System, Inc. and Subsidiaries

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

4. Fair Value Measurements (continued)

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

	Level 1	Level 2	Level 3	Total
June 30, 2014				
Cash and cash equivalents	\$ 54,019	\$ 233	\$ —	\$ 54,252
Short-term investments	—	5,844	—	5,844
U.S. government, state, municipal, and agency obligations	—	1,391	—	1,391
Corporate and foreign fixed income securities	—	1,863	—	1,863
Asset-backed securities	—	9,500	—	9,500
Equity securities	8,004	565	—	8,569
Alternative investments and other investments	6	3,751	—	3,757
	<u>\$ 62,029</u>	<u>\$ 23,147</u>	<u>\$ —</u>	<u>85,176</u>
Reconciling items				
Other assets limited as to use				<u>2,914</u>
Subtotal, included in cash and cash equivalents, short-term investments, assets limited as to use and other long-term investments				<u>\$ 88,090</u>

St. John Health System, Inc. and Subsidiaries

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

5. Long-Term Debt

Long-term debt consists of the following:

	Total Debt June 30, 2014
St. John Health System Revenue Bonds, Series 2012 of the Oklahoma Development Finance Authority in the aggregate amount of \$182,055 at stated rates ranging from 3.00% to 5.00% issued June 2012, maturing at various dates through February 2042	\$ 174,920
St. John Health System Revenue Bonds, Series 2007 of the Oklahoma Development Finance Authority in the aggregate amount of \$247,595 at stated rates ranging from 4.125% to 5.0% issued May 2007, maturing at various dates through February 2042	232,630
Intercompany debt with Ascension, payable in installments through November 15, 2053; interest rate 3.091% at June 30, 2014, and adjusted based on prevailing blended market interest rate of underlying debt obligations	49,387
St. John Building Corporation Term Note payable to a bank made in June 2012 in the amount of \$30,000 at a variable interest rate of 1.75% plus the London Interbank Offered Rate (LIBOR) in effect for each month (1.901% at June 30, 2014). Payments of principal and accrued interest are due and payable on the first day of each month until the date of June 1, 2032	27,269
Other long-term debt	4,117
	488,323
Plus unamortized bond premium	28,909
Less current portion	(9,210)
Long-term debt, less current portion	<u>\$ 508,022</u>

St. John Health System, Inc. and Subsidiaries

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

5. Long-Term Debt (continued)

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

Year ending June 30:	
2015	\$ 9,210
2016	9,547
2017	10,090
2018	8,942
2019	9,449
Thereafter	441,085
Total	<u>\$ 488,323</u>

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

St. John Health System, Inc. and Subsidiaries

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

5. Long-Term Debt (continued)

A Subordinate Credit Group, which is composed of subordinate obligated group members, subordinate designated affiliates, and subordinate limited designated affiliates, was created under the Subordinate Master Trust Indenture (Subordinate MTI). The subordinate obligated group members are jointly and severally liable under the Subordinate MTI to make all payments required with respect to obligations under the Subordinate MTI and may be entities not controlled directly or indirectly by Ascension. Though subordinate designated affiliates and subordinate limited designated affiliates are not obligated to make debt service payments on the obligations under the Subordinate MTI, Ascension may cause each subordinate designated affiliate to transfer such amounts as are necessary to enable the obligated group members to comply with the terms of the Subordinate MTI, including payment of the outstanding obligations. Additionally, each subordinate limited designated affiliate has an independent subordinate limited designated affiliate agreement and promissory note with Ascension, with stipulated repayment terms and conditions, each subject to the governing law of the subordinate limited designated affiliate's state of incorporation. The Health Ministry is a subordinate obligated group member under the terms of the Subordinate MTI. The Health Ministry's long-term debt payable to Ascension as part of this program is subordinate to the 2012 and 2017 bonds payable.

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

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

St. John Health System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

5. Long-Term Debt (continued)

The carrying amounts of intercompany debt with Ascension, the bank loan, and other long-term debt approximate fair value based on a portfolio market valuation provided by a third party. The fair market value of the 2012 and 2007 Bonds is \$186,443 and \$240,101, respectively, at June 30, 2014.

The Senior and Subordinate Credit Group financing documents contain certain restrictive covenants, including a debt service coverage ratio. The Health Ministry was in compliance with all covenants as of June 30, 2014.

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

During the year ended June 30, 2014, interest paid was approximately \$22,198. Capitalized interest was zero for the year ended June 30, 2014.

The Series 2012 Bonds are secured by the revenue of the members of an obligated group that includes the Health System, the Medical Center, JPMMC, St. John Broken Arrow, St. John Owasso, and St. John Sapulpa. The Series 2007 Bonds are not secured by a revenue pledge and the obligated group for those issues consists of the Health System and the Medical Center.

The Health Ministry may redeem the Series 2012 Bonds after February 15, 2022. The Health Ministry may redeem the Series 2007 Bonds after February 2017.

In 2012, St. John Building Corporation issued a term note payable to a Bank (the Bank Note) for \$30,000 for purchase of the Broken Arrow Medical Office Building and certain other property. The Bank Note is unsecured, but guaranteed by the Health Ministry. Additionally, the Bank Note is subject to cash collateral posting requirements tied to a reduction in the credit rating of St. John Health System, Inc. to or below BBB, or certain other specified events. The Bank Note is payable at any time by St. John Building Corporation with no prepayment penalty. Principal and interest on the Bank Note is payable monthly based upon a variable interest rate that resets quarterly and a 20-year principle amortization schedule. The variable interest rate is LIBOR plus 1.75% (1.901% at June 30, 2014).

St. John Health System, Inc. and Subsidiaries

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

5. Long-Term Debt (continued)

In connection with the bond issues, the Health Ministry and various subsidiaries must comply with covenants which may require, limit, or prohibit certain transactions or activities. These covenants, among other things, limit the creation of certain liens, the incurrence of indebtedness, transfers of assets, mergers, and consolidation. Certain other limitations exist related to the creation of encumbrances on revenue and certain assets of the Health Ministry and various subsidiaries. The Master Indenture for the bonds contains a debt service coverage ratio requirement of 1.10 times debt service coverage. At June 30, 2014, management for the Health Ministry believes the Health Ministry was in compliance with this covenant and with all other debt covenants.

6. Derivative Instruments

The Health Ministry uses interest rate swap agreements to hedge the effects of fluctuations in interest rates. At June 30, 2014, the Health Ministry had one \$100 million interest rate basis swap agreement outstanding. This swap agreement requires the Health Ministry to pay variable interest payments based on the Bond Market Association Municipal swap index (BMA) rate (now called SIFMA) and receive interest payments based on the USD-LIBOR-BBA index rate for one-month deposits.

During the twelve-month period ended June 30, 2014, this derivative did not meet the requirements for hedge accounting. The differential to be paid or received on the swap agreement is accrued as interest rates change and is recognized as an increase or decrease in net interest expense. These differentials may change as market interest rates change over the life of the related agreements.

All derivatives are recognized on the balance sheet at their fair value. On the date the derivative contract is entered into, the Health Ministry designates the derivative as either a hedge of the fair value of a recognized asset or liability or of an unrecognized firm commitment (fair value hedge), a hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability (cash flow hedge), or as a speculative derivative. The Health Ministry's current derivative is accounted for as a speculative instrument. Accordingly, it has been recognized on the balance sheet at fair value with the change in fair value recorded in the statements of operations as a component of nonoperating revenue. The fair value of the Health Ministry interest rate swap agreement is the estimated amount that the Health Ministry would receive or pay to terminate the swap agreement at the reporting date, taking into account

St. John Health System, Inc. and Subsidiaries

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

6. Derivative Instruments (continued)

current interest rates and the current creditworthiness of the swap counterparty. The fair value of the one outstanding swap was unfavorable to the Health Ministry at June 30, 2014, with a fair market value liability of \$756.

Market risk includes the adverse effect on the value of a derivative instrument that results from a change in interest rates. The market risk associated with interest rate contracts is managed by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

The Health Ministry entered into the 20-year basis rate swap on June 18, 2001 (maturing on June 17, 2021), for a notional amount of \$100 million, for which the counterparty and the Health Ministry obligors each pay a variable rate applied to the notional amount. The agreement requires the parties to exchange semiannual payments with each other. The Health Ministry parties pay the counterparty the BMA/SIFMA rate while the counterparty pays 73.875% of the USD-LIBOR-BBA index rate for one month deposits, which was 0.154% at June 30, 2014 (73.875% of which was 0.114%). The BMA/SIFMA rate was 0.060% at June 30, 2014.

The Health Ministry parties and the counterparty may each terminate the swap transaction if the other party commits a specified event of default or certain acts of insolvency, merges with a materially weaker entity, or may not legally perform its obligations under the agreement, or if its credit ratings decline below specified levels. If either party terminates a transaction, the terminating party must pay or be paid a termination settlement based on quotations of the value of the transaction by leading dealers, regardless of which party was the defaulting or affected party. In addition, if either counterparty's credit ratings were to fall below specified levels, they would be obligated to post cash or securities with the counterparty equal to all or a portion of its settlement obligation from time to time. If a swap transaction is terminated, the Health Ministry parties could be obligated to pay a termination settlement amount, and the amount could be substantial, depending on market conditions.

The Health Ministry is exposed to credit losses in the event of nonperformance by the counterparty to its interest rate swap agreements. Health Ministry management anticipates, however, that its counterparty for the above swap (whose obligations are guaranteed by Citigroup Global Markets Holding Inc.) will be able to satisfy its obligations under the agreements.

St. John Health System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

7. Retirement Plans

Defined-Benefit Plans

The Health Ministry participates in a noncontributory defined-benefit pension plan (the Defined Benefit Plan) that until April 1, 2013, was sponsored by Marian. On April 1, 2013, St. John Health System, Inc. became the sponsor of the plan as it relates to the participants who are or were employees of the Health Ministry. The plan name is St. John Health System, Inc. Employee Retirement Plan. The Defined Benefit Plan qualified as a Church plan as described in the Internal Revenue Code. The plan covers all eligible employees. On January 1, 2006, Marian adopted a defined contribution retirement plan (the Defined Contribution Plan) for eligible employees – generally employees who began employment on or after January 1, 2006. This plan is now also sponsored by St. John Health System, Inc. as participation relates to employees of the Health Ministry. Eligible employees are participants in the Defined Contribution Plan and no further participants have been or will be added to the Defined Benefit Plan after January 1, 2006. On June 18, 2013, participants were notified that all retirement benefits under the Defined Benefit Plan will be frozen effective December 31, 2014, and no further benefits will be earned after that date. It is the intention of the Health Ministry to create a new defined contribution plan or plans to be effective as of January 1, 2015, to provide additional retirement benefits to Health Ministry employees.

Contributions to the Defined Benefit Plan are based on actuarially determined amounts sufficient to meet the benefits to be paid to participants.

St. John Health System, Inc. and Subsidiaries

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

7. Retirement Plans (continued)

The following table sets forth the benefit obligations and assets of the Defined Benefit Plan at June 30, 2014, components of net periodic benefit costs for the year then ended, and a reconciliation of the amounts recognized in the accompanying consolidated financial statements.

Year Ended June 30, 2014

Change in projected benefit obligation:

Projected benefit obligation at beginning of year	\$ 224,292
Service cost	6,739
Interest cost	10,517
Actuarial loss	4,598
Assumption change	7,896
Benefits paid	<u>(16,453)</u>
Projected benefit obligation at end of year	237,589

Accumulated benefit obligation at end of year 235,929

Change in plan assets:

Fair value of plan assets at beginning of year	172,104
Actual return on plan assets	29,263
Employer contributions	5,619
Benefits paid	<u>(16,453)</u>
Fair value of plan assets at end of year	<u>190,533</u>
Net amount recognized at end of year and funded status	<u>\$ (47,056)</u>

The net amount (\$47,056) has been recognized as a long-term liability in the accompanying consolidated balance sheet at June 30, 2014.

St. John Health System, Inc. and Subsidiaries

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

7. Retirement Plans (continued)

The Defined Benefit Plan funded status as a percentage of the projected benefit obligation at June 30, 2014, is approximately 80%. The funded status percentage of the accumulated benefit obligation at June 30, 2014, is approximately 81%. Included in unrestricted net assets at June 30, 2014, is an unrecognized actuarial gain of \$22,340 that has not yet been recognized in net periodic pension cost for the Defined Benefit Plan. An actuarial gain of \$5,132 was included in changes in plan assets and benefit obligations recognized in unrestricted net assets for the Defined Benefit Plan during the year ended June 30, 2014.

Components of net periodic benefit cost for the year ended

June 30, 2014:

Service cost	\$ 6,739
Interest cost	10,517
Expected return on plan assets	(11,292)
Net periodic benefit cost	<u>\$ 5,964</u>

The prior service credit and actuarial loss included in unrestricted net assets and expected to be recognized in net periodic pension cost during the year ending June 30, 2015, are zero.

The assumptions used to determine the benefit obligation and net periodic benefit cost for the Defined Benefit Plan are set forth below:

June 30, 2014

Weighted-average discount rate	4.30%
Weighted-average rate of compensation increase	3.50%
Weighted-average expected long-term rate of return on plan assets	7.10%

St. John Health System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

7. Retirement Plans (continued)

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

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

Percentage of plan assets at year-end by asset category:

Cash and cash equivalents	0.5%
U.S. government and agency securities	11.3
Corporate bonds	8.6
Domestic common stocks	74.3
Alternative investments	5.3
Total	<u>100.0%</u>

St. John Health System, Inc. and Subsidiaries

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

7. Retirement Plans (continued)

The following table summarizes fair value measurements at June 30, 2014, by asset class and by level, for the Health Ministry plans' assets and liabilities. As also discussed in the fair value measurements note, the Health Ministry follows the three-level fair value hierarchy to categorize plan assets and liabilities recognized at fair value, which prioritizes the inputs used to measure such fair values. The inputs and valuation techniques discussed in the fair value measurements note also apply to the Health Ministry plans' assets and liabilities as presented in the following tables.

	Level 1	Level 2	Level 3	Total June 30, 2014
Cash and cash equivalents	\$ 859	\$ —	\$ —	\$ 859
U.S. government and agency securities	—	21,526	—	21,526
Corporate bonds	—	16,306	—	16,306
Domestic common stocks	—	141,755	—	141,755
Alternative investments	—	—	10,087	10,087
Total	\$ 859	\$ 179,585	\$ 10,087	\$ 190,533

St. John Health System, Inc. and Subsidiaries

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

7. Retirement Plans (continued)

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

Information about the expected cash flows for the Defined Benefit Plan follows:

Expected employer contributions in FY 2015	\$	2,572
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Expected benefit payments from the Defined Benefit Plan for the next five years and thereafter are:

2015	\$	31,100
2016		18,800
2017		17,600
2018		17,300
2019		17,700
2020–2024		75,000

Defined Contribution Plans

The Health Ministry makes contributions on behalf of participants to the Defined Contribution Plan based on a percentage of the employee's eligible earnings. Contributions are 2%, 4%, or 6% of eligible compensation depending upon each employee's tenure with the Health Ministry. Contributions are made once each year in February or March based upon eligible earnings for the previous calendar year. Utica and certain other subsidiaries sponsor 401(k) and other defined contribution plans for certain eligible employees. Contributions, if any, to these plans are based on a percentage of employee earnings. In general, each employee of the Health Ministry participates in one (but not more than one) of the plans described above.

Total expense associated with all the Health Ministry's retirement plans was \$9,728 for the year ended June 30, 2014.

St. John Health System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

8. 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%, are contributed to the trusts and the captive insurance company to provide for the estimated cost of claims. The loss reserves recorded for estimated self-insured professional, general liability, and workers' compensation claims include estimates of the ultimate costs for both reported claims and claims incurred but not reported and are discounted at 6% in 2014. In the event that sufficient funds are not available from the self-insurance programs, each participating entity may be assessed its pro rata share of the deficiency. If contributions exceed the losses paid, the excess may be returned to participating entities.

Professional and General Liability Programs

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

Included in operating expenses in the accompanying consolidated statements of operations and changes in net assets is professional and general liability expense of \$5,670 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 approximately \$2,948.

St. John Health System, Inc. and Subsidiaries

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

8. Self-Insurance Programs (continued)

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 \$1,000 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 statements of operations and changes in net assets is workers' compensation expense of \$3,731 for the year ended June 30, 2014.

9. Lease Commitments

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

Year ending June 30:	
2015	\$ 3,457
2016	3,402
2017	3,012
2018	2,485
2019	2,288
Thereafter	6,904
Total	<u>\$ 21,548</u>

Rental expense under operating leases amounted to \$5,297 in 2014.

St. John Health System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

10. Related-Party Transactions

The Health Ministry utilized various centralized programs and overhead services of the System or its other sponsored organizations including risk management, treasury, debt management, executive management support, administrative services, and certain 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 and charged to expense were approximately \$10,881 for the year ended June 30, 2014. Most of this expense relates to management and maintenance of biomedical equipment.

In addition to the charges discussed above, the Health Ministry may make payments to the System of more than \$12,000 for the year ended June 30, 2015, representing the Health Ministry's share of costs to fund a System-wide information technology and process standardization project that is expected to continue through December 2016. These payments will be included in transfers to sponsor and other affiliates, net, in the accompanying consolidated statement of operations and changes in net assets.

The Health Ministry received from Community Care premium revenues of \$101,515 for the year ended June 30, 2014, and rental income of \$1,252 for the same period.

The president of Regional Medical Lab, Inc. (RML), a subsidiary of Utica, is a shareholder in Pathology Laboratory Associates, Inc. (PLA) which provides professional medical services as well as management services related to and for the laboratory tests performed by RML. RML paid PLA \$5,565 for professional medical services and \$5,404 for management services during the year ended June 30, 2014.

SJBC owns and leases the land and facilities housing an ambulatory surgery center to Memorial Surgery Center, LLC (Memorial). Utica (through its 50% equity ownership in Utica USP Tulsa LLC) has an effective 25% ownership in Memorial. The venture includes another organization and physician investors, some of which are members of the Medical Center's active medical staff.

St. John Health System, Inc. and Subsidiaries

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

10. Related-Party Transactions (continued)

SJBC owns and leases land and facilities housing several outpatient dialysis centers owned and managed by Fresenius MC of Tulsa LLC, a limited liability corporation in which Utica owns a 24.5% ownership interest.

11. 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's consolidated balance sheet.

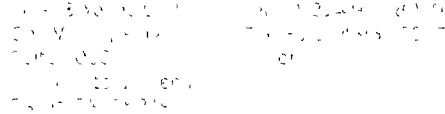
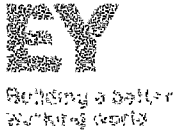
The Health Ministry from time to time enters into agreements with non-employed physicians that include minimum revenue guarantees. At June 30, 2014, there are no future commitments under such guarantees and the carrying amounts of the liability for the Health Ministry's obligation under these guarantees was zero. The maximum amount of future payments that the Health Ministry could be required to make under these guarantees is zero.

12. Sale of Certain Dialysis Operations and Investment in Dialysis Joint Venture

Effective November 1, 2013, the Health Ministry sold its operations in four outpatient dialysis centers to Fresenius MC of Tulsa LLC (the LLC), a limited liability corporation, which also purchased the operations of six outpatient dialysis centers previously owned by affiliates of Fresenius, the company that owns a majority ownership percentage in Fresenius MC of Tulsa LLC. At the same time, Utica purchased a 24.5% ownership interest in the LLC.

Proceeds of the sale to the Health Ministry were approximately \$18,367 and the sale generated a gain on sale of assets of approximately \$17,954 which is recorded in other operating revenue in the accompanying consolidated statement of operations and changes in net assets for the year ended June 30, 2014. Utica's investment in the LLC was \$6,562 in exchange for the 24.5% ownership interest.

Supplementary Information



Report of Independent Auditors on Supplementary Information

The Board of Directors
St. John Health System, 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 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Ernst & Young LLP

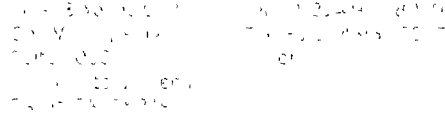
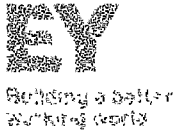
September 25, 2014

St. John Health System, Inc. and Subsidiaries

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

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

	Year Ended June 30, 2014
Traditional charity care provided	\$ 32,442
Unpaid cost of public programs for persons living in poverty	14,823
Other programs for persons living in poverty and other vulnerable persons	5,477
Community benefit programs	16,761
Care of persons living in poverty and other community benefit programs	<u>\$ 69,503</u>



Report of Independent Auditors on Supplementary Information

The Board of Directors
St. John Health System, Inc.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Combined Balance Sheet and Combined Statement of Operations and Changes in Unrestricted Net Assets of St. John Health System, Inc. (Parent) and St. John Medical Center, Inc., and the Balance Sheet and Statement of Operations and Changes in Unrestricted Net Assets of St. John Health System, Inc. (Parent Only) are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Ernst & Young LLP

September 25, 2014

St. John Health System, Inc. (Parent)
and St. John Medical Center, Inc.

Combined Schedule – Balance Sheet Information
(In Thousands)

June 30, 2014

Assets

Current assets:

Cash and cash equivalents	\$ 15,975
Net patient accounts receivable	71,382
Receivable from consolidated affiliates	35,089
Receivable from Ascension and Ascension affiliates	5,863
Other current assets	28,656

Total current assets	156,965
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Property and equipment, net	214,508
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Assets whose use is limited	38,806
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Investment in consolidated affiliates	379,360
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Investments	423,450
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Receivable from affiliates	178,485
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Other assets	46,927
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Total assets	\$ 1,438,501
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Liabilities and net assets

Current liabilities:

Current portion of long-term debt	\$ 8,012
Accounts payable and accrued liabilities	68,613
Accounts payable to Ascension and Ascension affiliates	11,423
Other current liabilities	9,223

Total current liabilities	97,271
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Long-term debt, less current portion	477,832
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Pension liability	47,056
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Other liabilities	16,175
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Derivative financial instruments	756
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Total liabilities	639,090
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Net assets:

Unrestricted	777,792
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Temporarily restricted	11,619
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Permanently restricted	10,000
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Total net assets	799,411
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Commitments and contingencies	—
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Total liabilities and net assets	\$ 1,438,501
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St. John Health System, Inc. (Parent)
and St. John Medical Center, Inc.

Combined Schedule – Statement of Operations and
Changes in Unrestricted Net Assets Information
(In Thousands)

June 30, 2014

Operating revenues:

Net patient service revenue, including premium	\$ 533,164
Gain on sale of certain clinical operations and assets	15,603
Other operating revenue	29,730
Equity in net earnings of consolidated affiliates	4,643
Total operating revenues	<u>583,140</u>

Operating expenses:

Salaries, wages, and employee benefits	232,897
Supplies	121,428
Purchased services and professional fees	81,782
Provider fees	11,744
Other expenses	49,007
Depreciation and amortization	27,518
Interest	20,470
Total operating expenses before restructuring charges	<u>544,846</u>
Income from operations before restructuring charges	38,294

Restructuring charges	<u>(2,438)</u>
Income from operations	35,856

Nonoperating gains (losses):

Investment return	50,526
Gain on interest rate swap	25
Other, net	<u>(4,970)</u>
Total nonoperating gains, net	<u>45,581</u>
Excess of revenues and gains over expenses and losses	81,437

Other changes in unrestricted net assets:

Transfer to Ascension and Ascension affiliates	(9,142)
Pension liability adjustment	5,132
Other changes in net assets	<u>1,317</u>
Change in unrestricted net assets	<u><u>\$ 78,744</u></u>

St. John Health System, Inc. (Parent Only)

Balance Sheet Information

(In Thousands)

June 30, 2014

Assets

Current assets:

Cash and cash equivalents	\$ 3,095
Receivable from consolidated affiliates	15,109
Other current assets	12,891
Total current assets	<u>31,095</u>

Property and equipment, net	12,181
Investment in consolidated affiliates	451,765
Assets whose use is limited	24,348
Investments	421,633
Receivable from consolidated affiliates	408,275
Other assets	45,646
Total assets	<u><u>\$ 1,394,943</u></u>

Liabilities and net assets

Current liabilities:

Current portion of long-term debt	\$ 8,012
Accounts payable and accrued liabilities	33,000
Payable to Ascension and Ascension affiliates	3,349
Other	9,352
Total current liabilities	<u>53,713</u>

Long-term debt, less current portion	477,832
Pension liability	47,056
Other liabilities	16,175
Derivative financial instruments	756
Total liabilities	<u>595,532</u>

Net assets:

Unrestricted	777,792
Temporarily restricted	11,619
Permanently restricted	10,000
Total net assets	<u>799,411</u>
Commitments and contingencies	—
Total liabilities and net assets	<u><u>\$ 1,394,943</u></u>

St. John Health System, Inc. (Parent Only)

Statement of Operations and Changes in Unrestricted Net Assets Information
(In Thousands)

June 30, 2014

Net patient service revenue, including premium	\$ 31,107
Equity in earnings of unconsolidated affiliates	72,014
Other operating revenues, including intercompany allocations	54,279
Total operating revenues	<u>157,400</u>
Operating expenses:	
Salaries, wages, and employee benefits	44,862
Supplies	1,609
Purchased services and professional fees	25,977
Other expenses	33,832
Depreciation and amortization	9,905
Interest	20,470
Total operating expenses before restructuring charges	<u>136,655</u>
Income from operations before restructuring charges	20,745
Restructuring charges	<u>(2,438)</u>
Income from operations	18,307
Nonoperating gains:	
Investment return, including intercompany	63,112
Gain on interest rate swap	25
Other, net	(7)
Total nonoperating gains, net	<u>63,130</u>
Excess of revenues and gains over expenses and losses	81,437
Other changes in unrestricted net assets (including equity in other changes in affiliates' unrestricted net assets)	<u>(3,223)</u>
Change in unrestricted net assets	<u><u>\$ 78,214</u></u>

About EY

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