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Form **990**
 Department of the Treasury
 Internal Revenue Service

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)
 Do not enter Social Security numbers on this form as it may be made public. By law, the IRS generally cannot redact the information on the form.
 Information about Form 990 and its instructions is at www.irs.gov/form990

OMB No 1545-0047
2013
Open to Public Inspection

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

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization CHRISTUS CONTINUING CARE <hr/> Doing Business As See Schedule O <hr/> Number and street (or P O box if mail is not delivered to street address) Room/suite 919 Hidden Ridge Drive Suite <hr/> City or town, state or province, country, and ZIP or foreign postal code Irving, TX 75038	D Employer identification number 74-2898615 <hr/> E Telephone number (469) 282-2000 <hr/> G Gross receipts \$ 89,183,858
F Name and address of principal officer PAUL GENERALE 919 HIDDEN RIDGE DRIVE IRVING, TX 75038		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number ▶ 0928
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ http //www.christuscontinuingcare.org		
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation 1998 M State of legal domicile TX

Part I Summary

1	Briefly describe the organization's mission or most significant activities CHRISTUS CONTINUING CARE IS A NONPROFIT CORPORATION PROVIDING NON-PROFIT HEALTH CARE SERVICES, INCLUDING HOME HEALTH AND HOSPICE SERVICES			
2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets			
3	Number of voting members of the governing body (Part VI, line 1a)	3		9
4	Number of independent voting members of the governing body (Part VI, line 1b)	4		8
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5		2,439
6	Total number of volunteers (estimate if necessary)	6		150
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a		1,102,319
7b	Net unrelated business taxable income from Form 990-T, line 34	7b		-268,848
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year		Current Year
	9 Program service revenue (Part VIII, line 2g)	1,065,796		1,209,481
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	82,508,243		83,342,402
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,380		1,629
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	4,110,485		4,630,346
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	87,685,904		89,183,858
	14 Benefits paid to or for members (Part IX, column (A), line 4)	69,758		17,951
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0		0
	16a Professional fundraising fees (Part IX, column (A), line 11e)	61,261,922		58,427,928
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0	0		0
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	30,440,173		30,445,148
18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	91,771,853		88,891,027	
19 Revenue less expenses Subtract line 18 from line 12	-4,085,949		292,831	
Net Assets or Fund Balances		Beginning of Current Year		End of Year
	20 Total assets (Part X, line 16)	16,418,224		19,775,370
	21 Total liabilities (Part X, line 26)	29,051,140		31,068,851
22 Net assets or fund balances Subtract line 21 from line 20	-12,632,916		-11,293,481	

Part II Signature Block

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

Sign Here	Signature of officer _____ Mike Murray cfo Type or print name and title	Date 2015-05-08			
Paid Preparer Use Only	Print/Type preparer's name KATHLEEN MOSELEY	Preparer's signature _____	Date _____	Check <input type="checkbox"/> if self-employed	PTIN P00116760
	Firm's name ▶ ERNST & YOUNG US LLP			Firm's EIN ▶	
	Firm's address ▶ 425 HOUSTON STREET SUITE 600 FORT WORTH, TX 76102			Phone no	

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III Yes No

1 Briefly describe the organization's mission
THE CORPORATION'S MISSION SHALL BE TO EXTEND THE HEALING MINISTRY OF JESUS CHRIST, AND CONSISTENT THEREWITH, SHALL OPERATE ACCORDING TO THE DOCTRINES, RESOLUTIONS, DECREES AND ETHICAL PRINCIPLES OF CHRISTUS HEALTH, AND THE ETHICAL AND RELIGIOUS DIRECTIVES FOR CATHOLIC HEALTH CARE SERVICES AS PROMULGATED OR AMENDED FROM TIME TO TIME BY THE UNITED STATES CONFERENCE OF CATHOLIC BISHOPS IT IS ALSO A PURPOSE OF THE CORPORATION TO AID, LEND FINANCIAL SUPPORT AND ASSISTANCE TO, AND TO INVEST, TRANSFER AND/OR DISPOSE OF FUNDS OF THE CORPORATION FOR THE USE AND BENEFIT OF, AND IN FURTHERANCE OF THE PURPOSES OF, CHRISTUS HEALTH THE CORPORATION'S PURPOSES ARE ALSO TO MAKE GIFTS, GRANTS, AND CONTRIBUTIONS TO OTHER QUALIFYING TAX-EXEMPT ORGANIZATIONS, PARTICULARLY THOSE DESIGNATED TO SUPPORT AND BENEFIT THE HEALTH AND WELFARE OF THE POOR AND UNDERSERVED

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses \$ 76,174,236 including grants of \$ 17,951) (Revenue \$ 83,342,402)
CHRISTUS CONTINUING CARE IS A NONPROFIT CORPORATION PROVIDING HEALTH CARE AND HOSPICE SERVICES THE MISSION OF CHRISTUS CONTINUING CARE IS TO EXTEND THE HEALING MINISTRY OF JESUS CHRIST THE MISSION IS FULFILLED THROUGH COMMUNITY PROGRAMS, LONG TERM ACUTE CARE HOSPITAL SERVICES, AND QUALITY HOME CARE THAT CONSIDERS PHYSICAL, SOCIAL AND SPIRITUAL NEEDS OF THE PATIENTS SERVED CHRISTUS HEALTH IS THE SOLE CORPORATE MEMBER OF CHRISTUS CONTINUING CARE IN ORDER TO CONTINUE TO IMPROVE AND ENHANCE THE HOME CARE AND HOSPICE SERVICES PROVIDED TO PATIENTS, CHRISTUS CONTINUING CARE HAS CONSOLIDATED THE HOME CARE AND HOSPICE SERVICES IN SEVERAL CHRISTUS HEALTH REGIONS DURING THE FISCAL YEAR ENDING JUNE 30, 2014, CHRISTUS CONTINUING CARE PROVIDED 75,703 HOME HEALTH VISITS, 115,233 HOSPICE PATIENT DAYS, 735,699 BILLABLE HOURS OF COMMUNITY BASED PROGRAMS AND PEDIATRIC SERVICES, ALONG WITH 30,554 LONG-TERM ACUTE CARE PATIENT DAYS CHRISTUS CONTINUING CARE IS PART OF CHRISTUS HEALTH, FORMED IN 1999 TO STRENGTHEN THE 149-YEAR-OLD, FAITH-BASED HEALTH CARE MINISTRIES OF THE CONGREGATIONS OF THE SISTERS OF CHARITY OF THE INCARNATE WORD OF HOUSTON AND SAN ANTONIO FOUNDED ON THE MISSION "TO EXTEND THE HEALING MINISTRY OF JESUS CHRIST," CHRISTUS IS CHALLENGED TO REACH OUT TO, AND BEYOND, MORE THAN 60 COMMUNITIES WE SERVE TO HELP THOSE IN NEED THE VISION OF CHRISTUS HEALTH AS A CATHOLIC, FAITH-BASED MINISTRY IS TO BE A LEADER, A PARTNER AND AN ADVOCATE IN THE CREATION OF INNOVATIVE HEALTH AND WELLNESS SOLUTIONS THAT IMPROVE THE LIVES OF INDIVIDUALS AND COMMUNITIES SO THAT ALL MAY EXPERIENCE GOD'S HEALING PRESENCE AND LOVE

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

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

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

4e Total program service expenses 76,174,236

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)? <i>If "Yes," complete Schedule A</i> <input checked="" type="checkbox"/>	Yes	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? <input checked="" type="checkbox"/>	Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		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? <i>If "Yes," complete Schedule C, Part II</i>		No
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? <i>If "Yes," complete Schedule C, Part III</i>		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? <i>If "Yes," complete Schedule D, Part I</i> <input checked="" type="checkbox"/>		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? <i>If "Yes," complete Schedule D, Part II</i> <input checked="" type="checkbox"/>		No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> <input checked="" type="checkbox"/>		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? <i>If "Yes," complete Schedule D, Part IV</i> <input checked="" type="checkbox"/>		No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> <input checked="" type="checkbox"/>		No
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> <input checked="" type="checkbox"/>	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? <i>If "Yes," complete Schedule D, Part VII</i> <input checked="" type="checkbox"/>		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? <i>If "Yes," complete Schedule D, Part VIII</i> <input checked="" type="checkbox"/>		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? <i>If "Yes," complete Schedule D, Part IX</i> <input checked="" type="checkbox"/>		No
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> <input checked="" type="checkbox"/>	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)? <i>If "Yes," complete Schedule D, Part X</i> <input checked="" type="checkbox"/>	Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> <input checked="" type="checkbox"/>		No
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> <input checked="" type="checkbox"/>	Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		No
14a Did the organization maintain an office, employees, or agents outside of the United States?		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? <i>If "Yes," complete Schedule F, Parts I and IV</i>		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? <i>If "Yes," complete Schedule F, Parts II and IV</i>		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? <i>If "Yes," complete Schedule F, Parts III and IV</i>		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? <i>If "Yes," complete Schedule G, Part I (see instructions)</i>		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? <i>If "Yes," complete Schedule G, Part II</i>		No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> <input checked="" type="checkbox"/>	Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? <input checked="" type="checkbox"/>	Yes	

Part IV Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. 1a 260		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. 1b 0		
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. 2a 2,439		
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?	Yes	
3b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		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).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		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. 7d		
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. 10a		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities. 10b		
11	Section 501(c)(12) organizations. Enter		
11a	Gross income from members or shareholders. 11a		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them). 11b		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year. 12b		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
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. 13a		
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. 13b		
13c	Enter the amount of reserves on hand. 13c		
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		
	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		
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?		No
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?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Did the organization have members or stockholders?	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?	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?	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	Yes	
8b	Each committee with authority to act on behalf of the governing body?	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		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?		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?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	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	Yes	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	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	Yes	
13	Did the organization have a written whistleblower policy?	Yes	
14	Did the organization have a written document retention and destruction policy?	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	Yes	
15b	Other officers or key employees of the organization	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		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?		

Section C. Disclosure

- 17** List the States with which a copy of this Form 990 is required to be filed
- 18** Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization
 MICHAEL MURRAY 919 HIDDEN RIDGE DRIVE
 IRVING, TX 75038 (469) 282-2388

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) DAVID W STRONG chairperson	1 0 0 0	X		X				0	0	0
(2) SISTER BRIGID MARIE CLARKE Director	1 0 0 0	X						0	0	0
(3) REBECCA A CROES director	1 0 0 0	X						0	0	0
(4) LYNN W HAMBY Director	1 0 0 0	X						0	0	0
(5) SISTER MIRIAM THERESE MILLER Director	1 0 0 0	X						0	0	0
(6) GREGORY C PULIDO Director	1 0 0 0	X						0	0	0
(7) BILL J CHEN Director	1 0 0 0	X						0	0	
(8) HONG YANG LIU MD Director	1 0 0 0	X						0	0	
(9) Christopher Karam President/CEO	8 0 32 0	X		X				133,354	533,415	227,752
(10) Mike Murray CFO	20 0 20 0			X				97,710	97,711	96,779
(11) Chakia Guevara Deputy Corp Sec (term 6/9/14)	1 0 39 0			X				0	88,888	3,974
(12) Jan Hamilton Crawford VP Operations	40 0 0 0				X			266,046	0	33,933
(13) Leslie M Stuart MANAGEMENT CONSULTANT	40 0 0 0					X		277,081	0	35,278
(14) MARTHA A KINN ACCOUNTING DIRECTOR	40 0 0 0					X		186,580	0	4,507
(15) SUSAN H MILLER MANAGEMENT CONSULTANT	40 0 0 0					X		181,441	0	2,316
(16) Pearl Mohnkem VP HR	40 0 0 0					X		279,123	0	46,982
(17) Pamela Kennedy VP HUMAN RESOURCES	40 0 0 0					X		269,370	0	136,290

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

Table with 6 main columns: (A) Name and Title, (B) Average hours per week, (C) Position (with sub-columns for Individual trustee or director, Institutional Trustee, Officer, Key employee, Highest compensated employee, Former), (D) Reportable compensation from the organization, (E) Reportable compensation from related organizations, (F) Estimated amount of other compensation. Includes entries for Patrick Carrier, Linda McClung, Tom Permetti, and Paul Veillon.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization 91

Table with 3 columns: Question number, Question text, Yes, No. Contains questions 3, 4, and 5 regarding compensation reporting.

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

Table with 3 columns: (A) Name and business address, (B) Description of services, (C) Compensation. Lists contractors like Christus Health Southeast Texas and ST FRANCES CABRINI HOSPITAL.

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 41

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	110,405				
	e	Government grants (contributions) 1e					
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	1,099,076				
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		1,209,481			
Program Service Revenue	2a	NET PATIENT SERVICE REVENUE	621610	82,124,676	82,124,676		
	b	EQUITY IN UNCONSOLIDATED SUB	900099	1,217,726	1,217,726		
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		83,342,402			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		1,629		1,629	
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
	6a	Gross rents	(i) Real				
			(ii) Personal				
			Less rental expenses				
			c Rental income or (loss)	0	0		
	d	Net rental income or (loss)		0			
	7a	Gross amount from sales of assets other than inventory	(i) Securities				
			(ii) Other				
			Less cost or other basis and sales expenses				
			c Gain or (loss)				
	d	Net gain or (loss)		0			
	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				0			
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		0			
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		0			
Miscellaneous Revenue		Business Code					
11a	MANAGEMENT FEE REVENUE	561000	4,548,216		1,102,319	3,445,897	
b	MEDICAL RECORDS TRANS	900099	2,450			2,450	
c	VENDING	900099	1,888			1,888	
d	All other revenue		77,792			77,792	
e	Total. Add lines 11a-11d		4,630,346				
12	Total revenue. See Instructions		89,183,858	83,342,402	1,102,319	3,529,656	

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	17,951	17,951		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	690,018	616,186	73,832	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	47,742,793	42,611,802	5,130,991	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,921,897	1,723,244	198,653	
9	Other employee benefits	4,772,223	3,806,166	966,057	
10	Payroll taxes	3,300,997	2,916,229	384,768	
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	61,261	58,938	2,323	
c	Accounting	0			
d	Lobbying	0			
e	Professional fundraising services. See Part IV, line 17	0			
f	Investment management fees	0			
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	10,991,683	7,646,124	3,345,559	
12	Advertising and promotion	165,934	59,840	106,094	
13	Office expenses	1,457,493	1,145,801	311,692	
14	Information technology	2,255,235	2,255,235		
15	Royalties	0			
16	Occupancy	3,973,108	3,578,540	394,568	
17	Travel	1,614,267	1,146,348	467,919	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	121,577	39,601	81,976	
20	Interest	3,080	465	2,615	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	1,434,028	534,858	899,170	
23	Insurance	685,639	294,616	391,023	
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	MEDICAL SUPPLIES	5,294,702	5,286,508	8,194	
b	EQUIPMENT RENTAL	1,805,631	1,802,424	3,207	
c	BAD DEBT EXPENSE	645,311	645,311		
d	UBTI TAXES	-63,801	-11,951	-51,850	
e	All other expenses				
25	Total functional expenses. Add lines 1 through 24e	88,891,027	76,174,236	12,716,791	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	737,159	1	783,801
	2 Savings and temporary cash investments	0	2	0
	3 Pledges and grants receivable, net	0	3	0
	4 Accounts receivable, net	12,693,040	4	16,647,771
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	0	5	0
	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	0	6	0
	7 Notes and loans receivable, net	29,712	7	37,982
	8 Inventories for sale or use	349,501	8	398,811
	9 Prepaid expenses and deferred charges	165,802	9	336,182
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 20,190,530		
	b Less accumulated depreciation	10b 19,851,509	1,532,061	10c 339,021
	11 Investments—publicly traded securities	118,404	11	129,323
	12 Investments—other securities See Part IV, line 11	0	12	0
	13 Investments—program-related See Part IV, line 11	493,712	13	811,438
	14 Intangible assets	298,833	14	291,041
	15 Other assets See Part IV, line 11	0	15	0
16 Total assets. Add lines 1 through 15 (must equal line 34)	16,418,224	16	19,775,370	
Liabilities	17 Accounts payable and accrued expenses	9,337,305	17	10,250,160
	18 Grants payable	0	18	0
	19 Deferred revenue	6,696,724	19	4,213,694
	20 Tax-exempt bond liabilities	0	20	0
	21 Escrow or custodial account liability Complete Part IV of Schedule D	0	21	0
	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	0	22	0
	23 Secured mortgages and notes payable to unrelated third parties	13,657	23	8,994
	24 Unsecured notes and loans payable to unrelated third parties	0	24	0
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	13,003,454	25	16,596,003
	26 Total liabilities. Add lines 17 through 25	29,051,140	26	31,068,851
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	-12,941,834	27	-11,457,292
	28 Temporarily restricted net assets	290,852	28	145,745
	29 Permanently restricted net assets	18,066	29	18,066
	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	-12,632,916	33	-11,293,481	
34 Total liabilities and net assets/fund balances	16,418,224	34	19,775,370	

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	89,183,858
2	Total expenses (must equal Part IX, column (A), line 25)	2	88,891,027
3	Revenue less expenses Subtract line 2 from line 1	3	292,831
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	-12,632,916
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	1,046,604
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	-11,293,481

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)

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.

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
CHRISTUS CONTINUING CARE

Employer identification number
74-2898615

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

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

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

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

(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)

(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 <input type="checkbox"/>						

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 <input type="checkbox"/>		
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 <input type="checkbox"/>		
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 <input type="checkbox"/>		
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 <input type="checkbox"/>		
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 <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

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

Section B. Total Support

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

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

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

Name of the organization CHRISTUS CONTINUING CARE

Employer identification number 74-2898615

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.

Table with 3 columns: Line number, (a) Donor advised funds, (b) Funds and other accounts. Includes questions 1-6 regarding donor advised funds.

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

Table with 3 columns: Line number, Description, and Held at the End of the Year (2a-2d). Includes questions 1-9 regarding 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.

Table with 3 columns: Line number, Description, and Amount. Includes questions 1a-2 regarding art and historical treasures.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a** Public exhibition
- b** Scholarly research
- c** Preservation for future generations
- d** Loan or exchange programs
- e** Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

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

	Amount
1c Beginning balance	
1d Additions during the year	
1e Distributions during the year	
1f Ending balance	

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

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

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

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

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

- a** Board designated or quasi-endowment
 - b** Permanent endowment
 - c** Temporarily restricted endowment
- The percentages in lines 2a, 2b, and 2c should equal 100%

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

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings		113,712	8,719	104,993
c Leasehold improvements		4,393,806	3,751,520	642,286
d Equipment		15,683,012	16,091,270	-408,258
e Other				
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				339,021

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

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

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

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. (Column (b) must equal Form 990, Part X, col (B) line 13.)		

Part IX Other Assets. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11d. See Form 990, Part X, line 15

(a) Description	(b) Book value
Total. (Column (b) must equal Form 990, Part X, col.(B) line 15.)	

Part X Other Liabilities. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	0
CASH MANAGEMENT SYSTEM ALLOCAT	14,804,845
DUE TO RELATED ORGANIZATIONS	1,791,158
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.)	16,596,003

2. Liability for uncertain tax positions In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII

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

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

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

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

Part XIII Supplemental Information

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

Return Reference	Explanation
Form 990, Part X, Line 1	Christus Health System maintains a centralized cash management system This cash management system (CMS) includes a concentration account wherein deposits and disbursements for related Christus exempt organizations flow through this account and over to the managed investment accounts Each participating organization reports a balance in the CMS reflective of its cumulative cash activity Cash Balances for each Christus organization are reported on Form 990 in accordance with financial statement reporting CMS ownership is maintained by Christus Health (EIN 76-0590551) and all associated investment income is properly reported on the Christus Health Form 990
Form 990, Schedule D, Part X, Line 2	Per footnote 3 in the Consolidated Financial Statements, there are no material unrecorded tax liabilities as of June 30, 2014 and 2013

SCHEDULE H (Form 990)

Hospitals

OMB No 1545-0047

2013

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.

Open to Public Inspection

Name of the organization CHRISTUS CONTINUING CARE

Employer identification number 74-2898615

Part I Financial Assistance and Certain Other Community Benefits at Cost

1a Did the organization have a financial assistance policy during the tax year? 1b If "Yes," was it a written policy? 2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy... 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... 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"? 5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? 5b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? 5c 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? 6a Did the organization prepare a community benefit report during the tax year? 6b If "Yes," did the organization make it available to the public?

7 Financial Assistance and Certain Other Community Benefits at Cost

Table with 7 columns: 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. Rows include Financial Assistance at cost, Medicaid, Costs of other means-tested government programs, Total Financial Assistance and Means-Tested Government Programs, Other Benefits (Community health improvement services, Health professions education, Subsidized health services, Research, Cash and in-kind contributions), and Total Other Benefits.

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support	2	66,000	23,563		23,563	0.030 %
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy	2	22	65		65	0.010 %
8 Workforce development						
9 Other						
10 Total	4	66,022	23,628		23,628	0.040 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	Yes	
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.	2		645,311
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.	3		24,070
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.			

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5	29,554,519
6 Enter Medicare allowable costs of care relating to payments on line 5	6	48,375,276
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-18,820,757
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a Did the organization have a written debt collection policy during the tax year?	9a	Yes
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI.	9b	Yes

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)

How many hospital facilities did the organization operate during the tax year?

6

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

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

DUBUIS HOSPITAL OF BEAUMONT

Name of hospital facility or facility reporting group _____

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)			
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply)	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 <u>20 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	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		No
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)	Yes	
a	<input checked="" type="checkbox"/> Hospital facility's website (list url) <u>www.christuscontinuingcare.org</u>		
b	<input type="checkbox"/> Other website (list url) _____		
c	<input checked="" type="checkbox"/> Available upon request from the hospital facility		
d	<input type="checkbox"/> Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)		
a	<input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	<input checked="" type="checkbox"/> Execution of the implementation strategy		
c	<input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d	<input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e	<input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f	<input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g	<input checked="" type="checkbox"/> Prioritization of health needs in its community		
h	<input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	<input type="checkbox"/> Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	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)?		No
8b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?		
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? \$ <u>0</u>		

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?	Yes	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>200</u> % If "No," explain in Part VI the criteria the hospital facility used	Yes	
11	Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400</u> % If "No," explain in Part VI the criteria the hospital facility used	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)	Yes	
a	<input checked="" type="checkbox"/> Income level		
b	<input 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?	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)	Yes	
a	<input checked="" 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?		No
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		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

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

- a** The hospital facility did not provide care for any emergency medical conditions
- b** The hospital facility's policy was not in writing
- c** The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d** Other (describe in Part VI)

	Yes	No
19	Yes	

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

- a** The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b** The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c** The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d** Other (describe in Part VI)

21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?

If "Yes," explain in Part VI

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

21		No
22		No

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)

DUBUIS HOSPITAL OF ALEXANDRIA

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) 2

		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)	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 <u>20 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	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		No
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)	Yes	
a	<input checked="" type="checkbox"/> Hospital facility's website (list url) <u>www.christuscontinuingcare.org</u>		
b	<input type="checkbox"/> Other website (list url) _____		
c	<input checked="" type="checkbox"/> Available upon request from the hospital facility		
d	<input type="checkbox"/> Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)		
a	<input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	<input checked="" type="checkbox"/> Execution of the implementation strategy		
c	<input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d	<input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e	<input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f	<input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g	<input checked="" type="checkbox"/> Prioritization of health needs in its community		
h	<input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	<input type="checkbox"/> Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	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)?		No
8b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?		
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?	Yes	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>200</u> % If "No," explain in Part VI the criteria the hospital facility used	Yes	
11	Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400</u> % If "No," explain in Part VI the criteria the hospital facility used	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)	Yes	
a	<input checked="" type="checkbox"/> Income level		
b	<input 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?	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)	Yes	
a	<input checked="" 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?		No
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		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

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

- a** The hospital facility did not provide care for any emergency medical conditions
- b** The hospital facility's policy was not in writing
- c** The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d** Other (describe in Part VI)

	Yes	No
19	Yes	

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

- a** The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b** The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c** The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d** Other (describe in Part VI)

21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?

If "Yes," explain in Part VI

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

21		No
22		No

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)

DUBUIS HOSPITAL OF BRYAN

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) 3

		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)	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 <u>20 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	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		No
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)	Yes	
a	<input checked="" type="checkbox"/> Hospital facility's website (list url) <u>www.christuscontinuingcare.org</u>		
b	<input type="checkbox"/> Other website (list url) _____		
c	<input checked="" type="checkbox"/> Available upon request from the hospital facility		
d	<input type="checkbox"/> Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)		
a	<input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	<input checked="" type="checkbox"/> Execution of the implementation strategy		
c	<input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d	<input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e	<input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f	<input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g	<input checked="" type="checkbox"/> Prioritization of health needs in its community		
h	<input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	<input type="checkbox"/> Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	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)?		No
8b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?		
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?	Yes	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>200</u> % If "No," explain in Part VI the criteria the hospital facility used	Yes	
11	Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400</u> % If "No," explain in Part VI the criteria the hospital facility used	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)	Yes	
a	<input checked="" type="checkbox"/> Income level		
b	<input 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?	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)	Yes	
a	<input checked="" 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?		No
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		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

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

- a** The hospital facility did not provide care for any emergency medical conditions
- b** The hospital facility's policy was not in writing
- c** The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d** Other (describe in Part VI)

	Yes	No
19	Yes	

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

- a** The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b** The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c** The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d** Other (describe in Part VI)

21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?

If "Yes," explain in Part VI

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

21		No
22		No

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)

DUBUIS HOSPITAL OF PORT ARTHUR

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) 4

		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)	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 <u>20 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	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		No
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)	Yes	
a	<input checked="" type="checkbox"/> Hospital facility's website (list url) <u>www.christuscontinuingcare.org</u>		
b	<input type="checkbox"/> Other website (list url) _____		
c	<input checked="" type="checkbox"/> Available upon request from the hospital facility		
d	<input type="checkbox"/> Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)		
a	<input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	<input checked="" type="checkbox"/> Execution of the implementation strategy		
c	<input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d	<input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e	<input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f	<input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g	<input checked="" type="checkbox"/> Prioritization of health needs in its community		
h	<input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	<input type="checkbox"/> Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	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)?		No
8b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?		
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?	Yes	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>200</u> % If "No," explain in Part VI the criteria the hospital facility used	Yes	
11	Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400</u> % If "No," explain in Part VI the criteria the hospital facility used	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)	Yes	
a	<input checked="" type="checkbox"/> Income level		
b	<input 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?	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)	Yes	
a	<input checked="" 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?		No
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		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

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

- a** The hospital facility did not provide care for any emergency medical conditions
- b** The hospital facility's policy was not in writing
- c** The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d** Other (describe in Part VI)

	Yes	No
19	Yes	

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

- a** The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b** The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c** The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d** Other (describe in Part VI)

21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?

If "Yes," explain in Part VI

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

21		No
22		No

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)

DUBUIS HOSPITAL OF PARIS

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) 5

		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)	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 <u>20 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	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		No
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)	Yes	
a	<input checked="" type="checkbox"/> Hospital facility's website (list url) <u>www.christuscontinuingcare.org</u>		
b	<input type="checkbox"/> Other website (list url) _____		
c	<input checked="" type="checkbox"/> Available upon request from the hospital facility		
d	<input type="checkbox"/> Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)		
a	<input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	<input checked="" type="checkbox"/> Execution of the implementation strategy		
c	<input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d	<input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e	<input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f	<input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g	<input checked="" type="checkbox"/> Prioritization of health needs in its community		
h	<input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	<input type="checkbox"/> Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	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)?		No
8b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?		
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?	Yes	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>200</u> % If "No," explain in Part VI the criteria the hospital facility used	Yes	
11	Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400</u> % If "No," explain in Part VI the criteria the hospital facility used	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)	Yes	
a	<input checked="" type="checkbox"/> Income level		
b	<input 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?	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)	Yes	
a	<input checked="" 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?		No
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		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

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

- a** The hospital facility did not provide care for any emergency medical conditions
- b** The hospital facility's policy was not in writing
- c** The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d** Other (describe in Part VI)

	Yes	No
19	Yes	

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

- a** The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b** The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c** The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d** Other (describe in Part VI)

21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?

If "Yes," explain in Part VI

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

21		No
22		No

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)

Mercy Continuing Care Hosp St Louis

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) _____ 6

		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)	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 <u>20 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	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		No
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)	Yes	
a	<input checked="" type="checkbox"/> Hospital facility's website (list url) <u>www.christuscontinuingcare.org</u>		
b	<input type="checkbox"/> Other website (list url) _____		
c	<input checked="" type="checkbox"/> Available upon request from the hospital facility		
d	<input type="checkbox"/> Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)		
a	<input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	<input checked="" type="checkbox"/> Execution of the implementation strategy		
c	<input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d	<input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e	<input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f	<input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g	<input checked="" type="checkbox"/> Prioritization of health needs in its community		
h	<input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	<input type="checkbox"/> Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	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)?		No
8b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?		
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?	Yes	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>200</u> % If "No," explain in Part VI the criteria the hospital facility used	Yes	
11	Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400</u> % If "No," explain in Part VI the criteria the hospital facility used	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)	Yes	
a	<input checked="" type="checkbox"/> Income level		
b	<input 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 checked="" type="checkbox"/> Other (describe in Part VI)		
13	Explained the method for applying for financial assistance?	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)	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?		No
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		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

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

- a** The hospital facility did not provide care for any emergency medical conditions
- b** The hospital facility's policy was not in writing
- c** The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d** Other (describe in Part VI)

	Yes	No
19		No

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

- a** The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
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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

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

21		No
22		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.

Form and Line Reference	Explanation
See Additional Data Table	

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 15

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

Part VI Supplemental Information

Provide the following information

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

Form and Line Reference	Explanation
Part I, Line 5	Budgeted Charity Care The organization budgets charity care for internal financial review purposes only The provision of charity care is not limited to amounts established for budgetary purposes

Form and Line Reference	Explanation
Part I, Line 6a	Annual Community Benefit Report A REPORT OF COMMUNITY BENEFIT IS INCLUDED IN A WRITTEN ANNUAL REPORT FOR CHRISTUS HEALTH, THE ORGANIZATION'S PARENT COMPANY CHRISTUS HEALTH IS AN INTERNATIONAL, CATHOLIC, FAITH BASED, NONPROFIT HEALTH SYSTEM FORMED IN 1999 WITH A MISSION "TO EXTEND THE HEALING MINISTRY OF JESUS CHRIST " THE ANNUAL COMMUNITY BENEFIT REPORT SUMMARIZES ACTIVITIES AND PROGRAMS CONDUCTED DURING THE PAST YEAR TO IMPROVE HEALTH INCLUDING PROACTIVE COMMUNITY HEALTH SERVICES HOWEVER, THE ANNUAL REPORT IS ONLY A SNAPSHOT OF HOW THE ORGANIZATION DISTINGUISHES ITSELF IN ITS VISION TO BE A LEADER, A PARTNER, AND AN ADVOCATE IN CREATING INNOVATIVE HEALTH AND WELLNESS SOLUTIONS THAT IMPROVE THE LIVES OF INDIVIDUALS AND COMMUNITIES

Form and Line Reference	Explanation
Part I, Line 7b	Unreimbursed Medicaid Christus Continuing Care reinvests all surplus funds back in to the communities we serve through expanded health services, new technologies, and better facilities

Form and Line Reference	Explanation
Part I, Line 7, column (f)	Percent of Total Expense TOTAL EXPENSE FROM FORM 990, PART IX, LINE 25, COLUMN (A) IS \$88,891,027 THE BAD DEBT EXPENSE INCLUDED IN THIS AMOUNT IS \$645,311 THIS LEAVES A TOTAL EXPENSE OF \$88,245,716 FOR PURPOSES OF CALCULATING LINE 7, COLUMN (F)

Form and Line Reference	Explanation
Part I, Line 7, Column (f)	DESCRIPTION OF FINANCIAL ASSISTANCE AND OTHER COMMUNITY BENEFITS AS PERCENTAGE OF TOTAL COSTS The organization's total community benefit expense as reported on Part I, Line 7k, Column (c) as a percentage of total expense is 18.69%, which exceeds the amount reported on Part I, Line 7k Column (f) which is computed using net community benefit expense

Form and Line Reference	Explanation
Part I, Line 7i	Cash and In-Kind Contributions CHRISTUS CONTINUING CARE MADE OVER \$10,178 IN CASH AND IN KIND CONTRIBUTIONS DURING FISCAL YEAR 2014 THE AFOREMENTIONED AMOUNT IS DETERMINED IN ACCORDANCE WITH REPORTING RULES FOR SCHEDULE H, WORKSHEET 8 AS SUCH THIS AMOUNT DIFFERS FROM GRANTS REPORTED AT FORM 990, SCHEDULE I, GRANTS AND OTHER ASSISTANCE TO ORGANIZATIONS, GOVERNMENTS, AND INDIVIDUALS AND PART IX, LINES 1 THROUGH 3 GRANTS AND OTHER ASSISTANCE Part I, Line 7 LINE 7A RATIO OF PATIENT CARE COST TO CHARGES BASED ON SCHEDULE H, WORKSHEET 2 Line 7b Ratio of patient care cost to charges based on Schedule H, worksheet 2 Line 7e Actual expenses less any direct offsetting revenue Line 7f Actual expenses less any direct offsetting revenue Line 7i Actual expense of the contributions

Form and Line Reference	Explanation
Part II	COMMUNITY BUILDING ACTIVITIES THE CHRISTUS HEALTH ADVOCACY DEPARTMENT WORKS IN PARTNERSHIP WITH LOCAL, STATE AND FEDERAL POLICY MAKERS TO ENSURE ACTIVITIES AND PROGRAMS ARE IN PLACE THAT WILL ENHANCE PUBLIC HEALTH THROUGH IMPROVED ACCESS TO HEALTH SERVICES AND ADVANCED GENERAL KNOWLEDGE DURING THE FY 2014, CHRISTUS HEALTH ADVOCATED FOR IMPROVING PUBLIC POLICIES BY WORKING TO ESTABLISH, AND IN SOME INSTANCES AUGMENT, GRASSROOTS ADVOCACY AND GREATER ACCESS TO HEALTHCARE SERVICES FOR THE CONSTITUENTS WE SERVE ADVOCACY EFFORTS FOCUS ON THE NEEDS OF CHILDREN AND SENIORS, AS WELL AS OTHER VULNERABLE POPULATIONS, TO PROMOTE PROGRAMS SUCH AS HEALTH SCREENINGS, EDUCATION FOR EARLY DETECTION OF CANCER AND HEART DISEASE, AND IMMUNIZATIONS

Form and Line Reference	Explanation
Part III, Section A, Line 1	Bad Debt Reporting in Accordance with HFMA Statement 15 CHRISTUS Health follows in principle Healthcare Financial Management Association Statement No 15 The system has adopted an uncompensated care policy where revenue from services provided to the uninsured is recognized at the time of payment, rather than at the time of service This policy is the result of a lack of reasonable assurance of collection for services provided to the uninsured due to the system's historically low collection rate Management has estimated that the difference between recording revenue from the uninsured on a cash basis, rather than the accrual basis, is immaterial Accordingly, all accounts receivable from the uninsured have been fully reserved in the allowance for uncompensated care

Form and Line Reference	Explanation
Part III, Section A, Line 2	Methodology Used in determining Bad Debt The organization's total bad debt expense (total of all hospital facilities) is in accordance with the organization's financial statements, which is computed as bad debt net of contractual allowance, payments received and recoveries of bad debt previously written off

Form and Line Reference	Explanation
Part III, Section A, Line 3	ESTIMATED BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER ORGANIZATION'S CHARITY CARE POLICY TO ESTIMATE THE AMOUNT OF THE ORGANIZATION'S BAD DEBT EXPENSE (AT COST) ATTRIBUTABLE TO PATIENTS WHO ARE ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY, THE ORGANIZATION REVIEWS PATIENT FILES THAT WERE INITIALLY DEEMED AS INCOMPLETE TO DETERMINE WHETHER A PATIENT WOULD BE ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY TO THE EXTENT THE FILE HAS SUFFICIENT DOCUMENTATION INDICATING FINANCIAL AND/OR MEDICAL INDIGENCE, THE BAD DEBT ASSOCIATED WITH SUCH PATIENT ACCOUNT COULD BE DEEMED CHARITY CARE IN ADDITION TO SCREENING PATIENTS TO DETERMINE THE APPLICABILITY OF FINANCIAL ASSISTANCE AND CHARITY CARE AT THE TIME OF ADMISSION AND DISCHARGE, CHRISTUS CONTINUING CARE FOLLOWS A POLICY AND SUPPORTING PROCEDURES FOR REVIEWING ALL ACTIVE SELF-PAY PATIENT RECEIVABLES THE SCREENING PROCEDURES SUBSEQUENT TO DISCHARGE TO DETERMINE CHARITY CARE AND DISCOUNT APPLICABILITY INCLUDE REQUESTING THE REFERRING HOSPITAL'S RECORDS OF PATIENTS WHO SUBMITTED CHARITY CARE APPLICATIONS OR OTHER FINANCIAL INFORMATION, MAKING CONTACT WITH PATIENTS THROUGH MAILED NOTICE FOLLOWED BY PHONE CALL, USING A FINANCIAL ASSISTANCE QUESTIONNAIRE, AND VIEWING CREDIT REPORTS

Form and Line Reference	Explanation
Part III, Section A, Line 4	Bad Debt Expense Footnote The footnote to the CHRISTUS Health consolidated financial statements says, "The preparation of the accompanying consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management of the system to make assumptions, estimates, and judgments that affect the amounts reported in the financial statements, including the notes thereto, and related disclosures of commitments and contingencies, if any. The system considers critical accounting policies to be those that require more significant judgments and estimates in the preparation of its financial statements, including the following: recognition of net patient revenues, which include contractual allowances, provisions for bad debt, reserves for losses and expenses related to health care professional and general liabilities, determination of fair values of certain financial instruments, determination of fair value of certain goodwill and long-lived assets, and risks and assumptions for measurement of pension and retiree medical liabilities. Management relies on historical experience and on other assumptions believed to be reasonable under the circumstances in making its judgment and estimates. Actual results could differ materially from these estimates."

Form and Line Reference	Explanation
Part III, Section B, Line 8	Extent to which shortfall should be treated as community benefit Costing Methodology The amount on Schedule H, Part III, Line 6 is determined by calculating Medicare Allowable Costs using worksheet A of the Medicare Cost Report Worksheet A of the Medicare Cost Report requires the organization to remove non-allowable expenses from total expenses via the adjustments to expenses worksheets within the Medicare Cost Report The amount reported on Schedule H, Part III, Line 6 does not take into account all costs incurred by the filing organization associated with the filing organization's provisions of services to Medicare patients Schedule H, Part III, Line 7 would equal a shortfall of \$18,820,757 if total expenses allocable to Medicare services were substituted on Schedule H, Part III, Line 6

Form and Line Reference	Explanation
Part III, Section C, Line 9b	<p>Collection Policy It is the policy of the organization to pursue collections of patient balances from patients who have the ability to pay for these services CHRISTUS Health applies its collection efforts consistently and fairly to all patients regardless of insurance If a patient does not have the financial resources to pay their outstanding balances, the goal of the organization is to qualify these patients through the organization's charity policy or screen the patients through organization's presumptive charity tests If the patient qualifies under either policy the account will be written off based upon level of qualification These policies support the mission and vision of the organization and are approved by senior leadership</p>

Form and Line Reference	Explanation
Part VI, Line 2	NEEDS ASSESSMENT CHRISTUS CONTINUING CARE HAS DEVELOPED A COMMUNITY BENEFIT PLAN BASED UPON PRIORITIZATION OF THE COMMUNITY HEALTH NEEDS ASSESSMENT CHRISTUS CONTINUING CARE STRIVES TO ENSURE BEST PRACTICES AND STANDARDS OF CARE ARE MET CHRISTUS CONTINUING CARE PROVIDES CARE TO PATIENTS WHO REQUIRE ACUTE CARE OVER AN EXTENDED PERIOD OF TIME OUR STAFF PROVIDES SPECIALTY CARE THAT IS TAILORED TO THE INDIVIDUAL NEEDS OF EVERY PATIENT, RESULTING IN EXCELLENT CLINICAL OUTCOMES CHRISTUS CONTINUING CARE WORKS WITH EACH CHRISTUS REGION IN IDENTIFYING AND PRIORITIZING THE SERVICES TO BE PROVIDED IN ORDER TO MEET THE COMMUNITY NEEDS THE SERVICES PROVIDED ARE VERY NARROW, SO THE TARGET POPULATIONS WILL BE LIMITED TO THE SERVICES WHICH CHRISTUS CONTINUING CARE PROVIDES

Form and Line Reference	Explanation
Part VI, Line 3	PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE CHRISTUS CONTINUING CARE MAKES EVERY EFFORT TO EDUCATE PATIENTS ON ITS CHARITY AND DISCOUNT POLICY AND ABOUT THEIR ELIGIBILITY FOR ASSISTANCE UNDER FEDERAL, STATE, OR LOCAL GOVERNMENT PROGRAMS DURING THE REGISTRATION PROCESS IN ADDITION, A PUBLIC NOTICE REGARDING THE CHARITY CARE POLICY AND INFORMATION ON FINANCIAL ASSISTANCE ARE ALSO POSTED AT THE FACILITIES THE INFORMATION ON FINANCIAL ASSISTANCE INCLUDES EXPLANATIONS ON THE AVAILABILITY OF FINANCIAL ASSISTANCE, WHO QUALIFIES, AND HOW TO APPLY FOR FINANCIAL ASSISTANCE AFTER THE REGISTRATION PROCESS, PATIENTS THAT ARE UNABLE TO PAY ARE PROVIDED CHARITY CARE INFORMATION IN KEEPING WITH THE MISSION, VISION AND CORE VALUES OF CHRISTUS HEALTH, CHRISTUS CONTINUING CARE PROVIDES CHARITY CARE SERVICES IN A MANNER THAT RESPECTS THE DIGNITY OF THE PATIENTS AND THEIR FAMILIES CHARITY CARE IS OFFERED WITH THE RESOURCES AVAILABLE AND MEETS THE LEGAL REQUIREMENTS FOR SERVING FINANCIALLY AND/OR MEDICALLY INDIGENT PATIENTS THE DETERMINATION AS TO THE AMOUNT CHARGED, IF ANY, IS MADE IN ACCORDANCE WITH THE PATIENT'S ABILITY TO PAY AS DETERMINED BY THE ELIGIBILITY CRITERIA ESTABLISHED WITHIN PROCEDURAL GUIDELINES AND IN ACCORDANCE WITH APPLICABLE LAWS AND REGULATIONS

Form and Line Reference	Explanation
Part VI, Line 4	<p>COMMUNITY INFORMATION CHRISTUS CONTINUING CARE SERVICES AREAS IN TEXAS INCLUDE LONG TERM ACUTE CARE FACILITIES LOCATED IN ALEXANDRIA, BRYAN, BEAUMONT, PARIS AND PORT ARTHUR HOME HEALTH AND HOSPICE SERVICE AREAS IN TEXAS INCLUDE CORPUS CHRISTI, COPPELL, HOUSTON, NEW BRAUNFELS AND SAN ANTONIO THE ORGANIZATION'S SERVICE AREA IN LOUISIANA INCLUDES A LONG TERM ACUTE CARE FACILITY IN ALEXANDRIA AND SHREVEPORT, AS WELL AS HOME HEALTH AND HOSPICE SERVICES IN ALEXANDRIA, LAKE CHARLES, AND SHREVEPORT THE PATIENT SERVICE AREAS ALSO INCLUDE MANAGED LONG TERM ACUTE CARE LOCATIONS IN TEXAS, LOUISIANA, ARKANSAS, IOWA, AND GEORGIA CHRISTUS CONTINUING CARE'S ALEXANDRIA, LOUISIANA SERVICE AREA INCLUDES RAPIDES PARISH AND THE CONTIGUOUS PARISHES OF AVOYELLES AND GRANT 26 9% OF THE POPULATION IN THE SERVICE AREA HAS INCOME AT OR BELOW THE FEDERAL POVERTY INCOME LEVEL AS DEFINED BY THE FEDERAL GOVERNMENT, AND THE AREA HAS A POPULATION OF 14% OF PERSONS AGES 65 YEARS AND OVER ALL OF THE PARISHES IN CENTRAL LOUISIANA HAVE BEEN DESIGNATED AS HEALTH PROFESSIONAL SHORTAGE AREAS (HPSA) THE ORGANIZATION'S SHREVEPORT, LOUISIANA SERVICE AREA INCLUDES THE NORTHWESTERN CORNER OF LOUISIANA THE SHREVEPORT SERVICE AREA, CONSISTENT WITH NATIONAL TRENDS, IS ANTICIPATING ITS LARGEST GROWTH IN POPULATION OF PERSONS AGES 65 AND OLDER, AND PERSONS FALLS IN SUCH AGE RANGE MAKE UP 13 2% OF THE POPULATION THE SERVICE AREA'S POVERTY RATE IS 21 1%, WHICH IS HIGHER THAN THE STATE POVERTY RATE OF 18 7% LAKE CHARLES, LOUISIANA'S SERVICE AREA IS COMPOSED OF A FIVE-PARISH REGION (ALLEN, BEAUREGARD, CAMERON, CALCASIEU, AND JEFF DAVIS) WITH A POPULATION OF NEARLY 300,000 THE POPULATION IS MADE UP OF APPROXIMATELY 13 9% OF INDIVIDUALS AGES 65 YEARS AND OLDER, AND THE SERVICE AREA'S POVERTY RATE IS 21 5% THE REGION HAS HIGH POVERTY RATES AS COMPARED TO THE STATE AND NATION, DUE TO A COMBINATION OF LOW WAGE PER JOB AND HIGH UNEMPLOYMENT THE REGION AND STATE HAVE A HIGHER RATE OF UNINSURED PERSONS THAN THE NATION CHRISTUS CONTINUING CARE'S BEAUMONT AND PORT ARTHUR FACILITIES SERVICE SOUTHEAST TEXAS, ROUGHLY A NINE COUNTY SERVICE AREA THE NINE COUNTY AREA INCLUDES A POPULATION OF APPROXIMATELY 12 2% OF PERSONS AGES 65 AND ABOVE APPROXIMATELY 22 3% OF HOUSEHOLDS ARE AT OR BELOW THE FEDERAL POVERTY LEVEL IN THIS NINE COUNTY AREA THE BRYAN, TEXAS FACILITY SERVES BRAZOS COUNTY, WHERE THE POPULATION IS COMPOSED OF 9 1% OF PERSONS AGES 65 AND OLDER, AND WHERE 27 4% OF INDIVIDUALS LIVE AT OR BELOW THE FEDERAL POVERTY LEVEL THE PARIS, TEXAS FACILITY SERVES LAMAR COUNTY, WHERE THE POPULATION IS COMPOSED OF 16 6% OF PERSONS AGES 65 AND OLDER, AND WHERE 22 7% OF INDIVIDUALS LIVE AT OR BELOW THE FEDERAL POVERTY LEVEL HOUSTON, TEXAS IS THE FOURTH LARGEST CITY IN THE UNITED STATES, AND IT IS THE LARGEST CITY IN THE STATE OF TEXAS IN THE CITY OF HOUSTON, PERSONS AGES 65 YEARS AND OVER COMPOSE 9% OF THE POPULATION, AND 22 2% OF INDIVIDUALS LIVE AT OR BELOW THE FEDERAL POVERTY LEVEL CHRISTUS CONTINUING CARE'S CORPUS CHRISTI, TEXAS SERVICE AREA IS LOCATED ALONG THE LOWER TEXAS COASTAL AREA (OFTEN CALLED THE COASTAL BEND), AND ITS SERVICE AREA INCLUDES A 14-COUNTY AREA WITH A POPULATION OF MORE THAN 602,000 INDIVIDUALS APPROXIMATELY 11 9% OF THE POPULATION IS COMPOSED OF PERSONS AGES 65 AND OVER, AND THE LARGEST GROWTH IN THIS AGE GROUP APPROXIMATELY 18% OF PERSONS IN THE REGION LIVE AT OR BELOW THE FEDERAL POVERTY LEVEL, WITH THE MEDIAN HOUSEHOLD INCOME IN THE REGION BEING APPROXIMATELY \$45,267 NEARLY 50 PERCENT OF THE POPULATION IS ON MEDICAID OR UNINSURED THE COPPELL, TEXAS SERVICE AREA IS LOCATED IN NORTH TEXAS JUST OUTSIDE OF DALLAS, TEXAS, WHICH IS THE NINTH LARGEST CITY IN THE UNITED STATES THE POPULATION IN THE CITY OF DALLAS IS COMPOSED OF APPROXIMATELY 5 3% OF INDIVIDUALS AGES 65 AND OLDER, AND 3 3% OF THE POPULATION LIVES AT OR BELOW THE FEDERAL POVERTY LEVEL THE NEW BRAUNFELS, TEXAS SERVICE AREA IS LOCATED JUST OUTSIDE OF SAN ANTONIO, TEXAS, WHICH IS THE SEVENTH LARGEST CITY IN THE UNITED STATES AND THE SECOND LARGEST CITY IN THE STATE OF TEXAS THE POPULATION IN THE CITY OF SAN ANTONIO IS COMPOSED OF APPROXIMATELY 10 4% OF INDIVIDUALS AGES 65 AND OLDER, AND 20 1% OF THE POPULATION LIVES AT OR BELOW THE FEDERAL POVERTY LEVEL THE ORGANIZATION'S TEXARKANA, TEXAS SERVICE AREA SERVES AND SERVICES NORTHEAST TEXAS, NORTHWEST LOUISIANA, SOUTHWEST ARKANSAS, AND SOUTHEAST OKLAHOMA, WHICH COVERS A POPULATION OF APPROXIMATELY 338,000 PERSONS TEXARKANA, TEXAS AND TEXARKANA, ARKANSAS ARE THE LARGEST CITIES IN THE REGION, MAKING UP APPROXIMATELY 50 PERCENT OF THE TOTAL POPULATION THEY ARE LOCATED IN BOWIE AND MILLER COUNTIES, RESPECTIVELY BOTH COUNTIES FALL BELOW THE STATE'S MEDIAN HOUSEHOLD INCOME, AND HAVE AN APPROXIMATE POPULATION OF 14 2% OF PERSONS AGES 65 AND OLDER</p>

Form and Line Reference	Explanation
Part VI, Line 5	<p>Promotion of Community Health CHRISTUS CONTINUING CARE RESPONDS TO THE HEALTH CARE NEEDS OF THE COMMUNITIES IT SERVES BY PROVIDING LONG-TERM ACUTE CARE, HOME HEALTH AND HOME HOSPICE SERVICES THAT ARE DELIVERED BY INTERDISCIPLINARY TEAMS OF HEALTH CARE PROFESSIONALS THE ORGANIZATION OWNS FIVE LONG-TERM ACUTE CARE HOSPITALS FOCUSING ON VENTILATOR DEPENDENCY, WOUND CARE AND REHABILITATION, AND SUCH FACILITIES ARE LOCATED IN ALEXANDRIA, LA, BEAUMONT, TX, BRYAN, TX, PARIS, TX, AND PORT ARTHUR, TX CHRISTUS CONTINUING CARE MANAGES LONG TERM ACUTE CARE FACILITIES FOR OTHER HEALTH SYSTEMS LOCATED IN ARKANSAS, GEORGIA, IOWA, LOUISIANA, AND TEXAS IN ADDITION THE ORGANIZATION PROVIDES HOME HEALTH AND HOSPICE SERVICES IN CORPUS CHRISTI, TX, HOUSTON, TX, NEW BRAUNFELS, TX, SAN ANTONIO, TX, COPPELL, TX, ALEXANDRIA, LA, LAKE CHARLES, LA, AND SHREVEPORT, LA CHRISTUS HOME HEALTH AGENCIES ARE ACCREDITED BY THE COMMUNITY HEALTH ACCREDITATION PROGRAM (CHAP), TEXAS AGENCIES ARE LICENSED AND CERTIFIED BY THE TEXAS DEPARTMENT OF AGING AND DISABILITY SERVICES (DADS,) AND LOUISIANA AGENCIES ARE LICENSED AND CERTIFIED BY THE LOUISIANA DEPARTMENT OF HEALTH AND HOSPITALS CHRISTUS CONTINUING CARE IS ACCREDITED BY THE JOINT COMMISSION ON ACCREDITATION OF HEALTH CARE ORGANIZATIONS AND CERTIFIED BY MEDICARE AND MEDICAID CHRISTUS HEALTH REINVESTS ALL SURPLUS FUNDS BACK INTO THE COMMUNITIES IT SERVES THROUGH EXPANDED HEALTH SERVICES, NEW TECHNOLOGIES, AND BETTER FACILITIES DURING FY 2014, CHRISTUS HEALTH ADVOCATED FOR IMPROVEMENT IN PUBLIC POLICIES AND WORKED TO ESTABLISH, AND IN SOME INSTANCES AUGMENT, GRASSROOTS ADVOCACY FOR GREATER ACCESS TO HEALTH CARE SERVICES FOR ALL AS A NOT FOR PROFIT ORGANIZATION AND AS PART OF CHRISTUS HEALTH, A REGIONAL GOVERNING BOARD COMPRISED LARGELY OF INDEPENDENT COMMUNITY MEMBERS REPRESENTING THE MAKEUP OF THE AREA WE SERVE GUIDES CHRISTUS CONTINUING CARE WE ARE PRIVILEGED TO HAVE AN OPEN MEDICAL STAFF COMPRISED OF QUALIFIED PHYSICIANS WHO WORK WITH US TO PROVIDE CARE TO OUR COMMUNITIES ALL QUALIFIED PHYSICIANS WHO ARE GRANTED PRIVILEGES TO SERVE WITH US IN OUR HOSPITALS MUST UNDERGO A THOROUGH AND COMPREHENSIVE CREDENTIALING AND ORIENTATION PROCESS ALL PERSONS EMPLOYED AND AFFILIATED WITH CHRISTUS CONTINUING CARE ARE REQUIRED TO COMPLETE ANNUAL CONFLICT OF INTEREST STATEMENTS THE LEADERSHIP OF CHRISTUS CONTINUING CARE, INCLUDING THE BOARD, ARE ALL COMMITTED TO ENSURE THAT THE ORGANIZATION FULFILLS ITS REGULATORY OBLIGATIONS AS WELL AS ITS MISSION RELATED OBLIGATIONS TO THE COMMUNITIES AND HAVE DETERMINED THAT COMMUNITY BENEFIT SHOULD FOCUS ON THE AREAS IN WHICH EACH FACILITY DETERMINES NEEDS BASED ON THE TYPES OF PATIENTS SERVICED LONG TERM ACUTE CARE IS TARGETING HEART DISEASE AND DIABETES THE COMPASSION OF THE CHRISTUS CONTINUING CARE STAFF REACHES FAR BEYOND THE WALLS OF OUR FACILITIES EACH YEAR, OUR EMPLOYEES VOLUNTEER HUNDREDS OF HOURS AND RAISE THOUSANDS OF DOLLARS FOR THE BETTERMENT OF THE COMMUNITIES WE SERVE AS WE MOVE TOWARD THE FUTURE, WE AT CHRISTUS CONTINUING CARE ARE FOREVER MINDFUL OF OUR PAST FOR IT IS THE TRADITION OF BISHOP DUBUIS AND THE SISTERS THAT EMPOWERS US TO CONTINUE THIS HEALING MINISTRY AND IT IS THEIR LEGACY OF JUSTICE, COMPASSION AND TRUST THAT, IN PARTNERSHIP WITH GOD, HELPS US CREATE OUR UNIQUE ENVIRONMENT</p>

Form and Line Reference	Explanation
Part VI, Line 6	<p>Affiliated health care system CHRISTUS Continuing Care is part of CHRISTUS Health, an international, Catholic, faith based, nonprofit health system comprised of almost 350 services and facilities including more than 60 hospitals and long term care facilities, 175 clinics and outpatient centers, and other community health ministries and community development ventures CHRISTUS services can be found in Arkansas, Georgia, Iowa, Louisiana, Missouri, New Mexico, Texas, and in six provinces of Mexico A common mission, core values, and vision unite the health system Each region, including CHRISTUS Continuing Care, develops five-year and ten-year strategic plans that help set the yearly operational plans and budgets Regional strategic goals are set in collaboration with CHRISTUS Health and include metrics that will be used to measure community benefit, clinical outcomes, patient satisfaction, and Associate engagement CHRISTUS Health provides updated market, demographics, and health indicator data on an annual basis The data supplied from CHRISTUS Health along with the system wide strategic initiatives are consistent with the community needs assessment of the region CHRISTUS Continuing Care, in turn, partners with other nonprofit groups (churches, health care providers, and government agencies) to create collaborations where health needs can be addressed and the general health of individuals and the community is improved</p>

Form and Line Reference	Explanation
Part VI, Line 7	Community Benefit Report A community benefit report is filed for the State of Texas in the form of the Annual Statement of Community Benefits Standard (ASCBS) form as required by the Health and Safety Code, Sections 311.045 and 311.046. The Code requires nonprofit hospitals to file the ASCBS form and annual report of the Community Benefits Plan with the Texas Department of State Health Services (DSHS). The 2013 ASCBS form is expanded to collect the information on charity care policies and community benefits in a standardized format. All CHRISTUS Health entities including facilities located in states that do not require annual community benefit reporting (i.e., Louisiana, and New Mexico), follow the same reporting rules as outlined in the Catholic Health Association Guide to Planning and Reporting Community Benefit, copyright 2008. Total community benefit for CHRISTUS Health is also reported in the annual report prepared and distributed by the system office. State Filing of Community Benefit Report TX.

Additional Data

Software ID:
Software Version:
EIN: 74-2898615
Name: CHRISTUS CONTINUING CARE

990 Schedule H, Supplemental Information

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

Form and Line Reference	Explanation
PART V, SECTION B, LINE 3	

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

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

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

Name and address	Type of Facility (describe)
CHRISTUS VNA HOSPICE&PALLIATIVE CARE- SA 4241 WOODCOCK DRIVE STE A-100 SAN ANTONIO, TX 78228	hospice outpatient
CHRISTUS HOSP&PALL C ST FRANCES CABRINI 4801 JACKSON ST EXT STE B ALEXANDRIA, LA 71303	hospice outpatient
GRACE HOME SHREVEPORT 1035 MARGARET PLACE SHREVEPORT, LA 71101	hospice outpatient
CHRISTUS VNA HOSPICE & PALLIATIVE CARE 2707 N LOOP WEST STE 7307 HOUSTON, TX 77008	hospice outpatient
CHRISTUS HOMECARE - LAKE CHARLES 444 LAKE STREET LAKE CHARLES, LA 70605	hospice outpatient
GRACE HOME ALEXANDRIA 3330 MASONIC DRIVE 3RD FLOOR ALEXANDRIA, LA 71301	hospice outpatient
CHRISTUS SISTER MARY HOSPICE CENTER 5131 MEDICAL DRIVE STE 310 SAN ANTONIO, TX 78229	hospice outpatient
CHRISTUS HOSPICE & PALLIATIVE CARE - SCHUMPERT 1700 BUCKNER SQUARE STE SHREVEPORT, LA 71101	hospice outpatient
CHRISTUS HOSPICE & PALLIATIVE CARE - SPOHN 6200 SARATOGA BLVD CORPUS CHRISTI, TX 78414	hospice outpatient
CHRISTUS HomeCare - Coppell 1205 E Sandy Lake Road Suite 330 COPPELL, TX 75019	hospice outpatient
CHRISTUS HomeCare - New Braunfels 750 Landa Street NEW BRAUNFELS, TX 78130	hospice outpatient
CHRISTUS VNA HOMECARE-SAN ANTONIO 4241 WOODCOCK SUITE A-100 SAN ANTONIO, TX 782281337	hospice outpatient
CHRISTUS HOMECARE-SPOHN 6200 SARATOGA BLVD SUITE 104 CORPUS CHRISTI, TX 784143478	hospice outpatient
CHRISTUS HOMECARE-ST PATRICK 4444 LAKE STREET LAKE CHARLES, LA 706054312	hospice outpatient
CHRISTUS HOMECARE-SCHUMPERT 1700 BUCKNER SQUARE SUITE 200 SHREVEPORT, LA 711014400	hospice outpatient

**Schedule I
(Form 990)**

OMB No 1545-0047

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

2013

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

▶ Attach to Form 990

**Open to Public
Inspection**

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

Department of the Treasury
Internal Revenue Service

Name of the organization

CHRISTUS CONTINUING CARE

Employer identification number

74-2898615

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) American Heart Association PO Box 843543 Dallas, TX 75284	13-5613797	501(C)(3)	11,250				program support

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

3 Enter total number of other organizations listed in the line 1 table 0

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.

Part III can be duplicated if additional space is needed.

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

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

Return Reference	Explanation
FORM 990, SCHEDULE I, PART I, Line 2	DESCRIPTION OF ORGANIZATION'S PROCEDURES FOR MONITORING THE USE OF grants THE ORGANIZATION FOLLOWS CHRISTUS HEALTH MANAGEMENT DIRECTIVE NO 0006, "CONTRIBUTIONS/DONATIONS TO OTHER ORGANIZATIONS " BEFORE ANY DONATION IS MADE, TWO CRITERIA ARE ADDRESSED (1) ORGANIZATION TEST AND (2) IRS TEST THE ORGANIZATION TEST ENSURES THAT DONATIONS ARE EXCLUSIVELY FOR CHARITABLE, SCIENTIFIC, EDUCATIONAL, AND RELIGIOUS PURPOSES, AND IN FURTHERANCE OF OUR PURPOSE OF SUPPORTING THE HEALING MINISTRY OF JESUS CHRIST AND ADVANCING, PROMOTING, AND SUPPORTING THE HEALTHCARE MINISTRIES OF THE SPONSORING CONGREGATIONS CONTRIBUTIONS CAN BE MADE TO SUPPORT CHRISTUS SYSTEM MEMBERS AND TO OTHER QUALIFYING TAX-EXEMPT ORGANIZATIONS, PARTICULARLY THOSE DESIGNED TO SUPPORT AND BENEFIT THE POOR AND UNDERSERVED THE ORGANIZATION CONSIDERED FOR DONATIONS MUST BE AN IRS SECTION 501(C)(3) ORGANIZATION AND DOCUMENTATION TO THAT EFFECT OBTAINED TO SATISFY THE IRS TEST CONTRIBUTIONS GIVEN MUST BE DEDICATED TO ACHIEVING CHARITABLE PURPOSES NOT FOR PERSONAL BENEFIT BUT FOR PUBLIC BENEFIT CONTRIBUTIONS ARE PROHIBITED TO ORGANIZATIONS THAT CONTRIBUTE TO POLITICAL CAMPAIGNS, CANDIDATES FOR OFFICE, OR CONDUCT MORE THAN INCIDENTAL LOBBYING DOCUMENTATION MUST SUPPORT HOW THE DONATION MEETS ORGANIZATIONAL PURPOSES AND FURTHERANCE OF MISSION DONATIONS SHOULD BE MODEST IN SCOPE

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2013

Open to Public Inspection

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.**

Department of the Treasury
Internal Revenue Service

Name of the organization
CHRISTUS CONTINUING CARE

Employer identification number

74-2898615

Part I Questions Regarding Compensation

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.
- First-class or charter travel
 - Travel for companions
 - Tax idemnification and gross-up payments
 - Discretionary spending account
 - Housing allowance or residence for personal use
 - Payments for business use of personal residence
 - Health or social club dues or initiation fees
 - Personal services (e.g., maid, chauffeur, chef)

b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?

- 3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.
- Compensation committee
 - Independent compensation consultant
 - Form 990 of other organizations
 - Written employment contract
 - Compensation survey or study
 - Approval by the board or compensation committee

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
 - b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
 - c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
 - b** Any related organization?
- If "Yes," to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
 - b** Any related organization?
- If "Yes," to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b	Yes	
2	Yes	
4a	Yes	
4b	Yes	
4c		No
5a		No
5b		No
6a		No
6b		No
7		No
8		No
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
Companion Travel	<p>Form 990, Schedule J, Part I, Line 1A TAXABLE COMPENSATION WAS REPORTED TO VARIOUS OFFICERS AND BOARD MEMBERS RELATED TO COMPANION TRAVEL TO CHRISTUS MEETINGS Process to Establish Compensation of the organization's CEO Form 990, Schedule J, Part I, Line 3 The filing organization's CEO/executive director is an employee of CHRISTUS Health, a related organization As a result, compensation is established at the CHRISTUS Health level and the filing organization does not have a role in implementing the methods used to establish compensation or in determining CEO/executive director compensation CHRISTUS Health uses an Executive Compensation Committee to establish and approve the compensation of the filing organization's CEO/executive director This committee uses an independent compensation consultant who performs bi-annual compensation survey Severance Payments Form 990 Schedule J, Part I, Line 4A SEVERANCE COMPENSATION WAS PAID TO THE FOLLOWING PERSONS BY CHRISTUS CONTINUING CARE Susan Miller - \$62,223 Leslie Stuart - \$66,810 Martha Kinn - \$47,289 SEVERANCE COMPENSATION REPORTED AS RELATED COMPENSATION WAS PAID TO THE FOLLOWING PERSONS BY CHRISTUS HEALTH, A RELATED ORGANIZATION OF THE FILING ENTITY Paul Veillon - \$113,087 Supplemental Nonqualified Retirement Plan Form 990 Schedule J, Part I, Line 4b Deferred compensation includes Executive Deferred Income Account, Supplemental Executive Retirement and Retention Plan, and Pension Restoration Plan Estimated pension benefits were calculated based on the provisions of the current Pension Restoration Plan at 6% of pensionable earnings which are over the IRS legislative compensation limit Some Associates are grandfathered under an earlier legacy pension plan If a participant has protected pension benefits under such legacy plans, his/her percentage is zero under the Supplemental Executive Retirement and Retention Plan, as the protected benefit is already equal to or better than current market Supplemental Nonqualified Retirement Plan Payments Form 990, Schedule J, Part I, Line 4B and FORM 990, SCHEDULE J, PART II, COLUMN(F) COMPENSATION REPORTED AS DEFERRED IN PRIOR Form 990 Chris Karam received \$39,837 DURING CALENDAR YEAR 2013 UNDER A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN Tom Permetti received \$34,189 DURING CALENDAR YEAR 2013 UNDER A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN Linda McClung received \$44,257 DURING CALENDAR YEAR 2013 UNDER A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN Pearl Mohrkern received \$1,423 DURING CALENDAR YEAR 2013 UNDER A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN Paul Veillon received \$296 DURING CALENDAR YEAR 2013 UNDER A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN Supplemental Compensation Information Form 990, Part VII, Question 1a and Schedule J, Part II Directors and Ex-Officio Directors provide their services as members of the Board without compensation or benefits Any compensation and benefits disclosed for such persons is earned in the respective individual's role as an officer or employee of the organization, not for the individual's role as a board member or director Officers, key employees and highest paid employees are full-time employees Board members spend time as needed for board meetings and functions Supplemental Compensation Information Form 990, Part VII, Section A and Schedule J, Part II The Bonus and Incentive Compensation reported as related compensation was paid to the following persons by Christus Health, a related organization of the filing entity Chris Karam, Linda McClung, Tom Permetti and Patrick Carrier Patrick Carrier</p>
Supplemental Compensation Information	<p>Form 990, Schedule J, Part II W-2 compensation may include payments related to compensation deferred in prior years Deferred Compensation may include deferrals of current year compensation under Executive Deferred Income Account, Supplemental Executive Retirement and Retention Plan and Pension Restoration Plan</p>
Supplemental Compensation Information	<p>Form 990, Schedule J, Part II, Column B(II) Bonus and incentive compensation may include amounts that were deferred in a prior year but paid out in calendar year 2013</p>
Deferred Compensation	<p>Form 990, Schedule J, Part II, Column C Deferred compensation includes Executive Deferred Income Account, Supplemental Executive Retirement and Retention Plan, Employer contribution to 403(b) Matched Savings Plan, Pension Restoration Plan and Estimated Pension Benefits under CHRISTUS Health Cash Balance Plan Estimated pension benefits were calculated based on the provisions of the current Cash Balance Plan at 6% of pensionable earnings Some associates are grandfathered under an earlier pension plan These grandfathered participants, based on computation at the time of their retirement, will receive the larger of the retirement benefit computed under the Cash Balance Plan compared to the previous pension plan Due to the complexity of calculating an accurate benefit cost for grandfathered participants, the Form 990 reports as pension benefits their annual estimated Cash Balance Plan accrual</p>

Additional Data

Software ID:
Software Version:
EIN: 74-2898615
Name: CHRISTUS CONTINUING CARE

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				
Christopher Karam President/CEO	(i)	90,743	26,860	15,751	39,024	6,527	178,905	7,968
	(ii)	362,972	107,437	63,006	156,094	26,107	715,616	31,869
Mike Murray CFO	(i)	83,835	7,026	6,849	39,758	8,632	146,100	0
	(ii)	83,836	7,025	6,850	39,757	8,632	146,100	0
Jan Hamilton Crawford VP Operations	(i)	205,621	13,038	47,387	25,638	8,295	299,979	0
	(ii)	0	0	0	0	0	0	0
Leslie M Stuart MANAGEMENT CONSULTANT	(i)	161,386	59,872	55,823	26,902	8,376	312,359	0
	(ii)	0	0	0	0	0	0	0
MARTHA A KINN ACCOUNTING DIRECTOR	(i)	81,601	44,508	60,471	0	4,507	191,087	0
	(ii)	0	0	0	0	0	0	0
SUSAN H MILLER MANAGEMENT CONSULTANT	(i)	56,221	30,476	94,744	0	2,316	183,757	0
	(ii)	0	0	0	0	0	0	0
Pearl Mohnkern VP HR	(i)	183,400	6,558	89,165	35,904	11,078	326,105	1,423
	(ii)	0	0	0	0	0	0	0
Pamela Kennedy VP HUMAN RESOURCES	(i)	182,380	33,834	53,156	107,829	28,461	405,660	0
	(ii)	0	0	0	0	0	0	0
Patrick Carrier FMR PRES/CEO (TERM 2/27/10)	(i)	0	0	0	0	0	0	0
	(ii)	548,478	141,690	157,011	390,919	18,574	1,256,672	0
Linda McClung FMR BD MBR/INT CEO/PRES	(i)	0	0	0	0	0	0	0
	(ii)	602,765	225,001	71,348	266,491	36,221	1,201,826	44,257
Tom Permetti VP STRATEGY (TERM 5/30/10)	(i)	0	0	0	0	0	0	0
	(ii)	334,648	62,686	34,189	142,764	31,681	605,968	34,189
Paul Veillon former cfo (term 3/2013)	(i)	0	0	0	0	0	0	0
	(ii)	219,649	77,675	162,331	687	12,136	472,478	296

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.

2013

Open to Public Inspection

Name of the organization
CHRISTUS CONTINUING CARE

Employer identification number

74-2898615

Return Reference	Explanation
Doing business as	Form 990, PAGE 1, ITEM C CHRISTUS Visiting Nurse Association of Houston CHRISTUS Visiting Nurse Association Community Care San Antonio CHRISTUS VNA Hospice and Palliative Care San Antonio CHRISTUS HomeCare Spohn CHRISTUS Hospice and Palliative Care Spohn CHRISTUS VNA HomeCare San Antonio CHRISTUS HomeCare St Michael CHRISTUS HomeCare Pharmacy CHRISTUS VNA Hospice and Palliative Care of Houston CHRISTUS Dubuis Health System CHRISTUS DUBUIS Hospital of Houston CHRISTUS DUBUIS Hospital of Beaumont CHRISTUS DUBUIS Hospital of Port Arthur CHRISTUS DUBUIS Hospital of Bryan DUBUIS Hospital of Paris CHRISTUS At Home CHRISTUS Sister Mary Hospice Center CHRISTUS DUBUIS HOSPITAL OF ALEXANDRIA CHRISTUS HOMECARE CHRISTUS HOSPICE AND PALLIATIVE CARE - SCHUMPERT Description of Classes of Members or Stockholders Form 990, Part VI, Question 6 CHRISTUS Health is the sole corporate member of the filing organization

Return Reference	Explanation
Description of Classes of Persons and the Nature of Their Rights	Form 990, Part VI, Question 7a Christus Health, the sole corporate member of the filing organization, has the power to appoint all members of the filing organization's governing body

Return Reference	Explanation
Descr Classes of Persons, Decisions Requiring Appr & Type of Voting Rights	<p>Form 990, Part VI, Question 7b THE POWERS RESERVED FOR CHRISTUS HEALTH, THE SOLE CORPORATE MEMBER, ARE TO ADOPT, APPROVE AND INTERPRET THE PHILOSOPHY, MISSION, AND VISION OF CHRISTUS CONTINUING CARE (THE "CORPORATION"), AS WELL AS ANY CHANGES THERETO, WITH OR WITHOUT PRIOR ACTION OR RECOMMENDATION OF THE BOARD OF DIRECTORS OF THE CORPORATION, TO ADOPT AND APPROVE ANY AMENDMENTS, MODIFICATIONS OR RESTATEMENTS OF THE ARTICLES OF INCORPORATION OR BY LAWS OF THE CORPORATION, WITH OR WITHOUT PRIOR ACTION OR RECOMMENDATION OF THE BOARD OF DIRECTORS OF THE CORPORATION, TO APPOINT AND REMOVE, WITH OR WITHOUT CAUSE, THE DIRECTORS OF THE CORPORATION, OR THE PRESIDENT, WITH OR WITHOUT PRIOR ACTION OR RECOMMENDATION OF THE BOARD OF DIRECTORS OR NOMINATING COMMITTEE, IF ANY, OF THE CORPORATION, TO APPOINT AND REMOVE, WITH OR WITHOUT CAUSE, THE CHAIRPERSON OF THE BOARD OF DIRECTORS OF THE CORPORATION, WITH OR WITHOUT PRIOR ACTION OR RECOMMENDATION OF THE BOARD OF DIRECTORS OR NOMINATING COMMITTEE, IF ANY, OF THE CORPORATION, TO APPROVE THE INCURRING, INCLUDING THROUGH THE GUARANTEE OF THE DEBT OF ANOTHER, RENEWING OR FORGIVENESS OF ANY INDEBTEDNESS BY THE CORPORATION, IN EXCESS OF \$10,000 WITH OR WITHOUT PRIOR ACTION OR RECOMMENDATION OF THE BOARD OF DIRECTORS OF THE CORPORATION, TO APPROVE THE CAPITAL AND OPERATIONAL BUDGETS OF THE CORPORATION AND ANY FINANCIAL REVIEW OF THE BOOKS AND RECORDS OF THE CORPORATION, INCLUDING AUDIT OR SOME LESSER FINANCIAL REVIEW OF THE BOOKS AS DEEMED NECESSARY BY THE MEMBER, TO APPROVE THE STRATEGIC PLANS OF THE CORPORATION, TO APPROVE ANY GIFT OF PROPERTY (OTHER THAN CASH, MARKETABLE SECURITIES, OR BONDS) TO THE CORPORATION AND THE APPROVAL OF ANY RESTRICTIONS IMPOSED AS A CONDITION OF ACCEPTING SUCH GIFT, TO APPROVE ANY LOAN, GIFT, GRANT, OR CONTRIBUTION TO A QUALIFYING TAX-EXEMPT ORGANIZATION OR ANY OTHER ORGANIZATION, TO APPROVE ANY CHANGE OF THE PRINCIPAL OFFICE OF THE CORPORATION, ANY MERGER, CONSOLIDATION, ACQUISITION, LIQUIDATION OR DISSOLUTION OF THE CORPORATION OR ANY LOCAL ENTITY CONTROLLED BY THE CORPORATION, PROVIDED THAT SUCH CORPORATION OR LOCAL ENTITY DOES NOT OWN DESIGNATED MINISTRY PROPERTY, AND ANY TRANSACTION INVOLVING THE CORPORATION OR A LOCAL ENTITY CONTROLLED BY THE CORPORATION, THE EFFECT OF WHICH IS (A) TO CREATE A NEW LOCAL ENTITY, (B) ANY TRANSACTION INVOLVING THE CORPORATION OR A LOCAL ENTITY THE EFFECT OF WHICH IS TO CREATE A NEW LEGAL ENTITY OR JOINT VENTURE, OR (C) ANY CHANGES IN BUSINESS PURPOSE OR RELATIONSHIP OF ANY LOCAL ENTITY APPROVED UNDER (A) OR LEGAL ENTITY OR JOINT VENTURE APPROVED UNDER (B) The powers reserved to the Member and the Members of CHRISTUS in the event that either (1) CHRISTUS has designated the Corporation or a local entity controlled by the Corporation as a System Participant, or (2) the Corporation or a legal entity controlled by the Corporation owns designated ministry property The sale, lease, mortgage, transfer, or encumbrance of real property of the Corporation or any local entity controlled by the Corporation when the amount involved is in excess of a threshold amount as required by canon law, any course of action proposed by the Corporation or a local entity controlled by the Corporation that owns designated ministry property, the effect of which would be to change (a) ownership, management or control of designated ministry property, except ordinary course of business office and space leases, (b) the fundamental use of designated ministry property by obtaining, modifying, or relinquishing a type of health facility license that would significantly change the nature of the facility, or (c) if these services are applicable to the Corporation or a local entity controlled by the Corporation, the elimination of obstetrical, pediatric, psychological or emergency services provided in connection with designated ministry property, any merger, consolidation, acquisition, liquidation, or dissolution of the Corporation or any local entity controlled by the corporation that owns designated ministry property, and policies applicable and any amendment, modification or restatement thereof, with or without prior action or recommendation of the Board of Directors of the Corporation</p>

Return Reference	Explanation
Describe the Process used by Management &/or Governing Body to Review 990	Form 990, Part VI, Question 11B The Form 990 is prepared and reviewed by the organization's external independent accountants The CHRISTUS Health Accounting department works with an external accounting firm in preparation and review of the Form 990 The filing organization's CFO, or other designee, reviews the Form 990 The final Form 990 that will be filed with the IRS is posted to a secure internet portal for all members of the Board of Directors to view Review of the final Form 990 occurs prior to filing with the IRS in the Spring of 2015 via a web portal polling tool by the respective CHRISTUS Organization's board, based on a set of suggested review processes developed by CHRISTUS Health

Return Reference	Explanation
Description of Process to Monitor Transactions for Conflicts of Interest	Form 990, Part VI, Question 12c AT THE END OF EACH CALENDAR YEAR, THE CHRISTUS CONTINUING CARE CORPORATE SECRETARY DISTRIBUTES A CONFLICT OF INTEREST QUESTIONNAIRE TO ALL OF THE ORGANIZATION'S BOARD AND COMMITTEE MEMBERS FOR COMPLETION PRIOR TO THE 1ST OF JANUARY IN THE NEXT YEAR THE CORPORATE SECRETARY THOROUGHLY REVIEWS ALL COMPLETED AND EXECUTED CONFLICT OF INTEREST QUESTIONNAIRE FORMS TO ENSURE ACCURACY AND THAT NO POTENTIAL OR IDENTIFIED CONFLICT IS DISCLOSED OR EXISTS THE ORGANIZATION'S BOARD OF DIRECTORS IS RESPONSIBLE FOR ENFORCEMENT OF THE CONFLICT OF INTEREST POLICY OF THE ORGANIZATION

Return Reference	Explanation
<p>Compensation Determination Process</p>	<p>Form 990, Part VI, Questions 15a & 15b THE EXECUTIVE COMPENSATION COMMITTEE OF CHRISTUS HEALTH DETERMINES THE COMPENSATION OF THE CEO (OR EXECUTIVE DIRECTOR, AS APPLICABLE), OFFICERS AND KEY EMPLOYEES OF CHRISTUS HEALTH AND CERTAIN OTHER OFFICERS AND ONE KEY EMPLOYEE OF THE FILING ORGANIZATION THE EXECUTIVE COMPENSATION COMMITTEE IS COMPOSED OF INDIVIDUALS WHO HAVE NO CONFLICT OF INTEREST WITH THE COMPENSATION ARRANGEMENTS AT HAND THE EXECUTIVE COMPENSATION COMMITTEE OF THE CHRISTUS HEALTH BOARD SELECTS AN INDEPENDENT EXTERNAL FIRM TO PERFORM AN INDEPENDENT COMPENSATION REVIEW, TO ENSURE THAT ALL COMPENSATION IS REASONABLE AND COMPARABLE TO OTHER SIMILARLY SITUATED ORGANIZATIONS, FOR SIMILARLY QUALIFIED PERSONS IN FUNCTIONALLY COMPARABLE POSITIONS, AND TO PROVIDE SUPPORTING INFORMATION OF COMPENSATION DECISIONS ON AN ANNUAL BASIS THE EXTERNAL CONSULTANT 1 DEVELOPS THE MERIT INCREASE RECOMMENDATIONS FOR ALL DESIGNATED SYSTEM EXECUTIVES BASED ON MARKET COMPARABILITY 2 RECOMMENDS THE CHANGES IN THE COMPENSATION STRUCTURE (GRADES) BASED ON THE MARKET CHANGES 3 COMPLETES A REVIEW AND EVALUATION OF NEWLY CREATED POSITIONS TO RECOMMEND A GRADE PLACEMENT TO THE COMMITTEE FOR ITS DISCUSSION AND APPROVAL ON A BI-ANNUAL BASIS, THE EXTERNAL CONSULTANT COMPLETES A DETAILED REVIEW OF ALL OTHER DESIGNATED SYSTEM EXECUTIVES' COMPENSATION AND BENEFITS THIS GROUP INCLUDES ALL TOP MANAGEMENT OFFICIALS, OTHER OFFICERS AND KEY LEADERS OF THE ORGANIZATION THE REVIEW INCLUDES RECOMMENDATIONS TO THE COMMITTEE ON ANY CHANGES NECESSARY IN EITHER SPECIFIC COMPENSATION OR COMPENSATION STRUCTURE TO ENSURE MARKET COMPETITIVENESS, REASONABLENESS AND INTERNAL EQUITY UPON RECOMMENDATIONS FROM THE INDEPENDENT EXTERNAL FIRM, THE EXECUTIVE COMPENSATION COMMITTEE MAKES FINAL COMPENSATION DECISIONS ADDITIONALLY, THE EXECUTIVE COMPENSATION COMMITTEE REVIEWS ALL COMPENSATION PAYMENTS FOR EXCESS BENEFIT TRANSACTIONS THE DISCUSSION AND DECISIONS OF THE COMMITTEE ARE DOCUMENTED AND FORMALIZED IN THE COMMITTEE MINUTES AND MAINTAINED ON RECORD EFFECTIVE 12/7/11, THE FILING ORGANIZATION DETERMINED THE COMPENSATION OF THE ASSISTANT CORPORATE SECRETARY BY USE OF AN INDEPENDENT AND EXTERNAL CONSULTANT THE CONSULTANT HELPS DETERMINE PAY RATES FOR THE ASSOCIATES OF THE FILING ORGANIZATION, TAKING INTO ACCOUNT MARKET DATA AND SHIFT DIFFERENTIAL BASED ON THE AFOREMENTIONED PROCEDURE, THE ASSISTANT CORPORATE SECRETARY'S COMPENSATION IS NOT REVIEWED BY A COMPENSATION COMMITTEE</p>

Return Reference	Explanation
Public Disclosure of 1023 and Forms 990 & 990-T	Form 990, Part VI, Question 18 CHRISTUS HEALTH AND MOST OF ITS AFFILIATED ENTITIES DO NOT HAVE FORMS 1023 BECAUSE OF THEIR INCLUSION IN THE IRS GROUP RULING WITH THE UNITED STATES CONFERENCE OF CATHOLIC BISHOPS, WHICH COVERS THE ORGANIZATION LISTED IN THE ANNUAL OFFICIAL CATHOLIC DIRECTORY CHRISTUS HEALTH'S WEBSITE DISPLAYS THE IRS GROUP RULING AND RELEVANT ANNUAL OFFICIAL CATHOLIC DIRECTORY PAGES FOR THE ORGANIZATIONS RELATED TO CHRISTUS HEALTH FORMS 990 AND 990-T ARE MADE AVAILABLE UPON REQUEST

Return Reference	Explanation
Avail of Gov Docs, Conflict of Interest Policy, & Fin Strmts to Gen Public	Form 990, Part VI, Question 19 The Consolidated Audited Financial Statements of CHRISTUS Health are made available to the public via the Christus Health website The organization's governing documents and conflict of interest policy are not made available to the public OTHER CHANGES IN NET ASSETS FORM 990, PART XI, LINE 9 Pension Liability/Expense - \$2,519,714 Temporary Restricted Contributions - \$814,713 Transfer of Net Assets between Entities - \$105,031 Assets Released from Restictions - (\$959,820) Pension Funding - (\$1,433,033) rounding - (\$1) TOTAL - \$1,046,604

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION PURCHASED SERVICES TOTAL FEES 9059671

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION MEDICAL FEES TOTAL FEES 943666

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION CONSULTING FEES TOTAL FEES 485871

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION PHYSICIAN FEES TOTAL FEES 314006

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION RECRUITMENT/PLACEMENT FEES TOTAL FEES 188428

Return Reference

Explanation

FORM 990 PART IX LINE 11G

DESCRIPTION PROCESSING FEES TOTAL FEES 41

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2013

**Open to Public
Inspection**

- ▶ **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.**

Department of the Treasury
Internal Revenue Service

Name of the organization
CHRISTUS CONTINUING CARE

Employer identification number

74-2898615

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

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

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) CHRISTUS Muguerza SAPI de CV Hidalgo PTE 2525 Col Obispado, Monterrey, N L 64060 MX	HLTHCARE SERV	MX	CH	C corp					No
(2) EMERALD ASSURANCE CAYMAN LTD PO BOX 1051 GRAND CAYMAN KY1- 1102 CJ 98-0407545	INSURANCE	CJ	CH	C CORP					No

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

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

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

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)

- f** Dividends from related organization(s)
- g** Sale of assets to related organization(s)
- h** Purchase of assets from related organization(s)
- i** Exchange of assets with related organization(s)
- j** Lease of facilities, equipment, or other assets to related organization(s)

- k** Lease of facilities, equipment, or other assets from related organization(s)
- l** Performance of services or membership or fundraising solicitations for related organization(s)
- m** Performance of services or membership or fundraising solicitations by related organization(s)
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o** Sharing of paid employees with related organization(s)

- p** Reimbursement paid to related organization(s) for expenses
- q** Reimbursement paid by related organization(s) for expenses

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

	Yes	No
1a		No
1b		No
1c		No
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k	Yes	
1l		No
1m	Yes	
1n		No
1o	Yes	
1p	Yes	
1q	Yes	
1r		No
1s		No

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

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

Part VII Supplemental Information

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

Return Reference**Explanation**

Additional Data

Software ID:
Software Version:
EIN: 74-2898615
Name: CHRISTUS CONTINUING CARE

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) CHRISTUS HEALTH ARK-LA-TEX 2600 ST MICHAEL DRIVE TEXARKANA, TX 75503 75-2796815	HLTHCARE SVCS	TX	501(C)(3)	3	CH	Yes	
(1) CHRISTUS HEALTH CENTRAL LOUISIANA 3330 MASONIC DRIVE ALEXANDRIA, LA 71301 72-0408984	HLTHCARE SVCS	LA	501(C)(3)	3	CH	Yes	
(2) CHRISTUS HEALTH GULF COAST PO BOX 922037 HOUSTON, TX 77292 76-0591592	HLTHCARE SVCS	TX	501(C)(3)	3	CH	Yes	
(3) CHRISTUS HEALTH NORTHERN LOUISIANA ONE SAINT MARY PLACE SHREVEPORT, LA 71101 72-0408982	HLTHCARE SVCS	LA	501(C)(3)	3	CH	Yes	
(4) CHRISTUS SPOHN HEALTH SYSTEM CORPORATION 600 ELIZABETH STREET CORPUS CHRISTI, TX 78404 74-1109836	HLTHCARE SVCS	TX	501(C)(3)	3	CH	Yes	
(5) CHRISTUS HEALTH SOUTHEAST TEXAS 2830 Calder Street BEAUMONT, TX 77726 76-0591590	HLTHCARE SVCS	TX	501(C)(3)	3	CH	Yes	
(6) CHRISTUS HEALTH SOUTHWESTERN LOUISIANA 524 DR MICHAEL DEBAKEY DRIVE LAKE CHARLES, LA 70601 72-0411322	HLTHCARE SVCS	LA	501(C)(3)	3	CH	Yes	
(7) CHRISTUS SANTA ROSA HEALTH CARE CORP 333 N SANTA ROSA STREET SAN ANTONIO, TX 78207 74-1109665	HLTHCARE SVCS	TX	501(C)(3)	3	CH	Yes	
(8) CHRISTUS HEALTH 919 Hidden Ridge Drive Irving, TX 75038 76-0590551	SUPT HLTH SVC	TX	501(C)(3)	9	NA		No
(9) CH WILKINSON PHYSICIAN NETWORK 1700 WEST LOOP SOUTH STE 400B HOUSTON, TX 77027 76-0422435	HLTHCARE SVCS	TX	501(C)(3)	11 - Type I	CH	Yes	
(10) ST JOSEPH COMMUNITY FOUNDATION 2800 LAMAR AVE CAPITAL ONE PARIS, TX 75460 42-1619230	SUPT HLTH SVC	TX	501(C)(3)	11 - TYPE I	CH	Yes	
(11) DUBUIS HEALTH SYSTEM INC 1700 W LOOP SOUTH STE 1100A HOUSTON, TX 77027 72-1270964	HLTHCARE SVCS	TX	501(C)(3)	3	CH	Yes	
(12) CHRISTUS HEALTH FOUNDATION 919 Hidden Ridge Drive Irving, TX 75038 61-1500100	SUPT HLTH SVC	TX	501(C)(3)	11 - TYPE I	CH	Yes	
(13) CHRISTUS Health Liability Retention Trst 919 Hidden Ridge Drive Irving, TX 75038 76-0259623	Self Ins Trst	TX	501(C)(3)	11 - Type I	CH	Yes	
(14) Christus Health Strategic Growth 919 Hidden Ridge Drive Irving, TX 75038 46-2798043	supt hlth svc	TX	501(c)(3)	11 - type I	ch	Yes	
(15) CHRISTUS HEALTH PLAN LOUISIANA 919 hidden ridge drive irving, TX 75038 46-4617988	medicaid hmo	LA	501(c)(3)	9	CH	Yes	
(16) CHRISTUS HEALTH PLAN NEW MEXICO 919 HIDDEN RIDGE DRIVE IRVING, TX 75038 46-4487295	MEDICAID HMO	NM	501(C)(3)	9	ch	Yes	
(17) CHRISTUS PEDIATRIC PHYSICIAN GROUP 919 HIDDEN RIDGE DRIVE IRVING, TX 75038 46-5203505	HLTHCARE SVCS	TX	501(C)(3)	3	CH	Yes	

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
CHRISTUS HEALTH CENTRAL LOUISIANA	k	652,236	ACCRUAL
CHRISTUS HEALTH SOUTHEAST TEXAS	k	1,028,449	ACCRUAL
CH WILKINSON PHYSICIAN NETWORK	m	319,153	ACCRUAL
CHRISTUS HEALTH CENTRAL LOUISIANA	m	1,263,890	ACCRUAL
CHRISTUS HEALTH SOUTHEAST TEXAS	m	1,857,658	ACCRUAL
CHRISTUS HEALTH Ark-Ia-Tex	o	67,924	ACCRUAL
CHRISTUS Health Northern Louisiana	O	69,501	ACCRUAL
CHRISTUS Health Northern Louisiana	p	184,387	ACCRUAL

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

CHRISTUS Health
Years Ended June 30, 2014 and 2013
With Report of Independent Auditors

CHRISTUS Health

Consolidated Financial Statements and Supplementary Information

Years Ended June 30, 2014 and 2013

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Report of Independent Auditors

The Board of Directors
CHRISTUS Health

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Ernst + Young LLP

September 19, 2014

CHRISTUS Health
Consolidated Balance Sheets

	June 30	
	2014	2013
	<i>(In Thousands)</i>	
Assets		
Current assets		
Cash and cash equivalents	\$ 452,854	\$ 282,389
Short-term investments and equity in managed funds	853,061	1,043,273
Assets whose use is limited or restricted, required for current liabilities	23,480	59,960
Patient accounts receivable, net of allowance for doubtful accounts of \$119,846 and \$93,426 at June 30, 2014 and 2013, respectively	358,691	357,904
Notes and other receivables	201,065	183,994
Inventories	84,444	88,683
Securities pledged to creditors	1,846	8,858
Security lending collateral	1,987	9,204
Other current assets	64,764	65,226
Total current assets	2,042,192	2,099,491
Assets whose use is limited or restricted, less current portion	597,964	701,135
Property and equipment, net of accumulated depreciation	1,500,596	1,618,670
Other assets		
Investments in unconsolidated organizations	168,030	37,302
Goodwill	124,545	89,730
Beneficial interest in supporting organizations and other restricted assets	83,306	75,831
Other assets	77,064	74,740
Total other assets	452,945	277,603
Total assets	\$ 4,593,697	\$ 4,696,899

	June 30	
	2014	2013
	<i>(In Thousands)</i>	
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 392,428	\$ 409,675
Accrued employee compensation and benefits, including pension benefits, current portion	164,741	176,427
Estimated third-party settlements, net	53,160	33,017
Current portion of long-term debt	12,668	51,589
Payable under security lending agreement	1,989	9,210
Total current liabilities	624,986	679,918
Long-term debt, less current portion	892,785	1,071,943
Accrued pension benefits, long-term portion	31,093	75,435
Derivative financial instruments	91,810	92,624
Other long-term obligations – primarily related to self-funded liabilities, less current portion	175,839	169,613
Total liabilities	1,816,513	2,089,533
Net assets		
Unrestricted		
Attributable to CHRISTUS Health	2,502,684	2,356,267
Attributable to non-controlling interest	126,789	120,356
Total unrestricted	2,629,473	2,476,623
Temporarily restricted	136,241	114,858
Permanently restricted	11,470	15,885
Total net assets	2,777,184	2,607,366
Total liabilities and net assets	\$ 4,593,697	\$ 4,696,899

See accompanying notes.

CHRISTUS Health

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended June 30	
	2014	2013
	<i>(In Thousands)</i>	
Revenues		
Patient service revenue (net of contractual allowances and discounts)	\$ 3,388,253	\$ 3,463,569
Provision for bad debts	(249,517)	(239,406)
Net patient service revenue less provision for bad debts	3,138,736	3,224,163
Premium revenue	169,333	182,893
Other revenue including net gain on contributions to joint ventures	234,392	182,854
Equity in income of unconsolidated organizations	9,170	111,362
Total revenues	3,551,631	3,701,272
Expenses		
Employee compensation and benefits	1,534,249	1,609,714
Services and other	1,148,484	1,100,712
Supplies	609,705	612,132
Depreciation and amortization	165,461	271,965
Interest	31,430	33,697
Total expenses	3,489,329	3,628,220
Operating income	62,302	73,052
Non-operating investment gain	100,236	88,212
Loss on defeasance of debt	(11,047)	-
Other non-operating loss	(8,389)	(1,585)
Revenues in excess of expenses	143,102	159,679
Less revenues in excess of expenses attributable to non-controlling interest	18,772	17,171
Revenues in excess of expenses attributable to CHRISTUS Health	124,330	142,508

CHRISTUS Health

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

	Year Ended June 30	
	2014	2013
	<i>(In Thousands)</i>	
Changes in unrestricted net assets		
Revenues in excess of expenses attributable to CHRISTUS Health	\$ 124,330	\$ 142,508
Net change in unrealized gain on investments	1,840	3,320
Change in pension liabilities	24,468	95,141
Change in non-controlling interest	6,433	1,057
Other	(4,221)	(112)
Changes in unrestricted net assets	152,850	241,914
Temporarily restricted net assets		
Net change in beneficial interest	12,198	31,751
Contributions	11,952	6,142
Unrealized gain on investments	650	453
Net assets released from restrictions and other	(3,417)	(13,032)
Changes in temporarily restricted net assets	21,383	25,314
Permanently restricted net assets		
Net change in beneficial interest	(3,285)	(141)
Other	(1,130)	(6,000)
Changes in permanently restricted net assets	(4,415)	(6,141)
Change in net assets	169,818	261,087
Net assets – beginning of year, 2013 as adjusted <i>(Note 16)</i>	2,607,366	2,346,279
Net assets – end of year	\$ 2,777,184	\$ 2,607,366

See accompanying notes.

CHRISTUS Health

Consolidated Statements of Cash Flows

	Year Ended June 30	
	2014	2013
	<i>(In Thousands)</i>	
Operating activities		
Changes in net assets	\$ 169,818	\$ 261,087
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Change in beneficial interest	(8,913)	(31,610)
Change in pension liabilities	(43,583)	(120,391)
Contributions of temporarily restricted net assets	(11,952)	(6,142)
Equity in income of unconsolidated organizations	(6,159)	(111,362)
Equity earnings on investments in managed funds	(35,805)	(23,726)
Depreciation and amortization	165,461	271,965
Provision for uncollectible accounts	249,517	239,406
Change in derivative fair value	(814)	(44,162)
Loss on early extinguishment of debt	11,047	-
Loss (gain) on disposal of property and equipment	2,536	(3,408)
Gain on contribution to joint ventures, net	(31,725)	-
Changes in operating assets and liabilities, net of acquisitions		
Increase in net patient accounts receivable	(250,303)	(262,339)
Decrease (increase) in investments	365,669	(286,040)
Increase in notes and other receivables	(17,072)	(126,495)
Decrease in inventories	280	975
(Decrease) increase in accounts payable, accrued expenses, and accrued employee compensation and benefits	(38,209)	54,647
Increase (decrease) in net third-party pay or settlements	20,143	(250)
Increase (decrease) increase in liability for self-funded liabilities	7,296	(1,110)
Net cash provided by (used in) operating activities	<u>547,232</u>	<u>(188,955)</u>
Investing activities		
Purchases of property and equipment	(152,591)	(166,199)
Proceeds from sale or disposal of property and equipment	60	15,278
Proceeds from sale of majority interest in operating entities	113,765	-
Proceeds from sale of equity investment in unconsolidated subsidiary	3,011	299,037
Decrease (increase) in investments in unconsolidated organizations	3,743	(15,038)
Investments in international operations <i>(Note 18)</i>	(88,178)	-
Decrease in securities pledged to creditors	7,012	37,660
Decrease (increase) in other assets	4,010	(3,385)
Decrease in security lending collateral	7,217	37,053
Acquisitions of health care entities, net of cash acquired	(51,417)	-
Net cash (used in) provided by investing activities	<u>(153,368)</u>	<u>204,406</u>

CHRISTUS Health

Consolidated Statements of Cash Flows (continued)

	Year Ended June 30	
	2014	2013
	<i>(In Thousands)</i>	
Financing activities		
Contributions of temporarily restricted net assets	\$ 11,952	\$ 6,142
Other costs associated with debt refinancing/conversion	(610)	(1,244)
Payments on long-term debt	(227,519)	(65,925)
Decrease in payable under security lending agreements	(7,222)	(38,078)
Net cash used in financing activities	(223,399)	(99,105)
Net increase (decrease) in cash and cash equivalents	170,465	(83,654)
Cash and cash equivalents – beginning of year	282,389	366,043
Cash and cash equivalents – end of year	\$ 452,854	\$ 282,389
Non-cash investing and financing transactions		
Capital lease and debt obligations incurred for property and equipment	\$ 10,050	\$ 3,171
Capital contributions to joint ventures	43,050	–
Supplemental disclosure of cash flow information		
Cash paid during the year for interest (net of amount capitalized)	\$ 34,908	\$ 36,969

See accompanying notes

CHRISTUS Health

Notes to Consolidated Financial Statements

June 30, 2014

1. Mission, Vision, and Organization of CHRISTUS Health

CHRISTUS Health was incorporated as a Texas nonprofit corporation on December 15, 1998. CHRISTUS Health (CHRISTUS or the System) is sponsored by the Congregation of the Sisters of Charity of the Incarnate Word of Houston, Texas, and the Congregation of the Sisters of Charity of the Incarnate Word of San Antonio, Texas. The Congregation of the Sisters of Charity of the Incarnate Word of Houston, Texas, sponsors the Sisters of Charity Health Care System (SCH), and the Congregation of the Sisters of Charity of the Incarnate Word of San Antonio, Texas, sponsors the Incarnate Word Health System (IWHS). SCH and IWHS continue to exist and carry out their ministries.

The mission of CHRISTUS is to extend the healing ministry of Jesus Christ. The Gospel values underlying the mission statement challenge CHRISTUS to make choices that respond to the economically disadvantaged and the underserved with health care needs. The growth and development of CHRISTUS are determined by the health care needs of the communities that CHRISTUS serves, its available resources, and the interrelationship of those serving and those being served. Responsible stewardship mandates that CHRISTUS searches out new, effective means to deliver quality health care and to promote wholeness in the human person.

The vision of CHRISTUS is to be a leader, a partner, and an advocate in the creation of innovative health and wellness solutions that improve the lives of individuals and communities so that all may experience God's healing presence and love.

The consolidated financial statements of CHRISTUS include activities of its affiliated market-based organizations and other related entities, all of which are wholly or majority-owned or otherwise controlled and commonly referred to as regions or entities. For purposes of these consolidated financial statements, the "System" is defined as CHRISTUS's affiliated market-based organizations and other related entities. The other related entities include, but are not limited to, hospital foundations, professional office buildings, management services organizations, physician groups, outpatient surgery centers, a collection agency, self-insurance trusts, an offshore captive insurance company, health plans, integrated community health networks, and diagnostic imaging companies.

CHRISTUS controls or owns, directly or indirectly, or manages various nonprofit and for-profit corporations and other organizations that currently operate domestically in the states of Texas, Arkansas, Georgia, Louisiana, New Mexico, Iowa, and internationally in the countries of Mexico and Chile.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

1. Mission, Vision, and Organization of CHRISTUS Health (continued)

CHRISTUS and certain affiliated nonprofit corporations are generally exempt from federal income taxes under Section 501(a) of the Internal Revenue Code, as organizations described in Section 501(c)(3)

2. Community Health

In accordance with its mission and philosophy, the System commits significant resources to improving the health of the communities it serves. In support of its mission, the System provides programs and services for entire communities, with a special consideration for those who are poor and underserved.

Programs and Services for the Poor and Underserved – These programs and services represent the financial commitment to serve those who have inadequate resources and/or are uninsured or underinsured. Services are offered with the conviction that health care is a basic human right and all deserve access. The categories included as programs and services for the poor and the underserved are as follows:

Charity Care – In accordance with the Catholic Health Association (CHA) guidelines, charity care represents the unpaid costs of free or discounted health services provided to persons who cannot afford to pay and who meet the organization's criteria for financial assistance. Traditional charity care is defined by the state of Texas as the unreimbursed costs of providing, funding, or otherwise financially supporting the health care services provided to a person with income at or below 200% of the federal poverty level. Charity care services provided to these patients are not reported as revenue in the consolidated statements of operations and changes in net assets as there is no expectation of payment. The amount of traditional charity care provided, determined on the basis of cost, excluding the provision for bad debt expense, was approximately \$208,673,000 and \$186,192,000 for the years ended June 30, 2014 and 2013, respectively.

Unpaid Costs of Medicaid and Other Public Programs for the Indigent – This category represents the cost of providing services to beneficiaries of public programs, including state Medicaid and indigent care programs, in excess of any payments received from all sources.

Community Services for the Poor and Underserved – This category represents the unpaid cost of services provided for which a patient is not billed, or for which a fee has been assessed that recovers only a portion of the cost of the rendered service. This category includes services to

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

2. Community Health (continued)

those in need through community health programs. The programs cover a broad spectrum of services, from community health centers to immunizations for children and seniors, Meals on Wheels, transportation services, home repair projects, and a variety of other social services. These programs may also seek justice for the vulnerable and work to bring about changes in political and economic systems.

Examples of CHRISTUS Community Benefits accounted for under Community Services for the Poor and Underserved include:

- The CHRISTUS Community Direct Investment (CDI) Program was established to support community-driven initiatives primarily for affordable housing and economic development by providing financing at below-market interest rates. The majority of the support is provided to programs in the CHRISTUS operating regions. The amount the System would have earned on these monies is the forgone income that is considered a community benefit.
- The CHRISTUS Fund was established for the purpose of providing grants to support community planning, healthy community initiatives, and community-based programs, with a focus on the poor and underserved areas where CHRISTUS ministries and sponsoring congregations are involved.

Community Services Provided for the Broader Community – This category represents the unpaid cost of services provided for the benefit of the entire community. The majority of these expenditures are for graduate medical education programs, either through CHRISTUS-sponsored or affiliated programs. Other benefits for the broader community include health promotion and wellness programs, health screenings, newsletters, and radio or television programs intended for health education. These programs are not intended to be financially self-supporting.

Education and Research – This category represents the direct costs associated with medical education and other health professional educational programs in excess of governmental payments.

Other Community Services – This category represents leadership activities, community planning, and advocacy.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

3. Summary of Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements include the accounts of all entities of the System (see Note 1) All significant inter-entity transactions and accounts have been eliminated in consolidation

Use of Estimates

The preparation of the accompanying consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management of the System to make assumptions, estimates, and judgments that affect the amounts reported in the financial statements, including the notes thereto, and related disclosures of commitments and contingencies, if any The System considers critical accounting policies to be those that require more significant judgments and estimates in the preparation of its financial statements, including the following recognition of net patient service revenues, which include contractual allowances and the provision for bad debt, reserves for losses and expenses related to health care professional and general liabilities, determination of fair values of certain financial instruments, determination of fair value of certain goodwill and long-lived assets, and risks and assumptions for measurement of pension and retiree medical liabilities Management relies on historical experience and on other assumptions believed to be reasonable under the circumstances in making its judgments and estimates Actual results could differ materially from these estimates

Cash and Cash Equivalents

Cash equivalents include short-term, highly liquid investments with original maturities of three months or less

Investments

The System's investment portfolio is classified as trading, with unrealized gains and losses included in revenues in excess of expenses Investments in equity securities and funds with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets Investments also include equity investments in managed funds structured as limited liability corporations or partnerships Equity investments are accounted for under the fair value method if held within the System's foundations or captive insurer, or under the equity method if held by another System entity Investment income or loss

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

3. Summary of Significant Accounting Policies (continued)

(including equity investment earnings (losses) on managed funds, realized and unrealized gains and losses, computed on the average-cost basis of the security at the time of sale, and interest and dividends) is included in revenues in excess of expenses unless the income or loss is restricted by donor or law

Investment income earned on assets held by trustees under bond indenture agreements, assets held by foundations, assets deposited in trust funds for self-insurance purposes, and funds held by insurance subsidiaries in accordance with industry practices are included in other revenue in the consolidated statements of operations and changes in net assets

Derivative Financial Instruments

The System utilizes interest rate swaps to mitigate interest rate exposures. Changes in the fair value of the System's interest rate swaps are recorded as a component of non-operating investment gain in the accompanying consolidated statements of operations and changes in net assets. The expense representing the net of the payments made and received under the swap agreements is also recorded as a component of non-operating investment gain.

Inventories

The System values inventories, which consist principally of medical supplies and pharmaceuticals, at the lower of cost (first-in, first-out or weighted-average cost valuation method) or market basis.

Property and Equipment

Property and equipment acquisitions are recorded at cost or, if donated, at fair value at the time of donation. Expenditures that materially increase values, change capacities, or extend useful lives are capitalized. Routine maintenance, repairs, and minor equipment replacement costs are charged against operations.

Depreciation is calculated and recorded over the estimated useful life of each class of depreciable assets using the straight-line method. The *American Hospital Association – Estimated Useful Lives of Depreciable Hospital Assets* is used as a general guide in establishing depreciable lives. Amortization of capital leases is included in depreciation expense.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

3. Summary of Significant Accounting Policies (continued)

Asset Impairment

The System periodically evaluates the carrying value of its operating long-lived assets and assets held for sale for impairment when indicators of impairment are identified. These evaluations are primarily based on the estimated recoverability of the assets' carrying value. Impairment write-downs are recognized as a reduction in operating income for the operating long-lived assets and as a reduction in non-operating gain for the assets held for sale at the time the impairment is identified.

In May 2013, the CHRISTUS board of directors approved a plan to consolidate the operations of two of its hospitals located in its Northern Louisiana Region, which is expected to result in the closure of one of the facilities by the end of calendar year 2014. Accordingly, management evaluated the ongoing value of the long-lived assets and determined that the value of certain long-lived assets were no longer recoverable as their carrying value exceeded the expected cash flows. At June 30, 2013, the System wrote down the respective long-lived assets to their estimated fair value by recognizing an impairment loss of \$73,981,000, which is included in depreciation and amortization expense in the accompanying consolidated statements of operations and changes in net assets. In addition, an impairment loss of \$4,576,000 was recognized in fiscal year 2013 related to other long-lived assets. There were no impairment losses recognized in fiscal year 2014.

Investments in Unconsolidated Organizations and Non-controlling Interest

The System has investments in certain organizations for which it does not have a majority ownership interest or significant control, and, therefore, these organizations are not consolidated. Generally, these investments are recorded using the equity method of accounting for those organizations in which the System owns greater than 20% and has significant influence over the organization. The cost method of accounting is used for organizations in which the System owns 20% or less. See additional discussion in Note 8.

The System attributed excess of revenue over expenses of \$18,772,000 and \$17,171,000 for the years ended June 30, 2014 and 2013, respectively, to the non-controlling interest based on the contractual terms of joint ventures and the ownership percentage of the non-controlling interests in certain of the consolidated subsidiaries. These amounts are reflected in unrestricted net assets in the consolidated balance sheets, net of distributions.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

3. Summary of Significant Accounting Policies (continued)

Goodwill

The System records goodwill arising from a business combination as the excess of purchase price over the fair value of identifiable tangible and intangible assets acquired and liabilities assumed. At June 30, 2014 and 2013, the System had goodwill of \$124,545,000 and \$89,730,000, respectively.

The changes in carrying amount of goodwill as of June 30 are as follows (in thousands):

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 89,730	\$ 101,858
Goodwill acquired as part of acquisitions	34,891	4,921
Goodwill related to sale of equity investment in unconsolidated subsidiary	–	(15,823)
Consideration and purchase prices allocation adjustments for prior years' acquisitions and other adjustments	(76)	(1,226)
Balance, end of year	<u>\$ 124,545</u>	<u>\$ 89,730</u>

Goodwill is tested at least annually for impairment at the reporting unit level. Impairment is the condition that exists when the carrying amount of goodwill exceeds its implied fair value. Additional impairment assessments may be performed on an interim basis if the System encounters events or changes in circumstances that would indicate that it is more likely than not that the carrying value of goodwill has been impaired. The System has determined that its reporting units are the various geographically located affiliates.

The System may elect to perform a qualitative assessment of each reporting unit to determine whether facts and circumstances support a determination that their fair values are greater than their carrying values. If the qualitative analysis is not conclusive, or if the System elects to proceed directly with quantitative testing, the fair values of the reporting units are determined and compared to the aggregate carrying values.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

3. Summary of Significant Accounting Policies (continued)

The System follows a two-step, fair value-based process using a discounted cash flow income method, a guideline public company method, and a mergers and acquisitions method to determine if an impairment of goodwill exists. This analysis requires judgments and estimates about the weighted-average cost of capital, risk factors, and operating margins. The first step compares the fair value of the reporting unit to its carrying amount, including goodwill. If the carrying amount of the reporting unit exceeds its fair value, the second step is performed. The second step requires an allocation of fair value to the individual assets and liabilities of the reporting unit to determine the implied fair value of goodwill. If the implied fair value of goodwill is less than the carrying amount, an impairment loss is recorded as a reduction to goodwill and a charge to impairment expense. Judgments and assumptions are inherent in the System's estimates used to determine the fair value of its reporting units and are consistent with what the System believes would be utilized by the primary market participant. The use of alternative judgments and assumptions could result in the recognition of different impairment charges in the System's financial statements.

For the year ended June 30, 2013, the System performed the optional qualitative assessment and determined, based on results of operations and market conditions, it was more likely than not that the fair value of the reporting units exceeded the carrying value. Therefore no quantitative analysis was performed. For the year ended June 30, 2014, the System elected to perform a quantitative analysis on the reporting units carrying the majority of the goodwill and a qualitative analysis on the remainder.

No impairment losses were recorded for the years ended June 30, 2014 or 2013, and there is no accumulated impairment at June 30, 2014.

Deferred Financing Costs

Deferred financing costs, net of accumulated amortization, included in other assets at June 30, 2014 and 2013, are \$11,976,000 and \$17,181,000, respectively, which are being amortized using the effective interest method over the terms of the indebtedness to which they relate. Amortization expense recognized for fiscal years 2014 and 2013 was \$937,000 and \$992,000, respectively.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

3. Summary of Significant Accounting Policies (continued)

Temporary and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the System has been limited by donors to a specific time period or purpose. Temporarily restricted net assets also include the System's beneficial interest in the net assets of affiliated and financially interrelated organizations, whose use has been limited by grant agreements and donors to a specific time period or use.

Permanently restricted net assets have been restricted by donors to be maintained by the System in perpetuity.

Patient Accounts Receivable, Estimated Payables to Third-Party Payors, and Net Patient Service Revenue

The System has agreements with third-party payors that provide for payments to the System at amounts different from established rates. Patient accounts receivable and net patient service revenue are reported at the estimated net realizable amounts from third-party payors and others for services rendered. Estimated retroactive adjustments under reimbursement agreements with third-party payors are included in net patient service revenue and estimated third-party payor settlements. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

Provision for Bad Debts

The System's recorded allowance for doubtful accounts is based on expected net collections, after contractual adjustments, primarily from patients. Management routinely assesses these recorded allowances relative to changes in payor mix, cash collections, write-offs, recoveries, and market dynamics.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

3. Summary of Significant Accounting Policies (continued)

A summary of activity in the System's allowance for doubtful accounts is as follows (in thousands)

	Balance at Beginning of Year	Provision for Bad Debts	Accounts Written Off, Net of Recoveries	Balance at End of Year
Year ended June 30, 2014	\$ 93,426	\$ 249,517	\$ (223,097)	\$ 119,846
Year ended June 30, 2013	\$ 84,366	\$ 239,406	\$ (230,346)	\$ 93,426

Electronic Health Record Incentive Payments

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

CHRISTUS accounts for HITECH incentive payments under the gain contingency model as grants related to income. Income from Medicare incentive payments is recognized as revenue after CHRISTUS has determined it is reasonably assured to comply 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. CHRISTUS recognized revenue from Medicaid incentive payments after it adopted certified EHR technology. Incentive payments totaling \$24,244,000 and \$25,109,000 for the years ended June 30, 2014 and 2013, respectively, are included in Other revenue including net gain on contributions to joint ventures in the accompanying consolidated statements of operations and changes in net assets. Income from incentive payments is subject to retrospective adjustment as the incentive payments are calculated using Medicare cost report data that is subject to audit. Additionally, CHRISTUS's compliance with the meaningful use criteria is subject to audit by the federal government.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

3. Summary of Significant Accounting Policies (continued)

Premium Revenue and Associated Costs

Premium revenue represents revenues derived under capitated arrangements with third parties. In return for these premiums, the contracting entity is responsible for providing essentially all health care services to enrolled participants. Costs for providing these services, including services provided by other health care providers, are included as operating expenses in the accompanying consolidated financial statements. At June 30, 2014 and 2013, the respective contracting entities have accrued expenses for incurred but not reported claims based upon claims experience. The contracting entities maintain stop-loss insurance coverage to limit exposure for certain catastrophic claims.

Other Revenue

Other revenue is derived from services other than providing health care services or coverage to patients, residents, or enrollees. This revenue typically includes investment income from all funds held by a trustee, malpractice funds, or other miscellaneous investment activities, EHR incentive payments, rental of health care facility space, sales of medical and pharmaceutical supplies to employees, physicians, and others, proceeds from sales of cafeteria meals and guest trays to employees, medical staff, and visitors, and proceeds from sales at gift shops, snack bars, newsstands, parking lots, vending machines, or other service facilities operated by the health care organization. Additionally, in fiscal year 2014, the System recognized a net gain on the contributions to joint ventures of \$31,725,000. See discussion in Note 19.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as Other revenue including net gain on contributions to joint ventures in the accompanying consolidated financial statements.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

3. Summary of Significant Accounting Policies (continued)

Income Taxes

The authoritative guidance in Accounting Standards Codification (ASC) Topic 740, *Income Taxes*, creates a single model to address uncertainty in tax positions and clarifies the accounting for income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. Under the requirements of this guidance, tax-exempt organizations could be required to record an obligation as the result of a tax position they have historically taken on various tax exposure items. CHRISTUS has interests in various taxable entities including investments in Mexico and Chile. These interests may give rise to U.S. and international tax exposures. CHRISTUS intends to utilize foreign earnings in foreign operations for an indefinite period of time in order to continue investing all earnings into the continued maintenance and expansion of these operations abroad as part of the System's mission. If these amounts were distributed to the United States, in the form of dividends or otherwise, the System would be subject to additional U.S. income taxes. Determination of the amount of unrecognized deferred income tax liabilities on these earnings is not practicable because such liability, if any, is dependent on circumstances existing if and when remittance occurs. There are no material unrecorded tax liabilities as of June 30, 2014 and 2013.

At June 30, 2014 and 2013, CHRISTUS has operating loss carryforwards of \$104,965,000 and \$106,871,000, which result in deferred tax assets of \$36,738,000 and \$37,405,000, respectively. CHRISTUS has provided a valuation allowance of the same amount as it is more likely than not that the deferred tax asset will not be realized.

Business Combinations

CHRISTUS accounts for all transactions that represent business combinations using the acquisition method of accounting, where the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquired entity are recognized and measured at their fair values on the date the System obtains control in the acquiree. Such fair values that are not finalized for reporting periods following the acquisition date are estimated and recorded as provisional amounts. Adjustments to these provisional amounts during the measurement period (defined as the date through which all information required to identify and measure the consideration transferred, the assets acquired, the liabilities assumed and any non-controlling interests has been obtained, limited to one year from the acquisition date) are recorded as of the date of acquisition. Any material impact to comparative information for periods after acquisition, but before the period in which adjustments are identified, is reflected in those prior periods as if

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

3. Summary of Significant Accounting Policies (continued)

the adjustments were considered as of the acquisition date. Goodwill is determined as the excess of the fair value of the consideration conveyed in the acquisition over the fair value of the net assets acquired.

New and Pending Accounting Pronouncements

In July 2013, the Financial Accounting Standards Board (FASB) issued authoritative guidance related to Income Taxes (Topic 740) *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Credit Carryforward Exists*. The main provisions of the guidance state that an entity must present an unrecognized tax benefit, or a portion of an unrecognized tax benefit, in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward. The guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2014. Early adoption is permitted. The adoption of the guidance is not expected to have a material impact to the System's consolidated financial statements.

In May 2014, the FASB and the International Accounting Standards Board issued a final, converged, principles-based standard on revenue recognition. Companies across all industries will use a new five-step model to recognize revenue from customer contracts. The new standard, which replaces nearly all existing United States Generally Accepted Accounting Principles (US GAAP) and International Financial Reporting Standards revenue recognition guidance, will require significant management judgment in addition to changing the way many companies recognize revenue in their financial statements. The standard is effective for annual and interim periods beginning after December 15, 2017. Early adoption is not permitted under US GAAP. The System is evaluating the effects the adoption of this standard will have on its financial statements and financial disclosures.

Reclassifications

Certain prior-year amounts have been reclassified to conform to the current-year presentation. These include the presentation of \$7,039,000 of beneficial interest in supporting organizations previously classified as other assets.

Additionally, the System elected to present cash flows from equity investments in managed funds within operating activities rather than investing activities, therefore, the prior year amount of \$179,414,000 has been reclassified to conform to current year presentation.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

4. Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Amounts subject to retroactive adjustments are estimated and recorded in the period the related services are rendered and adjusted in future periods as final settlements are determined. The estimated settlements recorded at June 30, 2014 and 2013, could differ from actual settlements. Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient diagnosis-related group classification system that is based on clinical, diagnostic, and other factors.

For fiscal years 2014 and 2013, net patient service revenue increased approximately \$2,825,000 and \$7,153,000, respectively, related to changes in estimates for cost report re-openings, appeals, and tentative and final cost report settlements on filed cost reports, of which some are still subject to audit, additional re-opening, and/or appeal.

Inpatient and outpatient services rendered to Medicaid program beneficiaries are paid under cost reimbursement methodologies, prospectively determined rates per discharge, and prospectively determined or negotiated rates.

Revenue from the Medicare and Medicaid programs accounted for approximately 22% and 11%, respectively, of the System's net patient revenue for the fiscal year ended June 30, 2014, and 23% and 10%, respectively, of the System's net patient revenue for the fiscal year ended June 30, 2013. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

The System has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the System under these agreements includes prospectively determined rates per discharge, discounts from established charges, and negotiated daily rates.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

4. Net Patient Service Revenue (continued)

Patient service revenue, net of contractual allowances but before provision for bad debts, recognized for the years ended June 30, consisted of (dollars in thousands)

	2014 Patient		2013 Patient	
	Service		Service	
	Revenue	% of Total	Revenue	% of Total
Medicare	\$ 746,266	22.0%	\$ 797,700	23.0%
Medicaid	359,707	10.6	328,332	9.5
Managed care	1,466,244	43.4	1,498,620	43.3
Commercial	272,722	8.0	256,497	7.4
Self-pay and other	543,314	16.0	582,420	16.8
Grand total	\$ 3,388,253	100.0%	\$ 3,463,569	100.0%

Federal law requires that state Medicaid programs make special payments to hospitals that serve a disproportionately large number of Medicaid and low-income patients. Such hospitals are called disproportionate share hospitals and receive disproportionate share funding under the program known as “DSH.” DSH funds are different from most other Medicaid payments because they are not tied to specific services for Medicaid-eligible patients. There were approximately 170 Texas hospitals that qualified to receive such payments in both 2014 and 2013. The state of Texas has been making DSH payments to providers since 1987. Medicaid DSH payments net of settlements and amounts transferred between program participants, of approximately \$50,663,000 and \$45,908,000 were recorded in 2014 and 2013, respectively as a component of net patient service revenue.

Additionally, the federal Medicaid rules allow for hospitals to be reimbursed for some of the uncompensated cost of treating Medicaid and uninsured patients. The Texas Health and Human Services Commission (HHSC) filed an application with the Centers for Medicare and Medicaid Services (CMS) to approve an 1115(b) demonstration waiver program (the 1115(b) waiver) from traditional Medicaid financial and eligibility rules. September 30, 2014, is the end of Texas’s third demonstration year for the Texas 1115(b) waiver program. In its third year of implementation, the program has had a slow transition from a traditional Upper Payment Limit program to the 1115(b) waiver program. The 1115(b) waiver program provides payments to hospitals through two pools, the Uncompensated Care Pool (UC) and the Delivery System

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

4. Net Patient Service Revenue (continued)

Reform Incentive Pool (DSRIP) Both pools replace the former Upper Payment Limit (UPL) program and can cover the unreimbursed shortfall on Medicaid claims. Net patient service revenue includes Medicaid UC payments, net of settlements and amounts transferred between program participants, of approximately \$264,376,000 and \$274,208,000 in 2014 and 2013, respectively.

CHRISTUS has operations in six different regional health partnerships (RHP) under the 1115(b) waiver program and has approximately 52 DSRIP projects that are eligible for funding to CHRISTUS hospitals. For fiscal year 2014 and 2013, the System recorded \$66,444,000 and \$9,713,000 in DSRIP funding, respectively, which is included in patient service revenue (net of contractual allowances and discounts) in the accompanying consolidated statement of operations and changes in net assets.

The Texas Medicaid program has chosen a strategy to receive supplemental federal matching funds. Various hospital participants have elected to provide health care services to the indigent population in the county as charity services and, as such, no third party has an obligation to pay for these services. Separately, and with no legal obligation or link to the hospitals' provision of charity services, the tax-supported governmental entity may choose, entirely at its discretion, to contribute a portion of its tax revenues into the state's Medicaid program. The amounts transferred by the governmental entity to the state Medicaid program then matched at the federal level, and the total amount (the amount transferred to the state Medicaid program by the governmental entity and the related federal match) is then paid to the hospital participants based upon each hospital's individual applicable funding entitlement. In addition to the allocations received by the Medicaid program, hospital participants in some communities may make charity community benefit transfers to each other throughout the year to reach a previously agreed-upon sharing ratio.

While DSH and UC/DSRIP funds are separate, the implementation of the 1115(b) waiver created a disincentive for transferring hospitals to participate in the DSH program, jeopardizing the full funding of the program. These funds helped to offset the uncompensated cost of care due to the State of Texas's limited Medicaid funding and the growing uninsured population. In the Texas 83rd legislative session, lawmakers passed a budget rider that requires the Texas HHSC to work with both public and private providers, through the rule-making process, to maintain the supplemental program for program years 2015 and 2016. Income from Medicaid supplemental programs is subject to retrospective adjustment based on audits of the state survey submissions.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

4. Net Patient Service Revenue (continued)

HHSC provides all hospitals the DSH and UC tools for each state fiscal year and certain requirements must be met by the hospitals in order to qualify for either DSH or UC. HHSC has modified the rules during the 1115(b) waiver period resulting in delays of issuance and finalization of DSH and UC tools, as well as the related payments. The 2012 and 2013 tools have been finalized by HHSC and the most recent, 2013, is used in HHSC modeling of both DSH and UC payments for state fiscal year ending September 30, 2014. The 2014 DSH and UC tool is not expected to be finalized until early 2015. As a result, there is at least a possibility that recorded estimates will change by a material amount in the near term.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, participation requirements of government health care programs, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity has continued with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs, together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Termination of the System's participation in the Medicare or Medicaid programs could have a material impact on the financial statements.

Additionally, government agencies may review our compliance with various payment regulations and conduct audits under CMS's Recovery Audit Contractor (RAC) as well as other programs. The RAC program has been made permanent and was required to be expanded broadly to health care providers pursuant to the Tax Relief and Health Care Act of 2006. The results of the enhanced medical necessity reviews and the RAC program audits could have an adverse effect on our financial statements. To the extent these reviews result in an adverse finding, the System may appeal the adverse finding, though it may incur significant legal expense.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

5. Cash and Investments

Total cash and investments for the System at June 30, including assets whose use is limited, are as follows (in thousands)

	<u>2014</u>	<u>2013</u>
Cash and cash equivalents	\$ 554,053	\$ 430,663
Certificates of deposit	19,400	12,250
Domestic equities and equity funds	198,870	210,967
Preferred stocks	59	141
Fixed-income securities and fixed-income funds	394,411	665,211
International equities	65,771	73,666
U S government securities	221,383	269,568
Equity in managed funds		
Fixed-income funds	187,570	193,695
Hedge funds	282,889	244,359
Private equity, real estate, and other	4,799	2,134
	<u>\$ 1,929,205</u>	<u>\$ 2,102,654</u>

Cash and cash equivalents include cash, money market bank accounts, interest-bearing bank accounts, and debt securities with original maturities of less than three months. United States government securities include debt securities issued by the U S government or a U S government agency. Fixed-income securities and fixed-income funds include corporate debt securities and common collective trusts. Domestic equities and equity funds, preferred stocks, and international equities include domestic and foreign stocks, as well as mutual funds and common collective trusts.

The System's investments are subject to various types of risks, as explained below.

Fixed Income

This investment class includes investments in various fixed-income instruments that include investment-grade and high-yield domestic and international bonds, preferred stocks, mortgage pools, master limited partnership units, and bonds issued by U S government agencies. This

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

5. Cash and Investments (continued)

investment class also includes investments in common trust funds, mutual funds, and exchange-traded funds that hold investments in fixed-income securities. The fixed-income investments are exposed to various kinds and levels of risk, including interest rate risk, credit risk, foreign exchange risk, and liquidity risk.

Equities

This investment class consists primarily of common and preferred equity securities of domestic and foreign companies. These securities trade through the major public domestic and international exchanges. This investment class also includes investments in common collective trust funds, mutual funds, and exchange-traded funds that hold investments in equity securities. The equity securities investments are exposed to various risks, including market risk, individual security risk, foreign exchange risk, and, for common equity of companies with a small market capitalization, liquidity risk.

Equity Investments in Managed Funds

Equity in managed funds includes investments in limited liability partnerships or corporations and other alternative investments. The System's equity investments in managed funds are recorded based on the System's share of the underlying value of marketable securities and non-marketable interests held by these funds, as reported to the System. Equity-method investments include reported changes in value as reported to the System by the fund custodians. These investments are recorded at amounts confirmed by fund custodians, and there can be no assurance such reported amounts will be ultimately realized.

These funds are invested with external investment managers who invest primarily in various categories, including fixed income, long and short equity positions, managed futures, emerging markets, distressed enterprises, arbitrage, risk parity, private equity, and real estate positions.

These investments are domestic and international in nature, are illiquid, and may not be realized for a period of several years after the investments are made. The risks associated with these investments are numerous, resulting in a greater likelihood of losing invested capital. The risks include the following:

Non-regulation Risk – Some of these funds are not required to register with the Securities and Exchange Commission (SEC) and are not subject to regulatory controls.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

5. Cash and Investments (continued)

Managerial Risk – Fund managers may fail to produce the intended returns and are not subject to oversight

Minimal Liquidity – Many funds impose lock-up periods that prevent investors from redeeming their shares or impose penalties to redeem

Limited Transparency – As unregistered investment vehicles, funds are not required to disclose the holdings in their portfolios to investors

Investment Strategy Risk – The funds often employ sophisticated, risky investment strategies, are speculative, and may use leverage, which could result in volatile returns

At June 30, 2014, the System had commitments to fund equity investments in managed funds totaling \$6,279,000

Assets whose use is limited or restricted consisted of the following at June 30 (in thousands)

	<u>2014</u>	<u>2013</u>
Assets whose use is limited or restricted, required for current bond indenture and self-insurance liabilities	\$ 23,480	\$ 59,960
Other investments, internally designated for capital expansion and other purposes	268,483	361,020
Under bond indenture agreement – held by trustee	66,746	83,077
Under liability retention and self-insurance funding arrangement – held by trustee	15,339	13,523
Under Emerald Assurance funding arrangements	197,992	192,004
Restricted cash and investments	49,404	51,511
Total assets whose use is limited or restricted	<u>\$ 621,444</u>	<u>\$ 761,095</u>

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

5. Cash and Investments (continued)

Investment returns and gains and (losses) for assets limited as to use, cash equivalents, and other unrestricted investments consisted of the following for the years ended June 30 (in thousands)

	2014	2013
Operating interest and dividend income	\$ 9,932	\$ 8,490
Operating gain, realized and unrealized	6,735	8,926
Equity investment earnings (loss) on managed funds	4,291	(1,948)
Total operating investment income	20,958	15,468
Non-operating interest and dividend income	15,624	13,754
Non-operating gain, realized and unrealized	43,612	17,125
Equity investment earnings on managed funds	55,175	28,510
Net swap agreement activity	(14,175)	28,823
Total non-operating investment gain	100,236	88,212
Total investment gain	\$ 121,194	\$ 103,680

6. Fair Value Measurements

The three-level valuation hierarchy for disclosure of fair value measurements is based on the transparency of inputs to the valuation of an asset or liability as of the reporting date. The three levels are defined as follows:

- Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities at the reporting date
- Level 2 – Inputs to the valuation methodology other than quoted market prices included in Level 1 that are observable for the asset or liability. Level 2 pricing inputs include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument
- Level 3 – Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

6. Fair Value Measurements (continued)

A financial instrument's categorization within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. There were no significant transfers between levels during the years ended June 30, 2014 and 2013.

The following tables present the financial instruments carried at fair value as of June 30 (in thousands) by the valuation hierarchy (as described above).

	2014			Total
	Level 1	Level 2	Level 3	
Assets				
Investments				
Cash and cash equivalents	\$ 554,053	\$ –	\$ –	\$ 554,053
Certificates of deposit	–	19,400		19,400
Domestic equities and equity funds	198,870	–	–	198,870
Preferred stocks	59	–	–	59
Fixed-income securities and fixed-income funds	–	394,411	–	394,411
International equities	65,771	–	–	65,771
U S government securities	–	221,383	–	221,383
Equity in managed funds				
Fixed-income funds	–	–	13,609	13,609
Hedge funds	–	–	52,658	52,658
Private equity, real estate, and other funds	–	–	4,797	4,797
Total investments	<u>818,753</u>	<u>635,194</u>	<u>71,064</u>	<u>1,525,011</u>
Total assets at fair value	<u>\$ 818,753</u>	<u>\$ 635,194</u>	<u>\$ 71,064</u>	<u>\$ 1,525,011</u>
Liabilities				
Interest rate swap agreements	\$ –	\$ 91,810	\$ –	\$ 91,810
Total liabilities at fair value	<u>\$ –</u>	<u>\$ 91,810</u>	<u>\$ –</u>	<u>\$ 91,810</u>

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

6. Fair Value Measurements (continued)

	2013			Total
	Level 1	Level 2	Level 3	
Assets				
Investments				
Cash and cash equivalents	\$ 430,663	\$ —	\$ —	\$ 430,663
Certificates of deposit	—	12,250	—	12,250
Domestic equities and equity funds	210,967	—	—	210,967
Preferred stocks	141	—	—	141
Fixed-income securities and fixed-income funds	20,947	644,264	—	665,211
International equities	73,666	—	—	73,666
U S government securities	—	269,568	—	269,568
Equity in managed funds				
Fixed-income funds	—	—	28,911	28,911
Hedge funds	—	—	33,889	33,889
Private equity, real estate, and other funds	—	—	2,134	2,134
Total investments	<u>\$ 736,384</u>	<u>\$ 926,082</u>	<u>\$ 64,934</u>	<u>\$ 1,727,400</u>
Total assets at fair value	<u>\$ 736,384</u>	<u>\$ 926,082</u>	<u>\$ 64,934</u>	<u>\$ 1,727,400</u>
Liabilities				
Interest rate swap agreements	\$ —	\$ 92,624	\$ —	\$ 92,264
Total liabilities at fair value	<u>\$ —</u>	<u>\$ 92,624</u>	<u>\$ —</u>	<u>\$ 92,264</u>

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

6. Fair Value Measurements (continued)

The following table is a rollforward of the assets classified within Level 3 of the valuation hierarchy at June 30 (in thousands)

	Fixed-Income Funds	Hedge Funds	Private Equity, Real Estate, and Other Funds	Total
Fair value at June 30, 2012	\$ —	\$ 30,249	\$ 2,488	\$ 32,737
Purchases, issuances, and settlements	30,000	2,660	(354)	32,306
Actual return on assets	(1,089)	980	—	(109)
Fair value at June 30, 2013	28,911	33,889	2,134	64,934
Purchases, issuances, and settlements	(17,094)	16,423	2,344	1,673
Actual return on assets	1,792	2,346	319	4,457
Fair value at June 30, 2014	\$ 13,609	\$ 52,658	\$ 4,797	\$ 71,064

The tables above include equity investments in managed funds held within the System's foundations and captive insurer. Remaining equity investments in managed funds held by other System entities of \$404,194,000 and \$375,254,000 at June 30, 2014 and 2013, respectively, are not included in this table since they are accounted for using the equity method of accounting.

The valuation methodologies used for instruments measured at fair value as presented in the tables above are as follows:

- Investments** – Investments valued at quoted prices available in an active market are classified within Level 1 of the valuation hierarchy. Investments valued based on evaluated bid prices provided by third-party pricing services, where quoted market prices are not available, are classified within Level 2 of the valuation hierarchy. Alternative investments with unobservable methods are classified within Level 3 of the valuation hierarchy. Alternative investments consist of hedge funds, commodity funds, private equity, and real estate funds. The fair value of hedge funds is primarily determined using net asset values which approximate fair value as determined by an external manager based on quoted market prices, operating results, balance sheet stability, growth, and other business and market sector fundamentals. The fair value of commodity and real estate funds has been estimated using the System's ownership interest in partners' capital. The fair value of investments in private equities has been estimated using recent observable transaction information for similar investments and non-binding bids received from potential buyers of the investments.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

6. Fair Value Measurements (continued)

- *Interest rate swap agreements* – Interest rate swap agreements are valued using third-party models that use observable market conditions as their input and are classified within Level 2 of the valuation hierarchy

The fair value of the long-lived assets determined to be impaired at June 30, 2013, was \$0. Nonrecurring impairment losses related to the assets of \$78,557,000 were estimated and recorded in fiscal year 2013 based on a sales comparison approach using Level 2 inputs. There are no impairment losses for the year ended June 30, 2014.

At June 30, 2014 and 2013, the System's financial instruments included cash and cash equivalents, accounts receivable, assets limited as to use, accounts payable and accrued expenses, estimated third-party payor settlements, and long-term debt. The carrying amounts reported in the consolidated balance sheets for these financial instruments, except for long-term debt, approximate their fair values due to their short-term nature.

The System's fixed-rate debt is enhanced with bond insurance. The estimated fair value of the fixed-rate debt, if it were not enhanced by insurance, approximates \$436,219,000 compared to its carrying value of \$393,115,000 at June 30, 2014. This fair value is based on a combination of quoted market prices for identical securities when available, a Level 1 input, and quoted market prices for similarly rated health care revenue bond issues, a Level 2 input.

At June 30, 2014, the System has several issues of variable-rate demand bonds outstanding. The System's continued participation in these debt programs depends on its ability to extend or replace the existing credit facilities supporting the respective standby purchase agreements. If these credit facilities are not available, the System will likely refund these outstanding series with available funds or funds derived from fixed-rate series proceeds. It is not practicable to estimate the fair value of the variable-rate demand bonds separate from the value supported by the credit facilities.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

7. Property and Equipment

Property and equipment at June 30 consisted of the following (in thousands)

	2014	2013
Land	\$ 166,373	\$ 189,592
Land improvements	65,624	73,892
Buildings and fixed equipment	2,119,774	2,351,349
Major movable equipment	1,544,459	1,787,936
Accumulated depreciation	(2,473,618)	(2,851,335)
	1,422,612	1,551,434
Construction-in-progress (estimated cost to complete is \$533 million and \$163 million at June 30, 2014 and 2013, respectively)	77,984	67,236
Total	\$ 1,500,596	\$ 1,618,670

Depreciation expense for the System for fiscal years 2014 and 2013 totaled \$159,847,000 and \$263,298,000 (inclusive of impairment charges of \$78,557,000), respectively

8. Investments in Unconsolidated Organizations

The System has investments in unconsolidated organizations of \$168,030,000 and \$37,302,000 at June 30, 2014 and 2013, respectively. The following investments account for 92% and 61% of the System's total investments in unconsolidated organizations in both 2014 and 2013, respectively

Houston Methodist St. John Hospital

On February 1, 2014, CHRISTUS Gulf Coast sold a controlling interest of 70% of CHRISTUS St. John Hospital to Methodist Health Centers (TMH). TMH operates Houston Methodist St. John Hospital in which Gulf Coast maintains a 30% non-controlling interest. Prior to this date, the assets and operations of CHRISTUS St. John were consolidated in the accompanying consolidated financial statements. CHRISTUS's recorded investment, accounted for under the equity method, was \$29,105,000 at June 30, 2014. The System's share of income for the year ended June 30, 2014, was \$95,000.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

8. Investments in Unconsolidated Organizations (continued)

Houston Methodist St. Catherine Hospital

On January 31, 2014, Gulf Coast contributed the land, building, and improvements of CHRISTUS Health St Catherine Hospital to Houston Methodist St Catherine Real Property Company (HMSCRE), a Texas nonprofit corporation. Under the membership agreement, Gulf Coast has a 30% non-controlling membership interest in HMSCRE. Prior to this date, the assets and operations of CHRISTUS St Catherine were consolidated in the accompanying consolidated financial statements. CHRISTUS's recorded investment, accounted for under the equity method, was \$14,040,000 at June 30, 2014. The System's share of income from operations for the year ended June 30, 2014, was \$0.

Salud U.C. SpA

On January 31, 2014, CHRISTUS Chile SpA, a whollyowned Chilean corporation, obtained a 40% non-controlling interest through the purchase of shares of Salud U C SpA (Salud U C) from Pontificia Universidad Catolica de Chile (PUC). Cash consideration of \$20,878,000 was paid. CHRISTUS' recorded investment, accounted for under the equity method, was \$20,878,000 at June 30, 2014. The System's share of losses for the year ended June 30, 2014, was immaterial. There is additional discussion of the System's international operations in Note 18.

Inversiones San Carlos, SpA

In May 2014, CHRISTUS Chile Limitada, a whollyowned Chilean subsidiary of CHRISTUS Chile, SpA, purchased 100% of the shares of Inversiones San Carlos, SpA, a Chilean corporation, from Colmena Salud S A for cash consideration of \$68,000,000. Inversiones San Carlos SpA owns 50% interest in Servicios Clinicos San Carlos de Apoguindo S A and Inmobiliaria Clinica San Carlos de Apoguindo S A (jointly referred to as "San Carlos"). CHRISTUS's recorded investment accounted for under the equity method was \$67,300,000. The System's share of equity loss for the year ended June 30, 2014, was \$700,000. This transaction is part of a multistep plan, which is expected to ultimately result in 50% interest of San Carlos for PUC and CHRISTUS Chile SpA. There is additional discussion of the System's international operations in Note 18.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

8. Investments in Unconsolidated Organizations (continued)

Preferred Professional Insurance Company

CHRISTUS has a 13.1% ownership interest in Preferred Professional Insurance Company (PPIC), a taxable Nebraska corporation. This corporation, formed in 1988, was established to provide excess professional and general liability insurance. CHRISTUS Health's recorded investment in PPIC, accounted for under the cost method, was \$17,059,000 at both June 30, 2014 and 2013. The System recorded income from its investment in PPIC in fiscal years 2014 and 2013 of \$354,000 and \$320,000, respectively.

CS USP Surgery Centers, L.P.

CHRISTUS Spohn Health System Corporation has a 50% ownership interest in a Texas limited liability partnership with United Surgical Partners International, Inc. for the purpose of owning and operating ambulatory surgery centers in Corpus Christi, Texas. The venture consists of two surgery centers near the campus of Spohn Shoreline, specifically Corpus Christi Outpatient Surgery and SurgiCare. CHRISTUS Health's recorded investment, accounted for under the equity method, was \$5,561,000 and \$5,594,000 at June 30, 2014 and 2013, respectively. The System recorded its share of income from operations in fiscal years 2014 and 2013 of \$791,000 and \$853,000, respectively.

CHRISTUS Health and its affiliates hold immaterial investments in other unconsolidated subsidiaries. No single investment balance exceeded \$5,000,000 at both June 30, 2014, and June 30, 2013, respectively.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

9. Long-Term Debt

Long-term debt at June 30 consisted of the following (in thousands)

	2014	2013
Revenue bonds, in variable-rate demand mode, with weighted-average interest rates of 0.06% and 0.14% in fiscal 2014 and 2013, respectively, due in 2047	\$ 225,885	\$ 268,320
Revenue bonds, in auction mode, with weighted-average interest rates of 0.46% and 0.44% in fiscal 2014 and 2013, respectively, due in 2031	186,300	204,900
Revenue bonds, in fixed-rate mode, bearing interest from 4.00% to 6.50%	384,533	530,728
Capital leases for certain hospital facilities, bearing interest at fixed rates ranging from 6.0% to 6.9%, with annual principal payments through 2030, secured by the related assets	49,759	52,234
Non-obligated group bank notes and capital leases related to CHRISTUS Muguerza	33,649	37,391
Other note and capital lease note obligations	25,327	29,959
	905,453	1,123,532
Less current portion	(12,668)	(51,589)
Total	\$ 892,785	\$ 1,071,943

According to the terms of the CHRISTUS Health Master Trust Indenture, the Obligated Group consists of CHRISTUS Health and eight of the System's regions as follows: CHRISTUS Spohn Health System, CHRISTUS Health Gulf Coast, CHRISTUS Health Southeast Texas, CHRISTUS Santa Rosa Health Care Corporation, CHRISTUS Health Ark-La-Tex, CHRISTUS Health Northern Louisiana, CHRISTUS Health Central Louisiana, and CHRISTUS Health Southwestern Louisiana.

Certain entities of CHRISTUS that are otherwise included in the consolidated financial statements of CHRISTUS are excluded from the CHRISTUS Health Obligated Group. These entities include, but are not limited to, the CHRISTUS Health Liability Retention Trust, Emerald Assurance, CHRISTUS St. Vincent Regional Medical Center, CHRISTUS Physician Group, CHRISTUS Continuing Care, CHRISTUS St. Michael Atlanta, CHRISTUS Muguerza, S.A. de C.V., CHRISTUS Health Strategic Growth and related entities, and various philanthropic foundations.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

9. Long-Term Debt (continued)

In June 2014, CHRISTUS entered into a series of transactions to redeem \$41,985,000 and legally cash defease outstanding municipal debt totaling \$124,595,000, by establishing irrevocable escrow accounts to fund the debt service until the applicable maturity or redemption dates. The defeased debt has been accounted for as if it were extinguished at June 30, 2014. In connection with the redemption and defeasance of debt, the System recorded a loss of \$11,047,000, composed of \$6,543,000 for future interest requirements and \$4,504,000 related to the write-down of deferred financing costs and bond premiums.

Under the provisions of the Master Trust Indenture, the obligations of CHRISTUS and the other members of the Obligated Group are secured by a pledge of gross revenues. Additionally, each member of the Obligated Group has undertaken certain covenants, including the following: to ensure the payment of debt service, to ensure the payment of taxes and other claims, to deliver compliance statement(s), to preserve corporate existence, to maintain books and records subject to inspection by the Master Trustee, to maintain insurance, to conform to defined lien limitations, to establish adequate service rates, to maintain a sufficient debt service coverage and indebtedness ratio, to maintain a required aggregate amount of unrestricted cash and investments, and to adhere to certain defined conditions with respect to consolidation, merger, conveyance, or transfer, and admission or withdrawal of Obligated Group members pursuant to the Master Trust Indenture, insurer, and letter of credit bank agreements.

CHRISTUS has letter of credit bank agreements on Series 2008C and 2009B variable-rate demand bonds. Effective October 3, 2012, the letters of credit supporting the outstanding Series 2008C bonds issued by Bank of America were substituted by PNC Bank, NA for the Series 2008C-1 bonds that expire October 2, 2015, The Bank of New York Mellon for the 2008C-2 bonds that expire October 3, 2017, and Bank of Montreal, acting through its Chicago Branch, for the Series 2008C-3 and 2008C-4 bonds that expire October 2, 2017. The Series 2009B VRDBs are supported by letters of credit issued by The Bank of New York Mellon that would have expired on July 14, 2014. Subsequent to June 30, 2014, the letter of credit was amended to expire on July 31, 2018. Based on the terms of the letter of credit bank agreements, the Series 2008C and 2009B Bonds are classified as long-term debt in the accompanying consolidated balance sheets.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

9. Long-Term Debt (continued)

Principal payments for all long-term debt for the next five years and thereafter are as follows (in thousands)

2015	\$	12,668
2016		40,200
2017		58,661
2018		44,271
2019		45,280
Thereafter		704,373
Total debt	\$	<u>905,453</u>

10. Derivative Financial Instruments

Interest rate swap contracts between the System and third parties (counterparties) provide for the periodic exchange of payments between the parties based on changes in a defined index and a fixed rate. These swaps expose the System to market risk and credit risk. Credit risk is the risk that contractual obligations of the counterparties will not be fulfilled. Concentrations of credit risk relate to groups of counterparties that have similar economic or industry characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. Counterparty credit risk is managed by requiring high credit standards for the System's counterparties. The counterparties to these contracts are financial institutions that carry investment-grade credit ratings.

Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates. The market risk associated with interest rate changes is managed by establishing and monitoring parameters that limit the types and degrees of market risk that may be undertaken. Management also mitigates risk through periodic reviews of their derivative positions in the context of their blended cost of capital. As of June 2014 and 2013, CHRISTUS has interest rate swap agreements to manage interest rate risk exposure, not designated as hedging instruments, with a total notional amount of \$946,335,000 and \$954,185,000, respectively.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

10. Derivative Financial Instruments (continued)

The following tables summarize the fair value at June 30, 2014 and 2013, and the income (loss) recorded related to the interest rate swap agreements as of and for the years ended June 30, 2014 and 2013, (in thousands)

Counterparty	Description	Termination Date	Interest Rate Agreements	Notional Amount	Fair Value		Change in Fair Value		(Paid)/Received	
					June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Merrill Lynch	Variable Basis	2012-2023	6	470,000	\$ (3,085)	\$ (4,493)	\$ 1,408	\$ 3,417	\$ 330	\$ 82
Wells Fargo	Fixed Pavor	2031	1 2	197,075 204,925	(23,311)	(23,991)	680	11,116	(6,085)	(6,267)
* Citigroup	Fixed Pavor	2047	2	166,100	(39,222)	(38,490)	(732)	17,605	(5,515)	(5,467)
* Citigroup	Fixed Pavor	2047	1	113,160	(26,192)	(25,650)	(542)	12,024	(3,719)	(3,686)
				946,335 954,185	\$(91,810)	\$(92,624)	\$ 814	\$ 44,162	\$(14,989)	\$(15,338)

* Insured by
MBIA

CHRISTUS is required to post collateral for negative valuations on each of its swaps according to the terms of (i) the swap insurance agreements, where applicable and (ii) the agreement with each counterparty. CHRISTUS has complied with this requirement. At June 30, 2014 and 2013, no collateral was posted. The System does not anticipate non-performance by its counterparties.

The fair value of these swap agreements was a liability of \$91,810,000 and \$92,624,000 at June 30, 2014 and 2013, respectively. The change in fair value of \$814,000 and \$44,162,000 for the years ended June 30, 2014 and 2013, respectively, is combined with the payments, net of receipts made under the agreements, of \$14,989,000 and \$15,338,000 for the years ended June 30, 2014 and 2013, respectively. This total is included in non-operating investment gain (loss) in the accompanying consolidated statements of operations and changes in net assets.

11. Cash Balance Plan and Postretirement Health Care Benefits

Defined Benefit Plans

Cash Balance Plan

The System has established a non-contributory, defined-benefit retirement plan that operates as a cash balance plan and covers substantially all CHRISTUS employees who meet age and service requirements. The plan benefits are calculated based on a cash balance formula wherein participants earn an annual accrual based on compensation and participant account balances.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

11. Cash Balance Plan and Postretirement Health Care Benefits (continued)

accrue interest at a rate that tracks ten-year treasury notes, the maximum rate is 8%. On October 23, 2012, the CHRISTUS board approved significant plan changes for the plan year starting January 1, 2013. These changes include closing the plan to new participants, reducing the annual accrual rate from 6% to 3%, and eliminating the minimum 2% interest accrual rate. The plan was remeasured as of October 31, 2012, due to the changes. The remeasurement resulted in an \$83,187,000 decrease in the projected benefit obligation of the plan.

On January 31, 2014, the plan was remeasured again as a result of a curtailment related to the sale of the Gulf Coast operations. The remeasurement resulted in an increase of \$148,000 in the projected benefit obligation and a nonrecurring curtailment credit of \$3,970,000 recorded as a reduction in pension expense.

Postretirement Health Care Benefits

Comprehensive medical benefits are provided to eligible active employees who, immediately upon retirement and attainment of the age of 55, will receive a pension under the CHRISTUS retirement plan. Postretirement benefits are also provided to former employees who are currently receiving pension benefits. The comprehensive medical program, which is self-insured, provides reimbursement benefits until the participant attains the age of 65. The program also covers dependents of retirees, in addition to former employees. Contributions are required. Retirees may choose one of two self-insured indemnity plan options. Effective February 1, 1999, the CHRISTUS postretirement benefit plan was curtailed prospectively. As of the effective date, new employees or employees that had not vested as of that date are not eligible for the postretirement health care benefits. The liability associated with the postretirement plan will be reduced as employee participation decreases.

Simplified Early Retirement Plan (SERP)

Prior to the formation of CHRISTUS, a plan for executives was curtailed prospectively. Under this plan, eligible participants receive a cash benefit payment until death and participate in the System's retiree health, dental and group term life program. Fewer than two dozen participating retirees currently maintain benefit payment status. Benefits are recalculated when participants attain the age of 65 and remain constant thereafter. At June 30, 2014 and 2013, the total liability recorded pertaining to this SERP was \$4,673,000 and \$4,734,000, respectively.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

11. Cash Balance Plan and Postretirement Health Care Benefits (continued)

Restoration Plan

The restoration plan, a non-qualified, deferred compensation plan, was designed to restore benefits that are lost under the cash balance plan due to the statutory limit on recognizable compensation. Eligibility is limited to designated executives. The plan provides benefits upon termination of employment to qualifying participants. Plan benefits are calculated using the same methodology for the cash balance plan, vesting requirements are also the same. The restoration plan was frozen at December 31, 2013.

The measurement date for all plans is June 30. Components of net periodic benefit cost, recorded as a component of employee compensation and benefits, for the years ended June 30, consisted of the following (in thousands):

	Cash Balance Plan		Postretirement		SERP		Restoration Plan	
	2014	2013	2014	2013	2014	2013	2014	2013
Service cost	\$ 21,232	\$ 32,287	\$ 346	\$ 435	\$ -	\$ -	\$ 112	\$ 258
Interest cost	39,167	34,310	623	705	-	-	152	155
Expected return on assets	(47,360)	(47,549)	-	-	-	-	-	-
Amortization of prior service (credit) cost	(12,526)	(8,565)	-	-	-	-	(6)	103
Recognized net actuarial loss (gain)	14,325	23,076	(862)	(462)	(61)	(481)	133	61
Curtailment gain	(3,970)	-	-	-	-	-	(539)	-
Settlement charge	-	-	-	-	-	-	617	-
Net benefit cost	<u>\$ 10,868</u>	<u>\$ 33,559</u>	<u>\$ 107</u>	<u>\$ 678</u>	<u>\$ (61)</u>	<u>\$ (481)</u>	<u>\$ 469</u>	<u>\$ 577</u>

The following table represents the changes to plan assets and projected benefit obligations recognized in unrestricted net assets as of June 30 (in thousands):

	2014	2013
Net actuarial gain	\$ (22,056)	\$ (858)
Prior service credit	-	(83,989)
Amortization of net actuarial gain/(loss)	(18,298)	(18,756)
Amortization of prior service credit	12,532	8,462
Curtailment, settlement	3,354	-
Total recognized in unrestricted net assets	<u>\$ (24,468)</u>	<u>\$ (95,141)</u>

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

11. Cash Balance Plan and Postretirement Health Care Benefits (continued)

The following table sets forth the changes in benefit obligations, changes in plan assets, and funded status of the plans measured as of June 30 (in thousands)

	Cash Balance Plan		Postretirement		SERP		Restoration Plan	
	2014	2013	2014	2013	2014	2013	2014	2013
Changes in benefit obligation								
Benefit obligations – beginning of year	\$ 851,106	\$ 900,776	\$ 16,481	\$ 19,088	\$ 4,734	\$ 5,215	\$ 3,916	\$ 4,114
Service cost	21,232	32,287	346	435	–	–	112	258
Interest cost	39,167	34,310	623	705	–	–	152	155
Actuarial loss (gain)	31,672	7,656	(2,763)	(3,200)	(61)	(481)	537	768
Effect of remeasurement for plan amendment	–	(83,187)	–	–	–	–	–	(802)
Liability (gain) loss due to curtailment	(148)	–	–	–	–	–	(391)	–
Benefits paid	(45,519)	(40,736)	(827)	(547)	–	–	(1,710)	(577)
Benefit obligation – end of year	<u>\$ 897,510</u>	<u>\$ 851,106</u>	<u>\$ 13,860</u>	<u>\$ 16,481</u>	<u>\$ 4,673</u>	<u>\$ 4,734</u>	<u>\$ 2,616</u>	<u>\$ 3,916</u>
Change in plan assets								
Fair value of plan assets – beginning of year	\$ 782,464	\$ 706,851	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Actual return on plan assets	101,564	56,349	–	–	–	–	–	–
Employer contributions	30,000	60,000	827	547	–	–	1,170	577
Benefits paid	(45,519)	(40,736)	(827)	(547)	–	–	(1,170)	(577)
Fair value of plan assets – end of year	<u>\$ 868,509</u>	<u>\$ 782,464</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>
Funded status of the plans	<u>\$ (29,001)</u>	<u>\$ (68,642)</u>	<u>\$ (13,860)</u>	<u>\$ (16,481)</u>	<u>\$ (4,673)</u>	<u>\$ (4,734)</u>	<u>\$ (2,616)</u>	<u>\$ (3,916)</u>
Unrecognized net actuarial loss (gain)	\$ 162,225	\$ 199,229	\$ (10,399)	\$ (8,497)	\$ –	\$ –	\$ 943	\$ 1,547
Unrecognized prior service credit	(59,732)	(76,227)	–	–	–	–	–	(544)
	<u>\$ 102,493</u>	<u>\$ 123,002</u>	<u>\$ (10,399)</u>	<u>\$ (8,497)</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 943</u>	<u>\$ 1,003</u>

At June 30, 2014 and 2013, unrestricted net assets have been reduced by \$103,436,000 and \$124,004,000, respectively, of amounts arising from defined-benefit plans that have not yet been recognized in net periodic benefit cost. Amounts recognized in unrestricted net assets expected to be recognized in net periodic benefit credit during fiscal 2015 are \$1,720,000.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

11. Cash Balance Plan and Postretirement Health Care Benefits (continued)

As of June 30, 2014 and 2013, the CHRISTUS cash balance plan had accumulated benefit obligations of \$892,683,000 and \$847,269,000, respectively. Assumptions used to determine benefit obligations and net periodic benefit cost for the fiscal years were as follows:

	Cash Balance Plan		Postretirement		SERP		Restoration Plan	
	2014	2013	2014	2013	2014	2013	2014	2013
Benefit obligations								
Discount rate	4.27%	4.75%	3.46%	3.88%	4.27%	4.75%	4.27%	4.75%
Rate of compensation increase	4.09	4.09	N/A	N/A	N/A	N/A	N/A	4.09
Net periodic benefit cost								
Discount rate	4.69	3.92	3.88	3.79	4.75	4.21	4.75	4.21
Expected long-term return on plan assets	6.00	6.50	N/A	N/A	N/A	N/A	N/A	N/A
Rate of compensation increase	4.09	4.09	N/A	N/A	N/A	N/A	4.09	4.09

The investment objective with regard to the plan assets is one of long-term capital appreciation and generation of a stream of current income. This balanced approach is expected to earn long-term total returns, consisting of capital appreciation and current income, which are commensurate with the expected rate of return used by the plans.

The following information pertains only to the CHRISTUS Health postretirement plan. The first table details information pertaining to assumed health care cost trend rates. The second table depicts the effect of a 1% point change in assumed health care cost trend rates.

	Postretirement			Postretirement	
	2014	2013		1% Point Increase	1% Point Decrease
Assumed health care cost trend rates at June 30	7.00%	7.75%			
Health care cost trend rate assumed for next year	6.25	7.00	Effect on total of service cost and interest cost components	\$ 75	\$ (66)
Ratio to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00	5.00			
Year that the rate reaches the ultimate trend rate	2017	2017	Effect on postretirement benefit obligation	1,085	(977)

(In Thousands)

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

11. Cash Balance Plan and Postretirement Health Care Benefits (continued)

Investment Policy and Asset Allocations

The investment policies and strategies for the assets of the cash balance plan incorporate a well-diversified approach that is expected to generate long-term returns from capital appreciation and a growing stream of current income. This approach recognizes that assets are exposed to risk and the market value of the plan assets may fluctuate from year to year. Risk tolerance is determined based on the plan's financial stability and the ability to withstand return volatility. In developing the expected return on plan assets, the System evaluates the historical performance of total plan assets, the relative weighting of plan assets, interest rates, economic indicators, and industry forecasts. In line with the investment return objective and risk parameters, the mix of assets includes a diversified portfolio of equity, fixed income, and alternative investments. Equity investments include international stocks and a blend of domestic growth and value stocks of various sizes of capitalization. The aggregate asset allocation is rebalanced as needed, but not less than on an annual basis.

The asset allocations for the cash balance plan at June 30, by asset category, are detailed below (in thousands). The postretirement plan, SERP, and restoration plan are unfunded.

	2014	2013
Cash and cash equivalents	\$ 10,358	\$ 15,812
Domestic common stocks	71,714	112,985
Fixed-income securities	171,014	163,672
International equities	117,090	54,650
Equity investments in managed funds		
Fixed-income funds	175,474	148,208
Hedge funds	195,466	177,231
Private equity, real estate, and other	127,297	109,041
Other	96	865
Total	\$ 868,509	\$ 782,464

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

11. Cash Balance Plan and Postretirement Health Care Benefits (continued)

The allocation of plan assets by asset category for the cash balance plan as of June 30 is as follows

	<u>2014</u>	<u>2013</u>
Allocation of plan assets by asset category		
Cash and cash equivalents	1.2%	2.0%
Equity securities	21.7	21.4
Fixed-income securities	19.7	20.9
Equity investments in managed funds (Note 5)	57.4	55.7
Total	<u>100.0%</u>	<u>100.0%</u>

The value of the plan assets measured at fair value on a recurring basis was determined using the following inputs, as described in Note 6, at June 30, 2014 (in thousands)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Investments				
Cash and cash equivalents	\$ 780	\$ 9,578	\$ -	\$ 10,358
Domestic common stocks	71,714	-	-	71,714
Fixed-income securities	-	171,014	-	171,014
International equities	117,090	-	-	117,090
Equity investments in managed funds				
Fixed-income funds	-	69,991	105,483	175,474
Hedge funds	-	-	195,466	195,466
Private equity, real estate, and other funds	-	-	127,297	127,297
Other	96	-	-	96
Total investments	<u>189,680</u>	<u>250,583</u>	<u>428,246</u>	<u>868,509</u>
Total assets at fair value	<u>\$ 189,680</u>	<u>\$ 250,583</u>	<u>\$ 428,246</u>	<u>\$ 868,509</u>

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

11. Cash Balance Plan and Postretirement Health Care Benefits (continued)

The value of the plan assets measured at fair value on a recurring basis was determined using the following inputs, as described in Note 6, at June 30, 2013 (in thousands)

	Level 1	Level 2	Level 3	Total
Assets				
Investments				
Cash and cash equivalents	\$ 447	\$ 15,365	\$ –	\$ 15,812
Domestic common stocks	112,985	–	–	112,985
Fixed-income securities	–	163,672	–	163,672
International equities	54,650	–	–	54,650
Equity investments in managed funds				
Fixed-income funds	–	69,901	78,307	148,208
Hedge funds	–	–	177,231	177,231
Private equity, real estate, and other funds	–	–	109,041	109,041
Other	865	–	–	865
Total investments	168,947	248,938	364,579	782,464
Total assets at fair value	\$ 168,947	\$ 248,938	\$ 364,579	\$ 782,464

The following table is a rollforward of the pension plan assets classified within Level 3 of the valuation hierarchy at June 30 (in thousands)

	Fixed- Income Funds	Hedge Funds	Private Equity, Real Estate, and Other Funds	Total
Fair value at June 30, 2012	\$ –	\$ 137,610	\$ 95,958	\$ 233,568
Purchases, issuances, and settlements	78,307	19,131	23,554	120,992
Actual return on plan assets	–	20,490	(10,471)	10,019
Fair value at June 30, 2013	78,307	177,231	109,041	364,579
Purchases, issuances, and settlements	8,236	175	16,978	25,389
Actual return on plan assets	18,940	18,060	1,278	38,278
Fair value at June 30, 2014	\$ 105,483	\$ 195,466	\$ 127,297	\$ 428,246

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

11. Cash Balance Plan and Postretirement Health Care Benefits (continued)

The cash balance plan has \$72,315,000 of funding commitments to equity investments in managed funds as of June 30, 2014

Contributions

In fiscal year 2015, CHRISTUS expects to contribute \$18,000,000 to the cash balance plan based on asset values for the plan year beginning January 1, 2014. Contributions to the cash balance plan of \$30,000,000, and \$60,000,000 were made for plan years beginning January 1, 2013 and 2012, respectively. Since the postretirement plan, SERP, and restoration plan are unfunded, no cash contributions are expected.

Benefit Payments

The following benefit payments, which reflect expected future service relative to the cash balance plan and expected benefit payments for services previously rendered relative to the postretirement plan and the SERP, are expected to be paid as follows (in thousands):

	Cash Balance Plan	Post Retirement	SERP	Restoration Plan
2015	\$ 45,242	\$ 770	\$ 570	\$ 535
2016	47,353	930	549	274
2017	50,063	1,105	525	233
2018	52,715	1,174	499	219
2019	54,865	1,236	472	204
Years 2020–2024	297,119	5,825	1,913	791

Defined-Contribution Plans

403(b) Matched Savings Plans

The System has a defined-contribution plan (the Matched Savings Plan) covering substantially all CHRISTUS employees. Annual employee contributions are limited to 50% of compensation, up to the Internal Revenue Service dollar limits. The System will match 50% of employee

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

11. Cash Balance Plan and Postretirement Health Care Benefits (continued)

contributions, not to exceed 6% of annual compensation. Employer contributions vest to the employee over a five-year period. For the years ended June 30, 2014 and 2013, expenses attributable to the Matched Savings Plan amounted to \$13,166,000 and \$8,097,000, respectively.

CHRISTUS St. Vincent Regional Medical Center (St. Vincent) has two 403(b) defined-contribution plans for bargaining and non-bargaining employees. St. Vincent contributes 4.0% of gross salaries for bargaining employees and 4.25% of gross salaries for non-bargaining employees, as defined by the plans' agreements. The employer contributions are remitted on a bi-weekly basis. For fiscal years 2014 and 2013, St. Vincent has incurred approximately \$3,594,000 and \$3,597,000 in expenses related to the plans, respectively.

ExecuFLEX Benefit Plan

The ExecuFLEX plan was originally established by Sisters of Charity of the Incarnate Word Houston, Texas, effective January 1, 1995. Sponsorship of the plan was then transferred to and assumed by CHRISTUS Health, effective February 1, 1999. The plan was limited to designated executives. Plan participants received an ExecuFLEX allowance to be allocated among four different components: CHRISTUS Health ExecuFLEX Individual Long-Term Disability Plan, CHRISTUS Health ExecuFLEX Supplemental Survivor Plan, CHRISTUS Health ExecuFLEX Spouse Survivor Plan, and CHRISTUS Health ExecuFLEX Deferred Income Account (DIA) Plan. The ExecuFLEX plan was frozen at December 31, 2013.

The DIA Plan was a non-qualified, deferred compensation plan, eligibility was limited to designated executives. Benefits vest based on certain qualifying events and are paid to participants when fully vested. The funds contributed by participants to this component of the ExecuFLEX Plan are held in a Rabbi Trust until vesting requirements have been satisfied. The System has an asset recorded for the investments in the Rabbi Trust with a corresponding liability. As of June 30, 2014 and 2013, the total asset and the corresponding liability were \$9,883,000 and \$9,514,000, respectively. As a component of the ExecuFLEX plan, this plan was frozen at December 31, 2013.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

11. Cash Balance Plan and Postretirement Health Care Benefits (continued)

Supplemental Executive Retirement Plan (DC SERP)

On January 1, 2014, CHRISTUS established the DC SERP to provide a select group of executives and management of CHRISTUS Health and its selected subsidiaries and/or affiliates, with supplemental benefits held in a Rabbi Trust until paid, primarily at the termination of the individual's service with CHRISTUS Health. The plan also includes provisions for a deferred compensation plan. As of June 30, 2014, the asset and corresponding liability balances recorded related to the plan were \$9,089,000. CHRISTUS Health incurred expense of \$6,379,000 related to the plan in fiscal year 2014.

12. Self-Funded Liabilities

The System self-funds and insures for primary professional and general liability, workers' compensation, and employee medical benefits. A wholly owned, captive insurance company, Emerald Assurance Cayman Ltd (Emerald), is used to fund primary professional and general liability. Additionally, the System internally sets aside funds for workers' compensation and employee medical benefits based on actuarial analyses.

The assets of the captive insurance company, internally designated funds, and the estimated liability for losses are reported in the consolidated balance sheets. Investment income from the assets and the provision for estimated self-funded losses and administrative costs are reported in the accompanying consolidated statements of operations and changes in net assets. The estimated self-funded losses include expected claim payments, including settlement costs for reported claims and an actuarial determination of expected losses related to claims that have been incurred but not reported.

Emerald was incorporated in the Cayman Islands on June 27, 2003, and operates subject to the provisions of the Companies Law (2003 Revision) of the Cayman Islands. Emerald was granted an Unrestricted Class "B" Insurer's license on June 30, 2003, which it holds subject to the provisions of the Insurance Law (2003 Revision) of the Cayman Islands. Emerald has received an undertaking from the Cayman Islands government exempting it from local income, profits, and capital gains taxes until July 29, 2023. No such taxes are currently levied in the Cayman Islands.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

13. Concentrations of Credit Risk

The System grants credit without collateral to its patients, most of who are local residents of the geographies of the various System health care centers and are insured under third-party payor agreements. The mix of accounts receivable from patients and third-party payors at June 30 was as follows:

	2014	2013
Medicare	22.4%	24.6%
Medicaid	5.2	6.1
Managed care organizations	36.8	37.4
Commercial insurance	7.6	6.1
Self-pay	16.7	15.3
Others	11.3	10.5
	100.0%	100.0%

14. Commitments and Contingencies

Operating Leases

The System leases various equipment and facilities under non-cancelable operating leases expiring at various dates through May 20, 2023. Total rental expense in 2014 and 2013 for all operating leases was approximately \$74,146,000 and \$56,336,000, respectively.

The System's leases have varying terms, which may include renewal or purchase options and escalation clauses that are factored into determining minimum lease payments. The following is a schedule by year of future minimum lease payments under operating leases as of June 30, 2014, that have initial or remaining lease terms in excess of one year (in thousands):

2015	\$ 40,483
2016	35,137
2017	29,255
2018	26,343
2019	21,143
Thereafter	47,295
Total	\$ 199,656

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

14. Commitments and Contingencies (continued)

Other Contingencies

From time to time, the System is subject to litigation in the ordinary course of operations. In management's opinion, any future settlements or judgments on asserted or unasserted claims will not have a material effect on the System's consolidated financial statements.

The System has received notice that hospitals in several regions have been identified as part of the nationwide Department of Justice (DOJ) investigation to determine whether, in certain cases, implantable cardioverter defibrillators (ICD) were provided to certain Medicare beneficiaries in accordance with national coverage criteria. Through [date of issuance], the DOJ has not asserted any claims against the System. The System continues to fully cooperate with the DOJ in its investigation. While maximum penalties could have a material effect on the System's financial condition, management anticipates that any final resolution will not have a material adverse effect on its financial condition.

The System has a compliance program and various internal policies and procedures that management believes will effectively reduce exposure for violations of applicable federal and state health care laws, regulations, and policies. There are matters that may be the subject of reporting to appropriate regulatory authorities or payors, and subject to repayment obligations, recoupments, penalties, and/or fines. There are a number of voluntary and other reviews that may also result in disclosure and/or repayments. There are also matters in which government agencies are pursuing matters directly with CHRISTUS Health and/or its affiliates.

Because the government's present regulatory and enforcement efforts are widespread across the health care industry and may vary from region to region, the impact of such activities on the System is difficult to predict with certainty. The dynamic regulatory environment, political climate, and the effectiveness of our compliance efforts could affect the resolution of regulatory, enforcement and payor issues involving the System. The System has implemented, and is continually endeavoring to enhance, various procedures to ensure continued compliance with federal and state requirements. However, there can be no assurance that the compliance program or other measures will always reduce or completely eliminate the System's civil, criminal, regulatory, or payor exposure.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

15. Functional Expenses

The System provides general health care services to residents throughout various geographic locations. Expenses related to providing these services at June 30 are as follows (in thousands):

	2014	2013
Health care services	\$ 2,591,244	\$ 2,566,807
Physician services	251,813	253,752
General and administrative	646,272	807,661
Total	\$ 3,489,329	\$ 3,628,220

16. Temporarily and Permanently Restricted Net Assets

During 2013, the System determined that in prior years it should have recorded a beneficial interest in the net assets of financially inter-related entities in the Santa Rosa Region, since those entities hold funds that are restricted for the benefit of Santa Rosa Children's Hospital. The System determined this amount was not material to the prior-year financial statements, and therefore recorded the beneficial interest in the current-year financial statements. The prior-year effect of recording the beneficial interest was \$40,841,000, which is included as an adjustment to beginning net assets at July 1, 2012, in the accompanying consolidated statements of operations and changes in net assets.

Temporarily restricted net assets at June 30 are available for the following purposes (in thousands):

	2014	2013
Purchase of equipment/capital improvement	\$ 11,409	\$ 7,816
Indigent care	579	2,590
Health education	2,889	2,711
Health care services	84,662	64,889
Community outreach	13,824	13,880
Other	22,878	22,972
Total	\$ 136,241	\$ 114,858

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

16. Temporarily and Permanently Restricted Net Assets (continued)

Permanently restricted net assets at June 30 are restricted as follows (in thousands)

	2014	2013
Investments to be held in perpetuity, the income from which is expendable to support health care services (reported as operating income)	\$ 6,665	\$ 7,908
Endowment requiring income to be added to original gift	2,666	5,951
Other	2,139	2,026
Total	\$ 11,470	\$ 15,885

17. Changes in Consolidated Unrestricted Net Assets

Changes in consolidated unrestricted net assets that are attributable to the System and the non-controlling interests in subsidiaries are as follows (in thousands)

	Controlling Interest	Non-controlling Interests	Total
Balance, June 30, 2012	\$ 2,115,411	\$ 119,299	\$ 2,234,710
Unrestricted revenues, gains, and other support in excess of expenses	142,508	17,171	159,679
Distributions	-	(7,323)	(7,323)
Acquisition of non-controlling interest	10,500	(10,500)	-
Other activities	87,848	1,709	89,557
Balance, June 30, 2013	2,356,267	120,356	2,476,623
Unrestricted revenues, gains, and other support in excess of expenses	124,330	18,772	143,102
Distributions	-	(7,641)	(7,641)
Acquisition of non-controlling interest	3,500	(3,500)	-
Other activities	18,587	(1,198)	17,389
Balance, June 30, 2014	\$ 2,502,684	\$ 126,789	\$ 2,629,473

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

18. International Operations

CHRISTUS Mugerza

The System owns a 77.2% interest in CHRISTUS Mugerza, S A de C V (CHRISTUS Mugerza), headquartered in Monterrey, Mexico. CHRISTUS Mugerza is a private health care system and is subject to taxes in accordance with the regulations of the Republic of Mexico. The financial statements of CHRISTUS Mugerza are presented in accordance with accounting principles generally accepted in the United States and are consolidated in the CHRISTUS consolidated financial statements. CHRISTUS Mugerza has net assets of \$106,597,000 and \$95,519,000 at June 30, 2014 and 2013, respectively.

In November 2012, the System and certain non-controlling interest holders entered into a revised shareholders' agreement, whereby the non-controlling interest holders of CHRISTUS Mugerza have a series of put options through December 31, 2028. These options will require the System to acquire shares, subject to an annual cap of either \$3,500,000 or \$2,000,000 depending on the year, at a formula price as defined. At June 30, 2014 and 2013, respectively, the System had \$3,417,000 and \$3,739,000 recorded as unrestricted net assets attributable to non-controlling interest to reflect such obligation to the non-controlling interest holders in connection with the agreement.

By purchasing 3,282,820 shares put forth by the non-controlling shareholders in accordance with the agreement, the System increased its ownership interest in CHRISTUS Mugerza from 75.2% to 77.2% in May 2014 for cash consideration of \$3,500,000. During the year ended June 30, 2013, the System acquired 10,359,789 shares from non-controlling shareholders for cash consideration of \$10,500,000. The System also acquired newly issued shares for cash consideration of \$11,079,000.

CHRISTUS Chile SpA

CHRISTUS signed a memorandum of understanding (MOU) with Pontificia Universidad Católica de Chile (PUC) in Santiago, Chile, to enter into a joint venture agreement for the ownership, operation, and expansion of PUC's health network. PUC is owned by the Catholic Church and operates one of the largest health systems in Chile for medical care and teaching. The System anticipates achieving the structure outlined in the MOU through a series of transactions. CHRISTUS and PUC have entered into certain transactions as described below, and are currently undergoing due diligence and negotiations of such transactions.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

18. International Operations (continued)

In January 2014, under the terms of the MOU, CHRISTUS Chile SpA purchased a 40% interest in Salud U C SpA from PUC for \$20,878,000. Salud U C has an existing 0.74% interest in Centro Medico Monsensor Carlos Casanueva S A, a 60% interest in Clinical UC S A, and a 50% interest in both Servicios Clinicos San Carlos Apoquindo S A and Inmobiliaria Clinicos San Carlos Apoquindo S A (collectively referred to as “San Carlos”).

In May 2014, CHRISTUS Chile Limitada, a wholly owned Chilean subsidiary of CHRISTUS Chile, SpA, purchased 100% of the shares of Inversiones San Carlos, SpA, a Chilean corporation, from Colmena Salud S A for cash consideration of \$68,000,000. Inversiones San Carlos SpA owns a 50% interest in San Carlos, of which Salud U C SpA is also a 50% owner. This transaction is part of a multi-step plan which is expected to ultimately result in 50% interest of San Carlos for PUC and CHRISTUS Chile SpA.

The investments in Salud UC and San Carlos are treated as equity method investments. Discussion of the investments and earnings are in Note 8. It is expected that CHRISTUS will make additional capital contributions into Salud U C over the next five years as additional assets of the health network are transferred to Salud U C and the health network expands. The additional contributions will be no less than an additional \$60,000,000.

CHRISTUS and PUC entered into an interim management agreement on March 1, 2013, under which CHRISTUS will provide management services to the PUC health network through the due diligence and negotiation period. CHRISTUS recorded revenue related to this agreement of \$7,708,000 and \$1,372,000 during fiscal years 2014 and 2013, respectively.

19. Significant Events

Baptist St. Anthony's Health System

CHRISTUS has a 50% membership interest in Baptist St. Anthony's Health System (BSAHS), a Texas nonprofit corporation. On January 2, 2013, BSAHS completed a transaction that resulted in the transfer of substantially all the assets of BSAHS to a subsidiary of Ardent Health Services, based in Nashville, Tennessee.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

19. Significant Events (continued)

At the time of the sale, CHRISTUS Health's recorded investment in BSAHS, accounted for under the equity method, was \$193,376,000 including \$9,148,000 of restricted net assets that were recorded as other restricted assets. The System also recorded its share of BSAHS's unrealized losses from operations through the date of the sale of \$139,000. CHRISTUS recorded a gain of \$3,010,000 and \$95,997,000 on the sale of BSAHS in fiscal year 2014 and 2013, respectively.

CHRISTUS Spohn and Nueces County Hospital District Relationship

On October 1, 2012, CHRISTUS Spohn Health System Corporation (Spohn) entered into a membership agreement with Nueces County Hospital District (the District) for the purpose of ensuring the continued operation of Spohn as the public safety-net hospital in Nueces County. Under the terms of the agreement, the District provides Spohn with the right to use and operate the facilities at the CHRISTUS Spohn Hospital Corpus Christi – Memorial location, and Spohn provides to the District an annually determined pro rata share of the non-federal patient collections. As of June 30, 2014, and 2013, respectively, Spohn recorded transfers of revenue of \$43,012,000 and \$67,481,000 under the terms of agreement. These transfers are reflected as expenses within operating income in the accompanying consolidated statements of operations and changes in net assets.

CHRISTUS Gulf Coast transaction with Methodist Health Centers

On January 31, 2014, Gulf Coast entered into a membership agreement with Methodist Health Centers (TMH), a Texas nonprofit corporation, to own and operate Houston Methodist St. John Hospital (HMJH). Gulf Coast contributed substantially all of the assets of St. John Hospital, excluding the land and hospital building, to the new company in exchange for certain proceeds and a 30% non-controlling membership interest. HMJH leases the building and land from Gulf Coast under the terms of a 75 year lease with substantially all the rent paid at the time of closing.

Gulf Coast also contributed the land, building, and improvements of CHRISTUS Health St. Catherine Hospital to HMSCRE, a Texas nonprofit corporation, in exchange for certain proceeds and a 30% non-controlling membership interest. Gulf Coast also sold the remaining assets and operations of CHRISTUS Health St. Catherine Hospital to Houston Methodist St. Catherine Hospital (HMCH), which operates as a long-term care facility. HMCH will lease the St. Catherine facility from HMSCRE Real Property Company.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

19. Significant Events (continued)

CHRISTUS Health manages the operations of HMCH's long-term care facility pursuant to a management agreement. CHRISTUS Health provides certain transitional services to support the change in ownership of the two hospitals under the terms of Transitional Services Agreements.

The proceeds received for the transactions were \$113,860,000. The net assets contributed to joint ventures totaled \$125,185,000 and the System retained equity investments in the joint ventures totaling \$43,050,000. The gain on the transaction was approximately \$31,725,000 subject to certain post-transaction settlements and was recorded as other revenue in the accompanying consolidated financial statements. Additionally, CHRISTUS recorded \$4,630,000 in other revenue for fees under the management and transitional services agreements.

CHRISTUS Southeast Texas acquisition of Beaumont Bone and Joint

On December 31, 2013, CHRISTUS Health Southeast Texas acquired the hospital business and the orthopedic clinic practice of BBJI, L P d/b/a/ Beaumont Bone and Joint Institute and acquired substantially all of the assets used in connection with hospital and clinic operations from Orthopaedic Properties, L P, a limited liability partnership related to BBJI, L P. The transactions were accounted for using the acquisition method of accounting. Total cash consideration paid for the assets and operations was \$51,400,000. Based on the final purchase price allocation, CHRISTUS recorded approximately \$34,891,000 in goodwill. Acquisition costs related to this transaction, which were recorded as other expenses, were immaterial.

The table below summarizes the allocations of the purchase price (including assumed liabilities) for the transaction in 2014 (in thousands).

	2014
Current assets	\$ 250
Property and equipment	15,959
Goodwill	34,891
Intangible assets	300

20. Subsequent Events

The System evaluated events and transactions occurring subsequent to June 30, 2014, through the date of issuance of the financial statements. During this period, there were no subsequent events requiring recognition in the consolidated financial statements.

CHRISTUS Health

Notes to Consolidated Financial Statements (continued)

20. Subsequent Events (continued)

Preferred Professional Insurance Company

On May 9, 2014, PPIC entered into an Agreement and Plan of Merger with Medical Professional Mutual Insurance Co (Pro Med), a Massachusetts mutual insurance company, pursuant to which PPIC was acquired by Pro Med. The transaction closed on August 1, 2014. CHRISTUS received a dividend of \$10,484,000 and its prorata share of sale proceeds of \$21,053,000 in the first quarter of fiscal year 2015. All transactions related to the dividend and sale will be recorded in fiscal year 2015.

Supplementary Information

Independent Auditors' Report on Supplementary Information

The Board of Directors
CHRISTUS Health

We have audited the consolidated financial statements of CHRISTUS Health as of and for the year ended June 30, 2014, and have issued our report thereon dated September 19, 2014. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying community benefit information and accompanying consolidated information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, except for that portion marked "unaudited," 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, except for that portion marked "unaudited" on which we express no opinion, is fairly stated, in all material respects, in relation to the financial statements as a whole.

Ernst + Young LLP

September 19, 2014

CHRISTUS Health

Community Benefit (Unaudited)

CHRISTUS Health (CHRISTUS or the System) complies with the Catholic Health Association's (CHA), *A Guide for Planning and Reporting Community Benefits*⁶, 2008, and the state of Texas reporting requirements. CHA guidelines have adopted the instructions for IRS Form 990, Schedule H.

Following is a summary of the System's quantifiable costs of community benefits provided for the years ended June 30 (in thousands)

	2014	2013
	<i>(Unaudited)</i>	
Programs and services for the poor and underserved		
Charity care at unpaid cost	\$ 208,673	\$ 186,192
Unpaid cost of Medicaid and other public programs	(140,767)	(122,575)
Community services for the poor and underserved	142,168	164,618
Total for the poor and underserved	210,074	228,235
Community services for the broader community		
Education and research	9,927	10,661
Other community services	5,804	6,001
Total for the broader community	15,731	16,662
Total community benefits	\$ 225,805	\$ 244,897

The totals are calculated following CHA guidelines and adhere to IRS Form 990, Schedule H methodology. CHRISTUS has multiple reporting requirements of charity care and community benefit, which vary based on the definitional and timing requirements of each requesting organization.

In addition to the community benefits reported above, the state of Texas requires that the unpaid costs of Medicare and other government-sponsored programs be reported. For the fiscal years ended June 30, 2014 and 2013, the unpaid costs of these programs were \$152,223,000 and \$147,583,000, respectively. The unpaid costs of the Medicare program represent the cost of providing services to primarily elderly beneficiaries of the Medicare program, in excess of governmental and managed care contract payments. The unpaid costs of other government-sponsored programs represent the cost for providing health care services to the beneficiaries of the Department of Defense (DOD) civilian care, included as per the State of Texas guidelines.

CHRISTUS Health

Community Benefit (Unaudited) (continued)

As noted, the CHRISTUS Community Direct Investment (CDI) Program was established to support community-driven initiatives, primarily for affordable housing and economic development, by providing financing at below-market interest rates. At June 30, 2014 and 2013, the CDI Program had \$4,611,000 and \$5,727,000, respectively, in outstanding loans, approximately 78% and 83% of these loans relate to projects in CHRISTUS regions for fiscal years 2014 and 2013, respectively. The difference between the interest rates charged on the loans and the amount that the System would have earned on these monies is the forgone interest that is considered a community benefit. In fiscal years 2014 and 2013, the amount recognized as a community benefit related to this program was \$152,000 and \$154,000, respectively.

As noted, the CHRISTUS Fund was established for the purpose of providing grants to support community planning, healthy community initiatives, and community-based programs, with a focus on the poor and underserved areas where CHRISTUS ministries and sponsoring congregations are involved. During fiscal years 2014 and 2013, the CHRISTUS Fund provided grants of \$939,000 and \$1,017,000, respectively, approximately 96% and 100% of the grants relate to programs in CHRISTUS regions in 2014 and 2013, respectively.

CHRISTUS Health

Consolidated Balance Sheet Combined Group and Non-Combined Group

As of June 30, 2014
(In Thousands)

	CHRISTUS System Total	CHRISTUS Combined Group Total	CHRISTUS Non- Combined Group Total
Assets			
Current assets			
Cash and cash equivalents	\$ 452.854	\$ 397.604	\$ 55.250
Short-term investments and equity in managed funds	853.061	766.164	86.897
Assets whose use is limited or restricted, required for current liabilities	23.480	1.701	21.779
Patient accounts receivable, net of allowance for doubtful accounts	358.691	244.433	114.258
Notes and other receivables	201.065	183.395	17.670
Inventories	84.444	69.723	14.721
Security pledged to creditors	1.846	1.846	-
Security lending collateral	1.987	1.987	-
Other current assets	64.764	50.022	14.742
Total current assets	2.042.192	1.716.875	325.317
Assets whose use is limited or restricted, less current portion	597.964	303.053	294.911
Property and equipment, net of accumulated depreciation	1,500.596	1,258.340	242.256
Other assets			
Investments in unconsolidated organizations	168.030	70.720	97.310
Goodwill	124.545	104.000	20.545
Beneficial interest in supporting organizations and other restricted assets	83.306	75.012	8.294
Other assets	77.064	146.564	(69.500)
Total other assets	452.945	396.296	56.649
Total assets	\$ 4,593.697	\$ 3,674.564	\$ 919.133

CHRISTUS Health

Consolidated Balance Sheet Combined Group and Non-Combined Group (continued)

As of June 30, 2014
(In Thousands)

	CHRISTUS System Total	CHRISTUS Combined Group Total	CHRISTUS Non- Combined Group Total
Liabilities and net assets			
Current liabilities			
Accounts payable and accrued expenses	\$ 392.428	\$ 175.104	\$ 217.324
Accrued employee compensation and benefits, including pension benefits, current portion	164.741	122.560	42.181
Estimated third-party settlements	53.160	44.656	8.504
Current portion of long-term debt	12.668	4.961	7.707
Payable under security lending agreements	1.989	1.989	-
Total current liabilities	624.986	349.270	275.716
Long-term debt, less current portion	892.785	854.867	37.918
Accrued pension benefits, long-term portion	31.093	31.093	-
Derivative financial instruments	91.810	91.810	-
Other long-term obligations – primarily related to self- funded liabilities, less current portion	175.839	106.352	69.487
Total liabilities	1,816.513	1,433.392	383.121
Net assets			
Unrestricted			
Attributable to CHRISTUS Health	2,502.684	2,143.746	358.938
Attributable to non-controlling interest	126.789	10.931	115.858
Total unrestricted	2,629.473	2,154.677	474.796
Temporarily restricted	136.241	83.244	52.997
Permanently restricted	11.470	3.251	8.219
Total net assets	2,777.184	2,241.172	536.012
Total liabilities and net assets	\$ 4,593.697	\$ 3,674.564	\$ 919.133

CHRISTUS Health

Consolidated Statements of Operations and Changes in Net Assets Combined Group and Non-Combined Group

As of June 30, 2014
(In Thousands)

	CHRISTUS System Total	CHRISTUS Combined Group Total	CHRISTUS Non- Combined Group Total
Revenues			
Patient service revenue (net of contractual allowance and discounts)	\$ 3,388,253	\$ 2,584,317	\$ 803,936
Provision for bad debts	(249,517)	(215,484)	(34,033)
Net patient service revenue, less provision for bad debts	3,138,736	2,368,833	769,903
Premium revenue	169,333	144,713	24,620
Other revenue including net gain on contributions to joint ventures	234,392	290,129	(55,737)
Equity in income of unconsolidated organizations	9,170	38,460	(29,290)
Total revenues	3,551,631	2,842,135	709,496
Expenses			
Employee compensation and benefits	1,534,249	1,255,880	278,369
Services and other	1,148,484	878,107	270,377
Supplies	609,705	462,335	147,370
Depreciation and amortization	165,461	135,376	30,085
Interest	31,430	29,368	2,062
Total expenses	3,489,329	2,761,066	728,263
Operating income (loss)	62,302	81,069	(18,767)
Non-operating investment gain	100,236	89,735	10,501
Loss on defeasance of debt	(11,047)	(11,047)	-
Other non-operating loss	(8,389)	(4,074)	(4,315)
Revenues in excess (deficit) of expenses	143,102	155,683	(12,581)
Less revenues in excess of expenses attributable to non-controlling interest	18,772	-	18,772
Revenues in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 124,330	\$ 155,683	\$ (31,353)

CHRISTUS Health

Consolidated Statements of Operations and Changes in Net Assets
Combined Group and Non-Combined Group (continued)

As of June 30, 2014
(In Thousands)

	CHRISTUS System Total	CHRISTUS Combined Group Total	CHRISTUS Non- Combined Group Total
Changes in unrestricted net assets			
Revenues in excess (deficit of expenses attributable to CHRISTUS Health	\$ 124.330	\$ 155.683	\$ (31.353)
Net change in unrealized gain on investments	1.840	-	1.840
Change in pension liabilities	24.468	24.468	-
Change in non-controlling interest	6.433	(72)	6.505
Other	(4.221)	(147.522)	143.301
Changes in unrestricted net assets	152.850	32.557	120.293
Temporarily restricted net assets			
Net change in beneficial interest	12.198	11.676	522
Contributions	11.952	6.213	5.739
Unrealized gain on investments	650	-	650
Net assets released from restrictions and other	(3.417)	(424)	(2.993)
Changes in temporarily restricted net assets	21.383	17.465	3.918
Permanently restricted net assets			
Net change in beneficial interest	(3.285)	(3.286)	1
Other	(1.130)	-	(1.130)
Changes in permanently restricted net assets	(4.415)	(3.286)	(1.129)
Changes in net assets	169.818	46.736	123.082
Adjustment to beginning temporarily and permanently restricted net assets			
Net assets – beginning of period	2,607,366	2,194,436	412,930
Net assets – end of period	<u>\$ 2,777,184</u>	<u>\$ 2,241,172</u>	<u>\$ 536,012</u>

CHRISTUS Health

Combined Group Consolidating Financial Statements

June 30, 2014
(In Thousands)

	CHRISTUS Health Consolidated	CHRISTUS Health Non- obligated Entities	CHRISTUS Health Obligated Entities	Southeast Texas Region	St Elizabeth Hospital	St Mary Hospital	Jasper Memorial Hospital	Southeast Texas Service Center
Assets								
Current assets								
Cash and cash equivalents	\$ 452,854	\$ 55,250	\$ 397,604	\$ 292,054	\$ 301,515	\$ 9,606	\$ (19,067)	\$ -
Short-term investments and equity in managed funds	853,061	86,897	766,164	-	-	-	-	-
Assets whose use is limited or restricted, required for current liabilities	23,480	21,779	1,701	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	358,691	114,258	244,433	33,027	25,646	5,296	2,085	-
Notes and other receivables	201,065	17,670	183,395	1,244	2,900	(2,214)	558	-
Inventories	84,444	14,721	69,723	10,399	7,657	2,208	534	-
Securities pledged to creditors	1,846	-	1,846	-	-	-	-	-
Security lending collateral	1,987	-	1,987	-	-	-	-	-
Other current assets	64,764	14,742	50,022	1,101	619	171	311	-
Total current assets	2,042,192	325,317	1,716,875	337,825	338,337	15,067	(15,579)	-
Assets whose use is limited or restricted, less current portion	597,964	294,911	303,053	-	-	-	-	-
Property and equipment, net of accumulated depreciation	1,500,596	242,256	1,258,340	162,330	137,728	19,268	5,334	-
Other assets								
Investment in unconsolidated organizations	168,030	97,310	70,720	1,597	1,597	-	-	-
Goodwill	124,545	20,545	104,000	34,891	34,891	-	-	-
Beneficial interest in supporting organizations and other restricted assets	83,306	8,294	75,012	-	-	-	-	-
Other assets	77,064	(69,500)	146,564	675	668	-	7	117
Total other assets	452,945	56,649	396,296	37,163	37,156	-	7	117
Total assets	\$ 4,593,697	\$ 919,133	\$ 3,674,564	\$ 537,318	\$ 513,221	\$ 34,335	\$ (10,238)	\$ 117

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Southeast Texas Obligated Eliminations	Gulf Coast Texas Region	St John Hospital	St Catherine Health and Wellness Center	St Joseph Hospital Houston	Gulf Coast Service Center	Gulf Coast Texas Obligated Eliminations	Ark-La-Tex Region	
Assets									
Current assets									
Cash and cash equivalents	\$	-	\$ 217,146	\$ 136,723	\$ (80,091)	\$ -	\$ 160,514	\$ -	\$ 136,570
Short-term investments and equity in managed funds	-	-	-	-	-	-	-	-	-
Assets whose use is limited or restricted, required for current liabilities	-	-	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	-	1,516	433	1,083	-	-	-	-	24,230
Notes and other receivables	-	2,777	79	245	-	2,453	-	-	10,130
Inventories	-	-	-	-	-	-	-	-	5,311
Securities pledged to creditors	-	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-	-
Other current assets	-	447	378	47	-	22	-	-	989
Total current assets	-	221,886	137,613	(78,716)	-	162,989	-	-	177,230
Assets whose use is limited or restricted, less current portion	-	-	-	-	-	-	-	-	2,146
Property and equipment, net of accumulated depreciation	-	21,136	2,431	2,431	-	16,274	-	-	120,852
Other assets									
Investment in unconsolidated organizations	-	43,145	-	-	-	43,145	-	-	763
Goodwill	-	-	-	-	-	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	-	-	-
Other assets	(117)	1,064	64	-	-	1,000	-	-	1,715
Total other assets	(117)	44,209	64	-	-	44,145	-	-	2,478
Total assets	\$ (117)	\$ 287,231	\$ 140,108	\$ (76,285)	\$ -	\$ 223,408	\$ -	\$ -	\$ 302,706

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	St Michael Health Care Center	St Michael Rehabilitation Hospital	Ark-La-Tex Obligated Eliminations	Spohn Region	Spohn Shoreline	Spohn Memorial	Spohn South	Spohn Kleberg Memorial
Assets								
Current assets								
Cash and cash equivalents	\$ 135,592	\$ 978	\$ -	\$ 412,697	\$ 51,586	\$ (212,262)	\$ 98,268	\$ 85,064
Short-term investments and equity in managed funds	-	-	-	-	-	-	-	-
Assets whose use is limited or restricted, required for current liabilities	-	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	21,552	2,678	-	65,095	32,365	12,892	9,315	3,702
Notes and other receivables	9,756	374	-	123,092	3,124	103,304	11	5,160
Inventories	5,275	36	-	20,807	7,620	6,943	3,475	826
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	987	2	-	375	(298)	213	168	62
Total current assets	173,162	4,068	-	622,066	94,397	(88,910)	111,237	94,814
Assets whose use is limited or restricted, less current portion	2,146	-	-	37	8	-	-	-
Property and equipment, net of accumulated depreciation	114,435	6,417	-	272,909	137,903	35,076	40,062	21,821
Other assets								
Investment in unconsolidated organizations	763	-	-	6,388	6,388	-	-	-
Goodwill	-	-	-	-	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	-	-
Other assets	1,715	-	-	38,761	38,708	1	15	8
Total other assets	2,478	-	-	45,149	45,096	1	15	8
Total assets	\$ 292,221	\$ 10,485	\$ -	\$ 940,161	\$ 277,404	\$ (53,833)	\$ 151,314	\$ 116,643

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Spohn Beeville	Spohn Alice	Spohn Shared Services	Spohn Membership Agreement	Spohn Health System Payroll	Spohn Obligated Eliminations	Santa Rosa Region	Santa Rosa General Hospital
Assets								
Current assets								
Cash and cash equivalents	\$ 26,786	\$ 25,807	\$ (135,695)	\$ 473,143	\$ -	\$ -	\$ 24,745	\$ -
Short-term investments and equity in managed funds	-	-	-	-	-	-	-	-
Assets whose use is limited or restricted, required for current liabilities	-	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	2,505	4,316	-	-	-	-	65,871	(238)
Notes and other receivables	3,975	7,489	29	-	-	-	33,808	-
Inventories	487	1,456	-	-	-	-	18,520	1,028
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	51	67	112	-	-	-	3,550	-
Total current assets	33,804	39,135	(135,554)	473,143	-	-	146,494	790
Assets whose use is limited or restricted, less current portion	-	-	29	-	-	-	375	-
Property and equipment, net of accumulated depreciation	11,996	22,634	3,417	-	-	-	335,976	-
Other assets								
Investment in unconsolidated organizations	-	-	-	-	-	-	536	-
Goodwill	-	-	-	-	-	-	37,166	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	73,802	-
Other assets	29	-	10,944	-	-	(10,944)	26,451	-
Total other assets	29	-	10,944	-	-	(10,944)	137,955	-
Total assets	\$ 45,829	\$ 61,769	\$ (121,164)	\$ 473,143	\$ -	\$ (10,944)	\$ 620,800	\$ 790

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Santa Rosa Children's Hospital	Santa Rosa Medical Center	Santa Rosa Support Services	Santa Rosa Boerne	Santa Rosa Westover Hills	Santa Rosa New Braunfels	Santa Rosa Alamo Heights	Santa Rosa Rehabilitation Hospital
Assets								
Current assets								
Cash and cash equivalents	\$ —	\$ —	\$ 24.746	\$ —	\$ —	\$ (1)	\$ —	\$ —
Short-term investments and equity in managed funds	—	—	—	—	—	—	—	—
Assets whose use is limited or restricted, required for current liabilities	—	—	—	—	—	—	—	—
Patient accounts receivable, net of allowance for doubtful accounts	27.468	9.312	(1.456)	—	15.938	12.257	997	(3)
Notes and other receivables	12.174	5.079	2.402	—	6.907	6.023	—	—
Inventories	7.085	3.554	202	—	3.882	2.868	(186)	—
Securities pledged to creditors	—	—	—	—	—	—	—	—
Security lending collateral	—	—	—	—	—	—	—	—
Other current assets	2.163	517	680	—	1	69	—	—
Total current assets	48.890	18.462	26.574	—	26.728	21.216	811	(3)
Assets whose use is limited or restricted, less current portion	—	—	375	—	—	—	—	—
Property and equipment, net of accumulated depreciation	96.344	10.185	14.044	5.328	108.447	64.890	26.998	—
Other assets								
Investment in unconsolidated organizations	—	—	536	—	—	—	—	—
Goodwill	—	—	14.623	—	—	—	—	—
Beneficial interest in supporting organizations and other restricted assets	73.802	—	—	—	—	—	—	—
Other assets	—	—	24.769	—	—	—	—	—
Total other assets	73.802	—	39.928	—	—	—	—	—
Total assets	\$ 219.036	\$ 28.647	\$ 80.921	\$ 5.328	\$ 135.175	\$ 86.106	\$ 27.809	\$ (3)

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Santa Rosa Partnership Management Services	Santa Rosa Alon	Santa Rosa Creekside	Santa Rosa Foundation	Santa Rosa Real Estate	Santa Rosa Obligated Eliminations	Northern Louisiana Region	Schumpert Health System
Assets								
Current assets								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,008	\$ 7,006
Short-term investments and equity in managed funds	-	-	-	-	-	-	423	423
Assets whose use is limited or restricted, required for current liabilities	-	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	-	682	914	-	-	-	16,609	(534,157)
Notes and other receivables	1,223	-	-	-	-	-	3,974	3,974
Inventories	-	25	62	-	-	-	4,854	879
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	-	-	-	-	120	-	483	483
Total current assets	1,223	707	976	-	120	-	33,351	(521,392)
Assets whose use is limited or restricted, less current portion	-	-	-	-	-	-	-	-
Property and equipment, net of accumulated depreciation	-	4,270	5,631	3	(164)	-	82,762	20,446
Other assets								
Investment in unconsolidated organizations	-	-	-	-	-	-	15	15
Goodwill	22,543	-	-	-	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	-	-
Other assets	1,682	-	-	-	-	-	1,982	1,982
Total other assets	24,225	-	-	-	-	-	1,997	1,997
Total assets	\$ 25,448	\$ 4,977	\$ 6,607	\$ 3	\$ (44)	\$ -	\$ 118,110	\$ (498,949)

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Schumpert Highland Hospital	Northern Louisiana Obligated Eliminations	Southwestern Louisiana Region	St. Patrick Hospital	CHRISTUS Village – Lake Charles	Southwestern Louisiana Obligated Eliminations	Central Louisiana Region	St. Frances Cabrini Hospital
Assets								
Current assets								
Cash and cash equivalents	\$ 2	\$ –	\$ 52,860	\$ 52,860	\$ –	\$ –	\$ 95,899	\$ 106,784
Short-term investments and equity in managed funds	–	–	–	–	–	–	3	3
Assets whose use is limited or restricted, required for current liabilities	–	–	–	–	–	–	–	–
Patient accounts receivable, net of allowance for doubtful accounts	550,766	–	18,106	18,106	–	–	21,016	13,877
Notes and other receivables	–	–	1,846	1,846	–	–	(3,051)	(3,075)
Inventories	3,975	–	4,081	4,081	–	–	4,781	4,640
Securities pledged to creditors	–	–	–	–	–	–	–	–
Security lending collateral	–	–	–	–	–	–	–	–
Other current assets	–	–	501	501	–	–	252	215
Total current assets	554,743	–	77,394	77,394	–	–	118,900	122,444
Assets whose use is limited or restricted, less current portion	–	–	220	220	–	–	223	223
Property and equipment, net of accumulated depreciation	62,316	–	52,306	52,306	–	–	132,461	121,832
Other assets								
Investment in unconsolidated organizations	–	–	–	–	–	–	1,219	1,219
Goodwill	–	–	–	–	–	–	–	–
Beneficial interest in supporting organizations and other restricted assets	–	–	–	–	–	–	–	–
Other assets	–	–	3,822	3,822	–	–	743	697
Total other assets	–	–	3,822	3,822	–	–	1,962	1,916
Total assets	\$ 617,059	\$ –	\$ 133,742	\$ 133,742	\$ –	\$ –	\$ 253,546	\$ 246,415

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Coushatta Health Care	St. Joseph Nursing Home	CHRISTUS Health Louisiana Ministries	Heart Center of Louisiana	Central Louisiana Obligated Eliminations	Corporate and Eliminations	TLRA	Revenue Cycle Business Services
Assets								
Current assets								
Cash and cash equivalents	\$ (13,303)	\$ 5,741	\$ (3,369)	\$ 46	\$ -	\$ (841,375)	\$ 11,319	\$ (19,865)
Short-term investments and equity in managed funds	-	-	-	-	-	765,737	-	-
Assets whose use is limited or restricted, required for current liabilities	-	-	-	-	-	1,701	-	-
Patient accounts receivable, net of allowance for doubtful accounts	6,303	836	-	-	-	(1,035)	(13)	-
Notes and other receivables	24	-	-	-	-	9,575	-	-
Inventories	141	-	-	-	-	970	-	-
Securities pledge to creditors	-	-	-	-	-	1,846	-	-
Security lending collateral	-	-	-	-	-	1,987	-	-
Other current assets	29	8	-	-	-	42,323	88	53
Total current assets	(6,806)	6,585	(3,369)	46	-	(18,271)	11,394	(19,812)
Assets whose use is limited or restricted, less current portion	-	-	-	-	-	300,051	-	-
Property and equipment, net of accumulated depreciation	7,185	3,444	-	-	-	77,610	17	537
Other assets								
Investment in unconsolidated organizations	-	-	-	-	-	17,059	-	-
Goodwill	-	-	-	-	-	31,943	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	1,210	-	-
Other assets	-	-	-	-	46	71,349	-	-
Total other assets	-	-	-	-	46	121,561	-	-
Total assets	\$ 379	\$ 10,029	\$ (3,369)	\$ 46	\$ 46	\$ 480,951	\$ 11,411	\$ (19,275)

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Supply Cham Management	Corporate Office	Grants and Loans	Workers Compensation	Insurance Fund	Information Management	CHRISTUS TechSource	Clinical Engineering
Assets								
Current assets								
Cash and cash equivalents	\$ 7,597	\$ (1,026,526)	\$ 20,091	\$ 21,704	\$ (20,724)	\$ (62,456)	\$ (13,483)	\$ (879)
Short-term investments and equity in managed funds	-	765,737	-	-	-	-	-	-
Assets whose use is limited or restricted, required for current liabilities	-	1	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	-	-	-	-	-	-	-	-
Notes and other receivables	290	9,484	47	97	(70)	228	-	-
Inventories	-	-	-	-	-	-	-	-
Securities pledged to creditors	-	1,846	-	-	-	-	-	-
Security lending collateral	-	1,987	-	-	-	-	-	-
Other current assets	-	3,763	-	(6)	8,707	25,815	-	-
Total current assets	7,887	(243,708)	20,138	21,795	(12,087)	(36,413)	(13,483)	(879)
Assets whose use is limited or restricted, less current portion	-	232,993	-	-	-	-	-	-
Property and equipment, net of accumulated depreciation	-	56,384	-	-	-	(4,675)	-	-
Other assets								
Investment in unconsolidated organizations	-	17,059	-	-	-	-	-	-
Goodwill	-	31,943	-	-	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	-	-
Other assets	-	91,371	4,611	718	-	-	-	-
Total other assets	-	140,373	4,611	718	-	-	-	-
Total assets	\$ 7,887	\$ 186,042	\$ 24,749	\$ 22,513	\$ (12,087)	\$ (41,088)	\$ (13,483)	\$ (879)

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	CHRISTUS Retail Services	Benefits	Bond Fund	St. Joseph Village	Uniformed Services Family Health Plan	CHRISTUS Corporate Obligated Eliminations
Assets						
Current assets						
Cash and cash equivalents	\$ (11,884)	\$ 59,770	\$ (49,404)	\$ 3,155	\$ 240,210	\$ -
Short-term investments and equity in managed funds	-	-	-	-	-	-
Assets whose use is limited or restricted, required for current liabilities	-	-	1,700	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	-	-	-	-	-	(1,022)
Notes and other receivables	-	965	93	63	-	(1,622)
Inventories	970	-	-	-	-	-
Securities pledged to creditors	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-
Other current assets	-	-	3,895	-	8	-
Total current assets	(10,914)	60,735	(43,716)	3,218	240,218	(2,644)
Assets whose use is limited or restricted, less current portion	-	-	66,746	312	-	-
Property and equipment, net of accumulated depreciation	5	-	1,241	23,967	134	-
Other assets						
Investment in unconsolidated organizations	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	1,210	-	-
Other assets	-	658	765,917	-	-	(791,926)
Total other assets	-	658	765,917	1,210	-	(791,926)
Total assets	\$ (10,909)	\$ 61,393	\$ 790,188	\$ 28,707	\$ 240,352	\$ (794,570)

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	CHRISTUS Health Consolidated	CHRISTUS Health Non- obligated Entities	CHRISTUS Health Obligated Entities	Southeast Texas Region	St Elizabeth Hospital	St Mary Hospital	Jasper Memorial Hospital	Southeast Texas Service Center
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 392,428	\$ 217,324	\$ 175,104	\$ 33,245	\$ 37,921	\$ (5,548)	\$ 755	\$ 117
Accrued employee compensation and benefits, including pension benefits, current portion	164,741	42,181	122,560	6,887	5,225	1,256	406	-
Estimated third-party settlements, net	53,160	8,504	44,656	2,998	2,312	481	205	-
Current portion of long-term debt	12,668	7,707	4,961	3,743	2,955	788	-	-
Payable under security lending agreement	1,989	-	1,989	-	-	-	-	-
Total current liabilities	<u>624,986</u>	<u>275,716</u>	<u>349,270</u>	<u>46,873</u>	<u>48,413</u>	<u>(3,023)</u>	<u>1,366</u>	<u>117</u>
Long-term debt, less current portion	892,785	37,918	854,867	64,247	50,656	13,591	-	-
Accrued pension benefits, long-term portion	31,093	-	31,093	-	-	-	-	-
Derivative financial instruments	91,810	-	91,810	-	-	-	-	-
Other long-term obligations –primarily related to self-funded liabilities, less current portion	175,839	69,487	106,352	1,713	832	837	44	-
Total liabilities	<u>1,816,513</u>	<u>383,121</u>	<u>1,433,392</u>	<u>112,833</u>	<u>99,901</u>	<u>11,405</u>	<u>1,410</u>	<u>117</u>
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	2,502,684	358,938	2,143,746	424,247	413,093	22,926	(11,655)	-
Attributable to non-controlling interest	126,789	115,858	10,931	-	-	-	-	-
Total unrestricted	<u>2,629,473</u>	<u>474,796</u>	<u>2,154,677</u>	<u>424,247</u>	<u>413,093</u>	<u>22,926</u>	<u>(11,655)</u>	<u>-</u>
Temporarily restricted	136,241	52,997	83,244	238	227	4	7	-
Permanently restricted	11,470	8,219	3,251	-	-	-	-	-
Total net assets	<u>2,777,184</u>	<u>536,012</u>	<u>2,241,172</u>	<u>424,485</u>	<u>413,320</u>	<u>22,930</u>	<u>(11,648)</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 4,593,697</u>	<u>\$ 919,133</u>	<u>\$ 3,674,564</u>	<u>\$ 537,318</u>	<u>\$ 513,221</u>	<u>\$ 34,335</u>	<u>\$ (10,238)</u>	<u>\$ 117</u>

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Southeast Texas Obligated Eliminations	Gulf Coast Texas Region	St John Hospital	St Catherine Health and Wellness Center	St Joseph Hospital Houston	Gulf Coast Service Center	Gulf Coast Texas Obligated Eliminations	Ark-La-Tex Region	
Liabilities and net assets									
Current liabilities									
Accounts payable and accrued expenses	\$	–	\$ 28,577	\$ 23,152	\$ 1,249	\$ –	\$ 4,176	\$ –	\$ 19,618
Accrued employee compensation and benefits, including pension benefits, current portion	–	362	219	28	–	115	–	5,258	
Estimated third-party settlements, net	–	195	525	(330)	–	–	–	257	
Current portion of long-term debt	–	–	–	–	–	–	–	3,468	
Payable under security lending agreement	–	–	–	–	–	–	–	–	
Total current liabilities	–	29,134	23,896	947	–	4,291	–	28,601	
Long-term debt, less current portion	–	–	–	–	–	–	–	62,575	
Accrued pension benefits, long-term portion	–	–	–	–	–	–	–	–	
Derivative financial instruments	–	–	–	–	–	–	–	–	
Other long-term obligations – primarily related to self-funded liabilities, less current portion	–	1,426	975	451	–	–	–	–	
Total liabilities	–	30,560	24,871	1,398	–	4,291	–	91,176	
Net assets									
Unrestricted									
Attributable to CHRISTUS Health	(117)	256,671	115,237	(77,683)	–	219,117	–	210,139	
Attributable to non-controlling interest	–	–	–	–	–	–	–	–	
Total unrestricted	(117)	256,671	115,237	(77,683)	–	219,117	–	210,139	
Temporarily restricted	–	–	–	–	–	–	–	1,391	
Permanently restricted	–	–	–	–	–	–	–	–	
Total net assets	(117)	256,671	115,237	(77,683)	–	219,117	–	211,530	
Total liabilities and net assets	\$ (117)	\$ 287,231	\$ 140,108	\$ (76,285)	\$ –	\$ 223,408	\$ –	\$ 302,706	

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	St Michael Health Care Center	St Michael Rehabilitation Hospital	Ark-La-Tex Obligated Eliminations	Spohn Region	Spohn Shoreline	Spohn Memorial	Spohn South	Spohn Kleberg Memorial
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 8,345	\$ 11,273	\$ -	\$ 22,065	\$ (429,863)	\$ (84,649)	\$ 69,210	\$ 33,687
Accrued employee compensation and benefits, including pension benefits, current portion	4,708	550	-	11,301	4,809	2,637	1,698	662
Estimated third-party settlements, net	176	81	-	8,001	3,191	836	734	242
Current portion of long-term debt	3,468	-	-	6,805	4,159	2,247	-	-
Payable under security lending agreement	-	-	-	-	-	-	-	-
Total current liabilities	16,697	11,904	-	48,172	(417,704)	(78,929)	71,642	34,591
Long-term debt, less current portion	62,575	-	-	201,898	73,533	59,063	51,316	5,712
Accrued pension benefits, long-term portion	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other long-term obligations –primarily related to self-funded liabilities, less current portion	-	-	-	15	-	15	-	-
Total liabilities	79,272	11,904	-	250,085	(344,171)	(19,851)	122,958	40,303
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	211,558	(1,419)	-	690,039	621,567	(33,982)	28,356	76,340
Attributable to non-controlling interest	-	-	-	-	-	-	-	-
Total unrestricted	211,558	(1,419)	-	690,039	621,567	(33,982)	28,356	76,340
Temporarily restricted	1,391	-	-	37	8	-	-	-
Permanently restricted	-	-	-	-	-	-	-	-
Total net assets	212,949	(1,419)	-	690,076	621,575	(33,982)	28,356	76,340
Total liabilities and net assets	\$ 292,221	\$ 10,485	\$ -	\$ 940,161	\$ 277,404	\$ (53,833)	\$ 151,314	\$ 116,643

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Spohn Beeville	Spohn Alice	Spohn Shared Services	Spohn Membership Agreement	Spohn Health System Payroll	Spohn Obligated Eliminations	Santa Rosa Region	Santa Rosa General Hospital
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 13,414	\$ 82,011	\$ (134,940)	\$ 473,143	\$ 52	\$ –	\$ 3,151	\$ (48,355)
Accrued employee compensation and benefits, including pension benefits, current portion	539	693	315	–	(52)	–	8,479	–
Estimated third-party settlements, net	265	2,733	–	–	–	–	12,477	18,552
Current portion of long-term debt	399	–	–	–	–	–	4,037	–
Payable under security lending agreement	–	–	–	–	–	–	–	–
Total current liabilities	14,617	85,437	(134,625)	473,143	–	–	28,144	(29,803)
Long-term debt, less current portion	9,316	–	2,958	–	–	–	262,559	–
Accrued pension benefits, long-term portion	–	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	–	–
Other long-term obligations –primarily related to self-funded liabilities, less current portion	–	–	–	–	–	–	1,223	–
Total liabilities	23,933	85,437	(131,667)	473,143	–	–	291,926	(29,803)
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	21,896	(23,668)	10,474	–	–	(10,944)	238,117	30,593
Attributable to non-controlling interest	–	–	–	–	–	–	10,931	–
Total unrestricted	21,896	(23,668)	10,474	–	–	(10,944)	249,048	30,593
Temporarily restricted	–	–	29	–	–	–	77,773	–
Permanently restricted	–	–	–	–	–	–	2,053	–
Total net assets	21,896	(23,668)	10,503	–	–	(10,944)	328,874	30,593
Total liabilities and net assets	\$ 45,829	\$ 61,769	\$ (121,164)	\$ 473,143	\$ –	\$ (10,944)	\$ 620,800	\$ 790

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Santa Rosa Children's Hospital	Santa Rosa Medical Center	Santa Rosa Support Services	Santa Rosa Boerne	Santa Rosa Westover Hills	Santa Rosa New Braunfels	Santa Rosa Alamo Heights	Santa Rosa Rehabilitation Hospital
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 64,371	\$ 4,034	\$ 2,170	\$ 485	\$ (6,489)	\$ (27,326)	\$ 38,552	\$ (1,430)
Accrued employee compensation and benefits, including pension benefits, current portion	3,965	1,341	(617)	–	1,866	1,541	15	–
Estimated third-party settlements, net	(2,910)	(2,556)	2,635	–	(543)	(2,701)	–	–
Current portion of long-term debt	76	–	2,203	–	1,955	(19)	(178)	–
Payable under security lending agreement	–	–	–	–	–	–	–	–
Total current liabilities	65,502	2,819	6,391	485	(3,211)	(28,505)	38,389	(1,430)
Long-term debt, less current portion	18,282	–	76,426	–	88,450	65,902	13,499	–
Accrued pension benefits, long-term portion	–	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	–	–
Other long-term obligations –primarily related to self-funded liabilities, less current portion	–	–	1,223	–	–	–	–	–
Total liabilities	83,784	2,819	84,040	485	85,239	37,397	51,888	(1,430)
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	55,529	25,821	(3,215)	4,843	49,936	48,709	(24,079)	1,427
Attributable to non-controlling interest	–	–	–	–	–	–	–	–
Total unrestricted	55,529	25,821	(3,215)	4,843	49,936	48,709	(24,079)	1,427
Temporarily restricted	77,670	7	96	–	–	–	–	–
Permanently restricted	2,053	–	–	–	–	–	–	–
Total net assets	135,252	25,828	(3,119)	4,843	49,936	48,709	(24,079)	1,427
Total liabilities and net assets	\$ 219,036	\$ 28,647	\$ 80,921	\$ 5,328	\$ 135,175	\$ 86,106	\$ 27,809	\$ (3)

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Santa Rosa Partnership Management Services	Santa Rosa Alon	Santa Rosa Creekside	Santa Rosa Foundation	Santa Rosa Real Estate	Santa Rosa Obligated Eliminations	Northern Louisiana Region	Schumpert Health System
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ (24.467)	\$ 784	\$ 42	\$ (85)	\$ 865	\$ –	\$ 30,347	\$ (476.969)
Accrued employee compensation and benefits, including pension benefits, current portion	36	148	98	86	–	–	2,376	863
Estimated third-party settlements, net	–	–	–	–	–	–	3,636	4,255
Current portion of long-term debt	–	–	–	–	–	–	1,670	1,670
Payable under security lending agreement	–	–	–	–	–	–	–	–
Total current liabilities	(24.431)	932	140	1	865	–	38,029	(470.181)
Long-term debt, less current portion	–	–	–	–	–	–	25,390	25,390
Accrued pension benefits, long-term portion	–	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	–	–
Other long-term obligations – primarily related to self-funded liabilities, less current portion	–	–	–	–	–	–	–	–
Total liabilities	(24.431)	932	140	1	865	–	63,419	(444.791)
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	38.948	4.045	6.467	2	(909)	–	54,167	(54.657)
Attributable to non-controlling interest	10.931	–	–	–	–	–	–	–
Total unrestricted	49.879	4.045	6.467	2	(909)	–	54,167	(54.657)
Temporarily restricted	–	–	–	–	–	–	524	499
Permanently restricted	–	–	–	–	–	–	–	–
Total net assets	49.879	4.045	6.467	2	(909)	–	54,691	(54.158)
Total liabilities and net assets	\$ 25.448	\$ 4.977	\$ 6.607	\$ 3	\$ (44)	\$ –	\$ 118,110	\$ (498.949)

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Schumpert Highland Hospital	Northern Louisiana Obligated Eliminations	Southwestern Louisiana Region	St. Patrick Hospital	CHRISTUS Village – Lake Charles	Southwestern Louisiana Obligated Eliminations	Central Louisiana Region	St. Frances Cabrini Hospital
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 507,316	\$ –	\$ 11,101	\$ 11,101	\$ –	\$ –	\$ 13,975	\$ 12,900
Accrued employee compensation and benefits, including pension benefits, current portion	1,513	–	1,592	1,592	–	–	3,608	3,076
Estimated third-party settlements, net	(619)	–	955	955	–	–	6,136	4,292
Current portion of long-term debt	–	–	2,942	2,942	–	–	3,843	3,843
Payable under security lending agreement	–	–	–	–	–	–	–	–
Total current liabilities	508,210	–	16,590	16,590	–	–	27,562	24,111
Long-term debt, less current portion	–	–	41,836	41,836	–	–	112,463	112,463
Accrued pension benefits, long-term portion	–	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	–	–
Other long-term obligations – primarily related to self-funded liabilities, less current portion	–	–	11	11	–	–	238	238
Total liabilities	508,210	–	58,437	58,437	–	–	140,263	136,812
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	108,824	–	73,475	73,475	–	–	111,993	108,408
Attributable to non-controlling interest	–	–	–	–	–	–	–	–
Total unrestricted	108,824	–	73,475	73,475	–	–	111,993	108,408
Temporarily restricted	25	–	1,830	1,830	–	–	1,295	1,195
Permanently restricted	–	–	–	–	–	–	(5)	–
Total net assets	108,849	–	75,305	75,305	–	–	113,283	109,603
Total liabilities and net assets	\$ 617,059	\$ –	\$ 133,742	\$ 133,742	\$ –	\$ –	\$ 253,546	\$ 246,415

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Coushatta Health Care	St Joseph Nursing Home	CHRISTUS Health Louisiana Ministries	Heart Center of Louisiana	Central Louisiana Obligated Eliminations	Corporate and Eliminations	TLRA	Revenue Cycle Business Services
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 352	\$ 4,892	\$ (4,215)	\$ 46	\$ –	\$ 13,035	\$ 6,495	\$ 5,022
Accrued employee compensation and benefits, including pension benefits, current portion	172	142	218	–	–	82,695	842	1,360
Estimated third-party settlements, net	1,820	24	–	–	–	10,000	–	–
Current portion of long-term debt	–	–	–	–	–	(21,547)	–	–
Payable under security lending agreement	–	–	–	–	–	1,989	–	–
Total current liabilities	2,344	5,058	(3,997)	46	–	86,172	7,337	6,382
Long-term debt, less current portion	–	–	–	–	–	83,899	–	–
Accrued pension benefits, long-term portion	–	–	–	–	–	31,093	–	–
Derivative financial instruments	–	–	–	–	–	91,810	–	–
Other long-term obligations –primarily related to self-funded liabilities, less current portion	–	–	–	–	–	101,726	–	388
Total liabilities	2,344	5,058	(3,997)	46	–	394,700	7,337	6,770
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	(2,057)	4,968	628	–	46	84,894	4,074	(26,045)
Attributable to non-controlling interest	–	–	–	–	–	–	–	–
Total unrestricted	(2,057)	4,968	628	–	46	84,894	4,074	(26,045)
Temporarily restricted	97	3	–	–	–	155	–	–
Permanently restricted	(5)	–	–	–	–	1,202	–	–
Total net assets	(1,965)	4,971	628	–	46	86,251	4,074	(26,045)
Total liabilities and net assets	\$ 379	\$ 10,029	\$ (3,369)	\$ 46	\$ 46	\$ 480,951	\$ 11,411	\$ (19,275)

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Supply Cham Management	Corporate Office	Grants and Loans	Workers Compensation	Insurance Fund	Information Management	CHRISTUS TechSource	Clinical Engineering
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 913	\$ (31,577)	\$ (314)	\$ 205	\$ (12,104)	\$ 14,899	\$ (13,421)	\$ (130)
Accrued employee compensation and benefits, including pension benefits, current portion	236	62,601	–	3,611	–	2,699	–	–
Estimated third-party settlements, net	–	10,000	–	–	–	–	–	–
Current portion of long-term debt	–	–	–	–	–	–	–	–
Payable under security lending agreement	–	1,989	–	–	–	–	–	–
Total current liabilities	1,149	43,013	(314)	3,816	(12,104)	17,598	(13,421)	(130)
Long-term debt, less current portion	–	–	–	–	–	–	–	–
Accrued pension benefits, long-term portion	–	31,093	–	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	–	–
Other long-term obligations –primarily related to self-funded liabilities, less current portion	–	61,960	–	9,869	–	–	–	–
Total liabilities	1,149	136,066	(314)	13,685	(12,104)	17,598	(13,421)	(130)
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	6,738	49,946	25,063	8,828	17	(58,686)	(62)	(749)
Attributable to non-controlling interest	–	–	–	–	–	–	–	–
Total unrestricted	6,738	49,946	25,063	8,828	17	(58,686)	(62)	(749)
Temporarily restricted	–	30	–	–	–	–	–	–
Permanently restricted	–	–	–	–	–	–	–	–
Total net assets	6,738	49,976	25,063	8,828	17	(58,686)	(62)	(749)
Total liabilities and net assets	\$ 7,887	\$ 186,042	\$ 24,749	\$ 22,513	\$ (12,087)	\$ (41,088)	\$ (13,483)	\$ (879)

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	CHRISTUS Retail Services	Benefits	Bond Fund	St. Joseph Village	Uniformed Services Family Health Plan	CHRISTUS Corporate Obligated Eliminations
Liabilities and net assets						
Current liabilities						
Accounts payable and accrued expenses	\$ 161	\$ 2,122	\$ 10,466	\$ 7,455	\$ 23,866	\$ (1,023)
Accrued employee compensation and benefits, including pension benefits, current portion	61	11,041	-	61	183	-
Estimated third-party settlements, net	-	-	-	-	-	-
Current portion of long-term debt	-	-	4,098	1,735	9	(27,389)
Payable under security lending agreement	-	-	-	-	-	-
Total current liabilities	222	13,163	14,564	9,251	24,058	(28,412)
Long-term debt, less current portion	-	-	832,790	17,831	-	(766,722)
Accrued pension benefits, long-term portion	-	-	-	-	-	-
Derivative financial instruments	-	-	91,810	-	-	-
Other long-term obligations –primarily related to self-funded liabilities, less current portion	-	23,433	-	6,076	-	-
Total liabilities	222	36,596	939,164	33,158	24,058	(795,134)
Net assets						
Unrestricted						
Attributable to CHRISTUS Health	(11,131)	24,797	(148,976)	(5,778)	216,294	564
Attributable to non-controlling interest	-	-	-	-	-	-
Total unrestricted	(11,131)	24,797	(148,976)	(5,778)	216,294	564
Temporarily restricted	-	-	-	125	-	-
Permanently restricted	-	-	-	1,202	-	-
Total net assets	(11,131)	24,797	(148,976)	(4,451)	216,294	564
Total liabilities and net assets	\$ (10,909)	\$ 61,393	\$ 790,188	\$ 28,707	\$ 240,352	\$ (794,570)

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	CHRISTUS Health Consolidated	CHRISTUS Health Non- obligated Entities	CHRISTUS Health Obligated Entities	Southeast Texas Region	St Elizabeth Hospital	St Marv Hospital	Jasper Memorial Hospital	Southeast Texas Service Center
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 3,388,253	\$ 803,936	\$ 2,584,317	\$ 362,072	\$ 263,979	\$ 70,976	\$ 27,444	\$ -
Provision for bad debts	(249,517)	(34,033)	(215,484)	(37,977)	(26,595)	(7,048)	(4,334)	-
Net patient service revenue less provision for bad debts	3,138,736	769,903	2,368,833	324,095	237,384	63,928	23,110	-
Premium revenue	169,333	24,620	144,713	-	-	-	-	-
Other revenue including gain on contributions to joint ventures	234,392	(55,737)	290,129	11,861	10,264	1,410	446	-
Equity in income of unconsolidated organizations	9,170	(29,290)	38,460	(156)	(156)	-	-	-
Total revenues	3,551,631	709,496	2,842,135	335,800	247,492	65,338	23,556	-
Expenses								
Employee compensation and benefits	1,534,249	278,369	1,255,880	141,740	99,529	29,936	12,275	-
Services and other	1,148,484	270,377	878,107	108,283	72,501	27,338	9,030	-
Supplies	609,705	147,370	462,335	70,071	55,174	12,395	2,502	-
Depreciation and amortization	165,461	30,085	135,376	19,109	14,283	3,584	1,242	-
Interest	31,430	2,062	29,368	4,507	3,545	962	-	-
Total expenses	3,489,329	728,263	2,761,066	343,710	245,032	74,215	25,049	-
Operating income (loss)	62,302	(18,767)	81,069	(7,910)	2,460	(8,877)	(1,493)	-
Non-operating investment gain (loss)	100,236	10,501	89,735	-	-	-	-	-
Loss on defeasance of debt	(11,047)	-	(11,047)	-	-	-	-	-
Other non-operating (loss) gain	(8,389)	(4,315)	(4,074)	(436)	(285)	(110)	(41)	-
Revenues in excess (deficit) of expenses	143,102	(12,581)	155,683	(8,346)	2,175	(8,987)	(1,534)	-
Less revenues in excess of expenses attributable to non-controlling interest	18,772	18,772	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 124,330	\$ (31,353)	\$ 155,683	\$ (8,346)	\$ 2,175	\$ (8,987)	\$ (1,534)	\$ -

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Southeast Texas Obligated Eliminations	Gulf Coast Texas Region	St John Hospital	St Catherine Health and Wellness Center	St Joseph Hospital Houston	Gulf Coast Service Center	Gulf Coast Texas Obligated Eliminations	Ark-La-Tex Region
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ (327)	\$ 106,129	\$ 69,214	\$ 34,785	\$ –	\$ 2,130	\$ –	\$ 249,230
Provision for bad debts	–	(9,633)	(6,461)	(3,226)	–	54	–	(12,618)
Net patient service revenue less provision for bad debts	(327)	96,496	62,753	31,559	–	2,184	–	236,612
Premium revenue	–	–	–	–	–	–	–	–
Other revenue including gain on contributions to joint ventures	(259)	11,563	1,767	1,387	–	8,409	–	12,029
Equity in income of unconsolidated organizations	–	31,819	23,505	(22,118)	–	30,432	–	–
Total revenues	(586)	139,878	88,025	10,828	–	41,025	–	248,641
Expenses								
Employee compensation and benefits	–	43,962	28,695	17,975	–	(2,708)	–	96,237
Services and other	(586)	49,483	20,042	20,805	–	8,636	–	64,983
Supplies	–	14,286	11,010	3,172	–	104	–	48,880
Depreciation and amortization	–	7,440	3,457	3,269	–	714	–	13,022
Interest	–	1,998	657	1,341	–	–	–	4,406
Total expenses	(586)	117,169	63,861	46,562	–	6,746	–	227,528
Operating income (loss)	–	22,709	24,164	(35,734)	–	34,279	–	21,113
Non-operating investment gain (loss)	–	(4)	(4)	–	–	–	–	182
Loss on defeasance of debt	–	–	–	–	–	–	–	–
Other non-operating (loss) gain	–	(2,646)	(541)	(816)	–	(1,289)	–	(103)
Revenues in excess (deficit) of expenses	–	20,059	23,619	(36,550)	–	32,990	–	21,192
Less revenues in excess of expenses attributable to non-controlling interest	–	–	–	–	–	–	–	–
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ –	\$ 20,059	\$ 23,619	\$ (36,550)	\$ –	\$ 32,990	\$ –	\$ 21,192

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	St Michael Health Care Center	St Michael Rehabilitation Hospital	Ark-La-Tex Obligated Eliminations	Spohn Region	Spohn Shoreline	Spohn Memorial	Spohn South	Spohn Kleberg Memorial
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 228,902	\$ 20,328	\$ -	\$ 705,068	\$ 314,032	\$ 147,608	\$ 108,917	\$ 46,329
Provision for bad debts	(11,914)	(704)	-	(70,275)	(23,860)	(14,593)	(11,937)	(6,511)
Net patient service revenue less provision for bad debts	216,988	19,624	-	634,793	290,172	133,015	96,980	39,818
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including gain on contributions to joint ventures	11,186	843	-	26,802	4,687	15,709	3,610	927
Equity in income of unconsolidated organizations	-	-	-	2,142	2,142	-	-	-
Total revenues	228,174	20,467	-	663,737	297,001	148,724	100,590	40,745
Expenses								
Employee compensation and benefits	84,892	11,345	-	278,383	111,078	69,806	43,807	19,039
Services and other	58,896	6,087	-	185,436	68,629	50,294	29,997	11,586
Supplies	47,682	1,198	-	133,609	75,087	26,967	16,193	4,545
Depreciation and amortization	12,595	427	-	28,319	13,914	4,854	4,414	2,187
Interest	4,406	-	-	8,535	4,249	1,221	2,220	254
Total expenses	208,471	19,057	-	634,282	272,957	153,142	96,631	37,611
Operating income (loss)	19,703	1,410	-	29,455	24,044	(4,418)	3,959	3,134
Non-operating investment gain (loss)	182	-	-	-	-	-	-	-
Loss on defeasance of debt	-	-	-	-	-	-	-	-
Other non-operating (loss) gain	(84)	(19)	-	(801)	(699)	(30)	(63)	(6)
Revenues in excess (deficit) of expenses	19,801	1,391	-	28,654	23,345	(4,448)	3,896	3,128
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 19,801	\$ 1,391	\$ -	\$ 28,654	\$ 23,345	\$ (4,448)	\$ 3,896	\$ 3,128

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Spohn Beeville	Spohn Alice	Spohn Shared Services	Spohn Membership Agreement	Spohn Health System Payroll	Spohn Obligated Eliminations	Santa Rosa Region	Santa Rosa General Hospital
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 33,560	\$ 54,622	\$ -	\$ -	\$ -	\$ -	\$ 618,171	\$ (289)
Provision for bad debts	(5,539)	(7,835)	-	-	-	-	(46,098)	380
Net patient service revenue less provision for bad debts	28,021	46,787	-	-	-	-	572,073	91
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including gain on contributions to joint ventures	707	1,162	(132)	-	-	132	15,299	-
Equity in income of unconsolidated organizations	-	-	-	-	-	-	-	-
Total revenues	28,728	47,949	(132)	-	-	132	587,372	91
Expenses								
Employee compensation and benefits	14,226	20,427	-	-	-	-	220,004	-
Services and other	8,838	16,092	-	-	-	-	221,910	-
Supplies	3,001	7,816	-	-	-	-	90,723	-
Depreciation and amortization	1,313	1,637	-	-	-	-	32,456	-
Interest	580	11	-	-	-	-	16,836	-
Total expenses	27,958	45,983	-	-	-	-	581,929	-
Operating income (loss)	770	1,966	(132)	-	-	132	5,443	91
Non-operating investment gain (loss)	-	-	-	-	-	-	17	-
Loss on defeasance of debt	-	-	-	-	-	-	-	-
Other non-operating (loss) gain	2	(5)	1	-	-	-	802	-
Revenues in excess (deficit) of expenses	772	1,961	(131)	-	-	132	6,262	91
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 772	\$ 1,961	\$ (131)	\$ -	\$ -	\$ 132	\$ 6,262	\$ 91

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Santa Rosa Children's Hospital	Santa Rosa Medical Center	Santa Rosa Support Services	Santa Rosa Boerne	Santa Rosa Westover Hills	Santa Rosa New Braunfels	Santa Rosa Alamo Heights	Santa Rosa Rehabilitation Hospital
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 198,977	\$ 99,360	\$ -	\$ -	\$ 167,030	\$ 126,571	\$ 6,157	\$ (501)
Provision for bad debts	(3,643)	(7,571)	-	-	(18,866)	(11,312)	(309)	(345)
Net patient service revenue less provision for bad debts	195,334	91,789	-	-	148,164	115,259	5,848	(846)
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including gain on contributions to joint ventures	8,859	845	-	-	1,268	950	69	(2)
Equity in income of unconsolidated organizations	-	-	-	-	-	-	-	-
Total revenues	204,193	92,634	-	-	149,432	116,209	5,917	(848)
Expenses								
Employee compensation and benefits	81,478	35,824	-	-	53,883	37,603	2,993	-
Services and other	94,478	40,419	-	50	43,534	37,090	4,464	1
Supplies	24,620	17,776	-	-	23,223	21,377	3,000	-
Depreciation and amortization	8,621	3,917	-	143	10,043	6,192	2,143	-
Interest	2,625	2,155	-	-	5,749	4,701	1,606	-
Total expenses	211,822	100,091	-	193	136,432	106,963	14,206	1
Operating income (loss)	(7,629)	(7,457)	-	(193)	13,000	9,246	(8,289)	(849)
Non-operating investment gain (loss)	(80)	(30)	212	-	(54)	(31)	-	-
Loss on defeasance of debt	-	-	-	-	-	-	-	-
Other non-operating (loss) gain	(267)	1,495	(212)	-	(2)	39	(248)	(3)
Revenues in excess (deficit) of expenses	(7,976)	(5,992)	-	(193)	12,944	9,254	(8,537)	(852)
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ (7,976)	\$ (5,992)	\$ -	\$ (193)	\$ 12,944	\$ 9,254	\$ (8,537)	\$ (852)

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Santa Rosa Partnership Management Services	Santa Rosa Alon	Santa Rosa Creekside	Santa Rosa Foundation	Santa Rosa Real Estate	Santa Rosa Obligated Eliminations	Northern Louisiana Region	Schumpert Health System
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ -	\$ 8,071	\$ 12,795	\$ -	\$ -	\$ -	\$ 175,480	\$ 65,348
Provision for bad debts	-	(1,378)	(3,054)	-	-	-	(11,123)	(4,038)
Net patient service revenue less provision for bad debts	-	6,693	9,741	-	-	-	164,357	61,310
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including gain on contributions to joint ventures	2,332	-	-	-	978	-	9,950	3,968
Equity in income of unconsolidated organizations	-	-	-	-	-	-	-	-
Total revenues	2,332	6,693	9,741	-	978	-	174,307	65,278
Expenses								
Employee compensation and benefits	576	2,719	2,948	1,980	-	-	68,737	25,664
Services and other	755	1,275	743	(2,022)	1,123	-	60,803	31,586
Supplies	1	317	356	42	11	-	33,340	12,954
Depreciation and amortization	518	468	409	-	2	-	4,686	332
Interest	-	-	-	-	-	-	4,860	3,106
Total expenses	1,850	4,779	4,456	-	1,136	-	172,426	73,642
Operating income (loss)	482	1,914	5,285	-	(158)	-	1,881	(8,364)
Non-operating investment gain (loss)	-	-	-	-	-	-	41	41
Loss on defeasance of debt	-	-	-	-	-	-	-	-
Other non-operating (loss) gain	-	-	-	-	-	-	(81)	(73)
Revenues in excess (deficit) of expenses	482	1,914	5,285	-	(158)	-	1,841	(8,396)
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 482	\$ 1,914	\$ 5,285	\$ -	\$ (158)	\$ -	\$ 1,841	\$ (8,396)

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Schumpert Highland Hospital	Northern Louisiana Obligated Eliminations	Southwestern Louisiana Region	St. Patrick Hospital	CHRISTUS Village – Lake Charles	Southwestern Louisiana Obligated Eliminations	Central Louisiana Region	St. Frances Cabrini Hospital
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 110,132	\$ –	\$ 132,258	\$ 132,258	\$ –	\$ –	\$ 252,577	\$ 227,076
Provision for bad debts	(7,085)	–	(9,619)	(9,619)	–	–	(18,141)	(16,518)
Net patient service revenue less provision for bad debts	103,047	–	122,639	122,639	–	–	234,436	210,558
Premium revenue	–	–	–	–	–	–	–	–
Other revenue including gain on contributions to joint ventures	5,982	–	8,481	8,481	–	–	6,727	6,300
Equity in income of unconsolidated organizations	–	–	–	–	–	–	1,290	1,290
Total revenues	109,029	–	131,120	131,120	–	–	242,453	218,148
Expenses								
Employee compensation and benefits	43,073	–	47,030	47,030	–	–	94,727	83,790
Services and other	29,217	–	42,516	42,516	–	–	72,911	62,872
Supplies	20,386	–	30,286	30,286	–	–	43,363	41,129
Depreciation and amortization	4,354	–	6,156	6,156	–	–	14,533	13,522
Interest	1,754	–	2,484	2,484	–	–	7,064	7,064
Total expenses	98,784	–	128,472	128,472	–	–	232,598	208,377
Operating income (loss)	10,245	–	2,648	2,648	–	–	9,855	9,771
Non-operating investment gain (loss)	–	–	169	169	–	–	–	–
Loss on defeasance of debt	–	–	–	–	–	–	–	–
Other non-operating (loss) gain	(8)	–	(242)	(242)	–	–	(218)	(188)
Revenues in excess (deficit) of expenses	10,237	–	2,575	2,575	–	–	9,637	9,583
Less revenues in excess of expenses attributable to non-controlling interest	–	–	–	–	–	–	–	–
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 10,237	\$ –	\$ 2,575	\$ 2,575	\$ –	\$ –	\$ 9,637	\$ 9,583

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Coushatta Health Care	St Joseph Nursing Home	CHRISTUS Health Louisiana Ministries	Heart Center of Louisiana	Central Louisiana Obligated Eliminations	Corporate and Eliminations	TLRA	Revenue Cycle Business Services
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 17,257	\$ 8,244	\$ —	\$ —	\$ —	\$ (16,668)	\$ —	\$ —
Provision for bad debts	(1,452)	(171)	—	—	—	—	—	—
Net patient service revenue less provision for bad debts	15,805	8,073	—	—	—	(16,668)	—	—
Premium revenue	—	—	—	—	—	144,713	—	—
Other revenue including gain on contributions to joint ventures	362	53	12	—	—	187,417	11,080	—
Equity in income of unconsolidated organizations	—	—	—	—	—	3,365	—	—
Total revenues	16,167	8,126	12	—	—	318,827	11,080	—
Expenses								
Employee compensation and benefits	6,953	3,972	12	—	—	265,057	7,120	29,860
Services and other	7,501	2,542	(4)	—	—	71,784	3,922	(10,640)
Supplies	1,136	1,098	—	—	—	(2,223)	17	162
Depreciation and amortization	727	280	4	—	—	9,656	21	81
Interest	—	—	—	—	—	(21,324)	—	—
Total expenses	16,317	7,892	12	—	—	322,950	11,080	19,463
Operating income (loss)	(150)	234	—	—	—	(4,123)	—	(19,463)
Non-operating investment gain (loss)	—	—	—	—	—	89,329	—	(645)
Loss on defeasance of debt	—	—	—	—	—	(11,047)	—	—
Other non-operating (loss) gain	(30)	—	—	—	—	(350)	—	—
Revenues in excess (deficit) of expenses	(180)	234	—	—	—	73,809	—	(20,108)
Less revenues in excess of expenses attributable to non-controlling interest	—	—	—	—	—	—	—	—
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ (180)	\$ 234	\$ —	\$ —	\$ —	\$ 73,809	\$ —	\$ (20,108)

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Supply Cham Management	Corporate Office	Grants and Loans	Workers Compensation	Insurance Fund	Information Management	CHRISTUS TechSource	Clinical Engineering
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Provision for bad debts	-	-	-	-	-	-	-	-
Net patient service revenue less provision for bad debts	-	-	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including gain on contributions to joint ventures	-	73,902	-	326	616	554	39	-
Equity in income of unconsolidated organizations	-	3,365	-	-	-	-	-	-
Total revenues	-	77,267	-	326	616	554	39	-
Expenses								
Employee compensation and benefits	4,225	49,344	-	(325)	1,532	38,731	195	71
Services and other	1,010	50,983	-	321	(1,349)	(39,366)	(139)	186
Supplies	(8,763)	134	-	253	514	2,270	-	-
Depreciation and amortization	-	4,871	-	-	-	2,266	44	-
Interest	-	-	-	-	-	-	-	-
Total expenses	(3,528)	105,332	-	249	697	3,901	100	257
Operating income (loss)	3,528	(28,065)	-	77	(81)	(3,347)	(61)	(257)
Non-operating investment gain (loss)	-	102,635	1,514	-	-	-	-	-
Loss on defeasance of debt	-	-	-	-	-	-	-	-
Other non-operating (loss) gain	-	-	(1,514)	-	-	-	-	-
Revenues in excess (deficit) of expenses	3,528	74,570	-	77	(81)	(3,347)	(61)	(257)
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 3,528	\$ 74,570	\$ -	\$ 77	\$ (81)	\$ (3,347)	\$ (61)	\$ (257)

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	CHRISTUS Retail Services	Benefits	Bond Fund	St. Joseph Village	Uniformed Services Family Health Plan	CHRISTUS Corporate Obligated Eliminations
Revenues						
Patient service revenue (net of contractual allowances and discounts)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (16.668)
Provision for bad debts	-	-	-	-	-	-
Net patient service revenue less provision for bad debts	-	-	-	-	-	(16.668)
Premium revenue	-	-	-	-	144.713	-
Other revenue including gain on contributions to joint ventures	3.393	142.386	267	5.467	2.266	(52.879)
Equity in income of unconsolidated organizations	-	-	-	-	-	-
Total revenues	3.393	142.386	267	5.467	146.979	(69.547)
Expenses						
Employee compensation and benefits	1.735	123.363	-	1.947	7.259	-
Services and other	486	1	3.568	1.120	130.869	(69.188)
Supplies	1.829	-	-	535	826	-
Depreciation and amortization	7	-	1.115	1.133	118	-
Interest	-	-	(22.260)	1.199	4	(267)
Total expenses	4.057	123.364	(17.577)	5.934	139.076	(69.455)
Operating income (loss)	(664)	19.022	17.844	(467)	7.903	(92)
Non-operating investment gain (loss)	-	-	(14.175)	-	-	-
Loss on defeasance of debt	-	-	(11.047)	-	-	-
Other non-operating (loss) gain	(135)	-	1.207	-	-	92
Revenues in excess (deficit) of expenses	(799)	19.022	(6.171)	(467)	7.903	-
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ (799)	\$ 19.022	\$ (6.171)	\$ (467)	\$ 7.903	\$ -

CHRISTUS Health

Consolidated Balance Sheet Combined Group and Non-Combined Group

As of June 30, 2013
(In Thousands)

	CHRISTUS System Total	CHRISTUS Combined Group Total	CHRISTUS Non- Combined Group Total
Assets			
Current assets			
Cash and cash equivalents	\$ 282,389	\$ 196,653	\$ 85,736
Short-term investments and equity in managed funds	1,043,273	960,603	82,670
Assets whose use is limited or restricted, required for current liabilities	59,960	40,041	19,919
Patient accounts receivable, net of allowance for doubtful accounts	357,904	260,985	96,919
Notes and other receivables	183,994	166,538	17,456
Inventories	88,683	75,865	12,818
Security pledged to creditors	8,858	8,858	-
Security lending collateral	9,204	9,204	-
Other current assets	65,226	56,471	8,755
Total current assets	2,099,491	1,775,218	324,273
Assets whose use is limited or restricted, less current portion	708,174	424,247	283,927
Property and equipment, net of accumulated depreciation	1,618,670	1,374,182	244,488
Other assets			
Investments in unconsolidated organizations	37,302	27,639	9,663
Goodwill	89,730	69,190	20,540
Beneficial interest in supporting organizations and other restricted assets	68,792	66,954	1,838
Other assets	74,740	177,075	(102,335)
Total other assets	270,564	340,858	(70,294)
Total assets	\$ 4,696,899	\$ 3,914,505	\$ 782,394

CHRISTUS Health

Consolidated Balance Sheet Combined Group and Non-Combined Group (continued)

As of June 30, 2013
(In Thousands)

	CHRISTUS System Total	CHRISTUS Combined Group Total	CHRISTUS Non- Combined Group Total
Liabilities and net assets			
Current liabilities			
Accounts payable and accrued expenses	\$ 409.675	\$ 237.460	\$ 172.215
Accrued employee compensation and benefits, including pension benefits, current portion	176.427	132.903	43.524
Estimated third-party settlements	33.017	24.469	8.548
Current portion of long-term debt	51.589	43.952	7.637
Payable under security lending agreements	9.210	9.210	-
Total current liabilities	679.918	447.994	231.924
Long-term debt, less current portion	1,071.943	1,025.924	46.019
Accrued pension benefits, long-term portion	75.435	75.435	-
Derivative financial instruments	92.624	92.624	-
Other long-term obligations – primarily related to self- funded liabilities, less current portion	169.613	93.634	75.979
Total liabilities	2,089.533	1,735.611	353.922
Net assets			
Unrestricted			
Attributable to CHRISTUS Health	2,356.267	2,095.576	260.691
Attributable to non-controlling interest	120.356	11.003	109.353
Total unrestricted	2,476.623	2,106.579	370.044
Temporarily restricted	114.858	65.779	49.079
Permanently restricted	15.885	6.536	9.349
Total net assets	2,607.366	2,178.894	428.472
Total liabilities and net assets	\$ 4,696.899	\$ 3,914.505	\$ 782.394

CHRISTUS Health

Consolidated Statements of Operations and Changes in Net Assets Combined Group and Non-Combined Group

As of June 30, 2013
(In Thousands)

	CHRISTUS System Total	CHRISTUS Combined Group Total	CHRISTUS Non- Combined Group Total
Revenues			
Patient service revenue (net of contractual allowance and discounts)	\$ 3,463,569	\$ 2,695,468	\$ 768,101
Provision for bad debts	(239,406)	(201,097)	(38,309)
Net patient service revenue, less provision for bad debts	3,224,163	2,494,371	729,792
Premium revenue	182,893	155,589	27,304
Other revenue including net gain on contributions to joint ventures	182,854	140,215	42,639
Equity in income of unconsolidated organizations	111,362	109,745	1,617
Total revenues	3,701,272	2,899,920	801,352
Expenses			
Employee compensation and benefits	1,609,714	1,190,614	419,100
Services and other	1,100,712	858,293	242,419
Supplies	612,132	480,710	131,422
Depreciation and amortization	271,965	242,644	29,321
Interest	33,697	30,559	3,138
Total expenses	3,628,220	2,802,820	825,400
Operating income (loss)	73,052	97,100	(24,048)
Non-operating investment gain	88,212	79,738	8,474
Other non-operating (loss) gain	(1,585)	2,012	(3,597)
Revenues in excess (deficit) of expenses	159,679	178,850	(19,171)
Less revenues in excess of expenses attributable to non-controlling interest	17,171	(9)	17,180
Revenues in excess (deficit) of expenses attributable to CHRISTUS Health	142,508	178,859	(36,351)

CHRISTUS Health

Consolidated Statements of Operations and Changes in Net Assets
Combined Group and Non-Combined Group (continued)

As of June 30, 2013
(In Thousands)

	CHRISTUS System Total	CHRISTUS Combined Group Total	CHRISTUS Non- Combined Group Total
Changes in unrestricted net assets			
Revenues in excess (deficit of expenses) attributable to CHRISTUS Health	\$ 142,508	\$ 178,859	\$ (36,351)
Net change in unrealized gain (loss) on investments	3,320	(515)	3,835
Change in pension liabilities	95,141	95,141	-
Change in non-controlling interest	1,057	(9)	1,066
Other	(112)	(148,451)	148,339
Changes in unrestricted net assets	<u>241,914</u>	<u>125,025</u>	<u>116,889</u>
Temporarily restricted net assets			
Net change in beneficial interest	31,751	24,712	7,039
Contributions	6,142	1,602	4,540
Unrealized gain on investments	453	-	453
Net assets released from restrictions and other	(13,032)	(1,869)	(11,163)
Changes in temporarily restricted net assets	<u>25,314</u>	<u>24,445</u>	<u>869</u>
Permanently restricted net assets			
Net change in beneficial interest	(141)	(141)	-
Other	(6,000)	(6,253)	253
Changes in permanently restricted net assets	<u>(6,141)</u>	<u>(6,394)</u>	<u>253</u>
Changes in net assets	261,087	143,076	118,011
Adjustment to beginning temporarily and permanently restricted net assets	40,841	40,841	-
Net assets – beginning of period	2,346,279	2,035,818	310,461
Net assets – end of period	<u>\$ 2,607,366</u>	<u>\$ 2,178,894</u>	<u>\$ 428,472</u>

CHRISTUS Health

Combined Group Consolidating Financial Statements

June 30, 2013
(In Thousands)

	CHRISTUS Health Consolidated	CHRISTUS Health Non- obligated Entities	CHRISTUS Health Obligated Entities	Southeast Texas Region	St Elizabeth Hospital	St Mary Hospital	Jasper Memorial Hospital	Southeast Texas Service Center
Assets								
Current assets								
Cash and cash equivalents	\$ 282,389	\$ 85,736	\$ 196,653	\$ 339,317	\$ 334,255	\$ 22,135	\$ (17,073)	\$ -
Short-term investments and equity in managed funds	1,043,273	82,670	960,603	-	-	-	-	-
Assets whose use is limited or restricted, required for current liabilities	59,960	19,919	40,401	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	357,904	96,919	260,985	36,740	27,379	7,339	2,022	-
Notes and other receivables	183,994	17,456	166,538	1,251	900	377	(26)	-
Inventories	88,683	12,818	75,865	9,338	6,565	2,089	684	-
Securities pledged to creditors	8,858	-	8,858	-	-	-	-	-
Security lending collateral	9,204	-	9,204	-	-	-	-	-
Other current assets	65,226	8,755	56,471	1,048	500	167	381	-
Total current assets	2,099,491	324,273	1,775,218	387,694	369,599	32,107	(14,012)	-
Assets whose use is limited or restricted, less current portion	701,135	276,888	424,247	-	-	-	-	-
Property and equipment, net of accumulated depreciation	1,618,670	244,488	1,374,182	157,280	130,268	20,897	6,115	-
Other assets								
Investment in unconsolidated organizations	37,302	9,663	27,639	1,775	1,775	-	-	-
Goodwill	89,730	20,540	69,190	-	-	-	-	-
Beneficial interest in unconsolidated organizations and other restricted assets	75,831	8,877	66,954	-	-	-	-	-
Other assets	74,740	(102,335)	177,075	714	685	22	7	117
Total other assets	277,603	(63,255)	340,858	2,489	2,460	22	7	117
Total assets	4,696,899	\$ 782,394	\$ 3,914,505	547,463	502,327	53,026	(7,890)	\$ 117

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Southeast Texas Obligated Eliminations	Gulf Coast Texas Region	St John Hospital	St Catherine Health and Wellness Center	St Joseph Hospital – Houston	Regional Development Projects	Gulf Coast Service Center	Gulf Coast Texas Obligated Eliminations
Assets								
Current assets								
Cash and cash equivalents	\$ –	\$ 121,476	\$ 71,122	\$ (86,788)	\$ 110,181	\$ –	\$ 26,961	\$ –
Short-term investments and equity in managed funds	–	–	–	–	–	–	–	–
Assets whose use is limited or restricted, required for current liabilities	–	–	–	–	–	–	–	–
Patient accounts receivable, net of allowance for doubtful accounts	–	11,697	7,895	3,803	(2)	–	1	–
Notes and other receivables	–	27,888	1,962	3,823	(151)	–	22,324	(70)
Inventories	–	4,109	2,254	1,855	–	–	–	–
Securities pledged to creditors	–	–	–	–	–	–	–	–
Security lending collateral	–	–	–	–	–	–	–	–
Other current assets	–	540	210	299	–	–	31	–
Total current assets	–	165,710	83,443	(77,008)	110,028	–	49,317	(70)
Assets whose use is limited or restricted, less current portion	–	–	–	–	–	–	–	–
Property and equipment, net of accumulated depreciation	–	140,883	45,104	77,766	–	–	18,013	–
Other assets								
Investment in unconsolidated organizations	–	–	–	–	–	–	–	–
Goodwill	–	–	–	–	–	–	–	–
Beneficial interest in supporting organizations and other restricted assets	–	–	–	–	–	–	–	–
Other assets	(117)	9,637	404	412	–	–	8,875	(54)
Total other assets	(117)	9,637	404	412	–	–	8,875	(54)
Total assets	\$ (117)	\$ 316,230	\$ 128,951	\$ 1,170	\$ 110,028	\$ –	\$ 76,205	\$ (124)

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Ark-La-Tex Region	St Michael Health Care Center	St Michael Rehabilitation Hospital	Ark-La-Tex Obligated Eliminations	Spohn Region	Spohn Shoreline	Spohn Memorial
Assets							
Current assets							
Cash and cash equivalents	\$ 127,215	\$ 126,518	\$ 697	\$ -	\$ 401,355	\$ 234,119	\$ (184,420)
Short-term investments and equity in managed funds	-	-	-	-	-	-	-
Assets whose use is limited or restricted, required for current liabilities	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	23,970	21,550	2,420	-	63,127	32,451	10,041
Notes and other receivables	593	317	276	-	107,479	2,874	104,377
Inventories	5,349	5,325	24	-	20,955	8,101	7,241
Securities pledged to creditors	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-
Other current assets	667	664	3	-	234	(776)	256
Total current assets	157,794	154,374	3,420	-	593,150	276,769	(62,505)
Assets whose use is limited or restricted, less current portion	2,000	2,000	-	-	45	16	-
Property and equipment, net of accumulated depreciation	124,821	118,656	6,165	-	271,258	136,914	36,063
Other assets							
Investment in unconsolidated organizations	763	763	-	-	6,424	6,424	-
Goodwill	-	-	-	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	-
Other assets	1,141	1,141	-	-	40,997	40,708	9
Total other assets	1,904	1,904	-	-	47,421	47,132	9
Total assets	\$ 286,519	\$ 276,934	\$ 9,585	\$ -	\$ 911,874	\$ 460,831	\$ (26,433)

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Spohn South	Spohn Kleberg Memorial	Spohn Beeville	Spohn Alice	Spohn Shared Services	Spohn Membership Agreement	Spohn Health System Payroll	Spohn Non- Obligated Eliminations
Assets								
Current assets								
Cash and cash equivalents	\$ 177,664	\$ 67,008	\$ 16,870	\$ 2,757	\$ (102,376)	\$ 189,733	\$ -	\$ -
Short-term investments and equity in managed funds	-	-	-	-	-	-	-	-
Assets whose use is limited or restricted, required for current liabilities	-	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	9,336	4,074	2,580	4,645	-	-	-	-
Notes and other receivables	17	24	6	90	95	-	(4)	-
Inventories	2,877	815	523	1,398	-	-	-	-
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	237	63	41	41	372	-	-	-
Total current assets	190,131	71,984	20,020	8,931	(101,909)	189,733	(4)	-
Assets whose use is limited or restricted, less current portion	-	-	-	-	29	-	-	-
Property and equipment, net of accumulated depreciation	40,785	20,233	10,785	22,290	4,188	-	-	-
Other assets								
Investment in unconsolidated organizations	-	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	-	-
Other assets	64	26	156	34	11,071	-	-	(11,071)
Total other assets	64	26	156	34	11,071	-	-	-
Total assets	\$ 230,980	\$ 92,243	\$ 30,961	\$ 31,255	\$ (86,621)	\$ 189,733	\$ (4)	\$ (11,071)

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Santa Rosa Region	Santa Rosa General Hospital	Santa Rosa Children's Hospital	Santa Rosa Medical Center	Santa Rosa Support Services	Santa Rosa Boerne	Santa Rosa Westover Hills	Santa Rosa New Braunfels
Assets								
Current assets								
Cash and cash equivalents	\$ 62,231	\$ -	\$ -	\$ -	\$ 62,231	\$ -	\$ -	\$ -
Short-term investments and equity in managed funds	-	-	-	-	-	-	-	-
Assets whose use is limited or restricted, required for current liabilities	-	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	61,571	(175)	27,219	8,894	(1,081)	-	14,473	10,605
Notes and other receivables	12,141	(2)	4,157	1,420	1,606	-	2,406	2,093
Inventories	19,249	1,519	5,845	3,724	411	-	3,898	2,900
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	2,167	-	857	611	653	-	4	42
Total current assets	157,359	1,342	38,078	14,649	63,820	-	20,781	15,640
Assets whose use is limited or restricted, less current portion	375	-	-	-	375	-	-	-
Property and equipment, net of accumulated depreciation	330,322	1,651	76,821	10,748	16,529	5,470	109,998	64,541
Other assets								
Investment in unconsolidated organizations	545	-	-	-	545	-	-	-
Goodwill	37,248	-	-	-	14,623	-	-	-
Beneficial interest in supporting organizations and other restricted assets	65,411	-	65,411	-	-	-	-	-
Other assets	30,103	-	-	-	28,311	-	-	-
Total other assets	133,307	-	65,411	-	43,479	-	-	-
Total assets	\$ 621,363	\$ 2,993	\$ 180,310	\$ 25,397	\$ 124,203	\$ 5,470	\$ 130,779	\$ 80,181

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Santa Rosa Alamo Heights	Santa Rosa Rehabilitation Hospital	Santa Rosa Partnership Management Services	Santa Rosa Alon	Santa Rosa Creekside	Santa Rosa Foundation	Santa Rosa Real Estate	Santa Rosa Obligated Eliminations
Assets								
Current assets								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Short-term investments and equity in managed funds	-	-	-	-	-	-	-	-
Assets whose use is limited or restricted, required for current liabilities	-	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	579	(3)	-	382	678	-	-	-
Notes and other receivables	-	-	461	-	-	-	-	-
Inventories	892	1	-	22	37	-	-	-
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-	-	-
Total current assets	1,471	(2)	461	404	715	-	-	-
Assets whose use is limited or restricted, less current portion	-	-	-	-	-	-	-	-
Property and equipment, net of accumulated depreciation	34,779	(421)	-	4,324	6,041	3	(162)	-
Other assets								
Investment in unconsolidated organizations	-	-	-	-	-	-	-	-
Goodwill	-	-	22,625	-	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	-	-
Other assets	-	-	1,792	-	-	-	-	-
Total other assets	-	-	24,417	-	-	-	-	-
Total assets	\$ 36,250	\$ (423)	\$ 24,878	\$ 4,728	\$ 6,756	\$ 3	\$ (162)	\$ -

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Northern Louisiana Region	Schumpert Health System	Schumpert Highland Hospital	Schumpert Bossier Medical Center	Northern Louisiana Obligated Eliminations	Southwestern Louisiana Region	St. Patrick Hospital	CHRISTUS Village – Lake Charles
Assets								
Current assets								
Cash and cash equivalents	\$ 33,765	\$ 33,765	\$ –	\$ –	\$ –	\$ 46,607	\$ 46,586	\$ 21
Short-term investments and equity in managed funds	413	413	–	–	–	–	–	–
Assets whose use is limited or restricted, required for current liabilities	–	–	–	–	–	–	–	–
Patient accounts receivable, net of allowance for doubtful accounts	25,566	(423,130)	448,696	–	–	16,002	16,002	–
Notes and other receivables	3,908	3,908	–	–	–	562	562	–
Inventories	7,554	5,136	2,418	–	–	3,906	3,906	–
Securities pledged to creditors	–	–	–	–	–	–	–	–
Security lending collateral	–	–	–	–	–	–	–	–
Other current assets	2,002	2,002	–	–	–	486	486	–
Total current assets	73,208	(377,906)	451,114	–	–	67,563	67,542	21
Assets whose use is limited or restricted, less current portion	–	–	–	–	–	17	17	–
Property and equipment, net of accumulated depreciation	68,909	20,222	48,687	–	–	49,235	49,235	–
Other assets								
Investment in unconsolidated organizations	13	13	–	–	–	–	–	–
Goodwill	–	–	–	–	–	–	–	–
Beneficial interest in supporting organizations and other restricted assets	–	–	–	–	–	–	–	–
Other assets	469	469	–	–	–	4,055	4,055	–
Total other assets	482	482	–	–	–	4,055	4,055	–
Total assets	\$ 142,599	\$ (357,202)	\$ 499,801	\$ –	\$ –	\$ 120,870	\$ 120,849	\$ 21

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Southwestern Louisiana Obligated Eliminations	Central Louisiana Region	St. Frances Cabrini Hospital	Coushatta Health Care	St. Joseph Nursing Home	CHRISTUS Health Louisiana Ministries	Heart Center of Louisiana	Central Louisiana Obligated Eliminations
Assets								
Current assets								
Cash and cash equivalents	\$	\$ 64,786	\$ 73,560	\$ (11,690)	\$ 1,768	\$ 1,087	\$ 61	\$
Short-term investments and equity in managed funds	-	3	3	-	-	-	-	-
Assets whose use is limited or restricted, required for current liabilities	-	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	-	23,046	18,268	4,083	721	-	(26)	-
Notes and other receivables	-	640	630	10	-	-	-	-
Inventories	-	4,604	4,482	122	-	-	-	-
Securities pledge to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	-	452	416	22	9	-	5	-
Total current assets	-	93,531	97,359	(7,453)	2,498	1,087	40	-
Assets whose use is limited or restricted, less current portion	-	225	227	(2)	-	-	-	-
Property and equipment, net of accumulated depreciation	-	138,963	128,693	6,476	3,676	-	118	-
Other assets								
Investment in unconsolidated organizations	-	1,060	1,060	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	-	-
Other assets	-	1,249	1,203	-	-	-	-	46
Total other assets	-	2,309	2,263	-	-	-	-	46
Total assets	\$	\$ 235,028	\$ 228,542	\$ (979)	\$ 6,174	\$ 1,087	\$ 158	\$ 46

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Corporate and Eliminations	TLRA	Revenue Cycle Business Services	Supply Chain Management	Corporate office	Grants and Loans	Workers Compensation	Insurance Fund
Assets								
Current assets								
Cash and cash equivalents	\$ (1,000,100)	\$ 6,900	\$ (2,887)	\$ 3,953	\$ (1,201,509)	\$ 18,902	\$ 21,368	\$ (19,423)
Short-term investments and equity in managed funds	960,187	-	-	-	960,187	-	-	-
Assets whose use is limited or restricted, required for current liabilities	40,041	-	-	-	1	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	(734)	(18)	-	-	-	-	-	-
Notes and other receivables	12,075	-	-	240	5,580	95	97	1,509
Inventories	801	-	-	-	-	-	-	-
Securities pledge to creditors	8,858	-	-	-	8,858	-	-	-
Security lending collateral	9,204	-	-	-	9,204	-	-	-
Other current assets	48,874	88	10	-	2,391	-	31	13,444
Total current assets	79,206	6,970	(2,877)	4,193	(215,288)	18,997	21,496	(4,470)
Assets whose use is limited or restricted, less current portion	421,586	-	-	-	338,385	-	-	-
Property and equipment, net of accumulated depreciation	92,509	37	617	-	59,117	-	-	-
Other assets								
Investment in unconsolidated organizations	17,059	-	-	-	17,059	-	-	-
Goodwill	31,944	-	-	-	31,944	-	-	-
Beneficial interest in supporting organizations and other restricted assets	1,543	-	-	-	333	-	-	-
Other assets	88,709	-	-	-	136,014	5,727	576	-
Total other assets	139,255	-	-	-	185,350	5,727	576	-
Total assets	\$ 732,556	\$ 7,007	\$ (2,260)	\$ 4,193	\$ 367,564	\$ 24,724	\$ 22,072	\$ (4,470)

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Information Management	CHRISTUS TechSource	Clinical Engineering	CHRISTUS Retail Services	Benefits	Bond Fund	St. Joseph Village	Uniformed Services Family Health Plan
Assets								
Current assets								
Cash and cash equivalents	\$ (69,884)	\$ (12,975)	\$ 7	\$ (10,367)	\$ 37,923	\$ (7,783)	\$ 1,576	\$ 234,099
Short-term investments and equity in managed funds	-	-	-	-	-	-	-	-
Assets whose use is limited or restricted, required for current liabilities	-	-	-	-	-	40,040	-	-
Patient accounts receivable, net of allowance for doubtful accounts	-	-	-	-	-	-	-	-
Notes and other receivables	71	(207)	-	7	6,122	40	60	-
Inventories	-	-	-	801	-	-	-	-
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	33,153	69	(630)	-	-	76	-	242
Total current assets	(36,660)	(13,113)	(623)	(9,559)	44,045	32,373	1,636	234,341
Assets whose use is limited or restricted, less current portion	-	-	-	-	-	83,077	124	-
Property and equipment, net of accumulated depreciation	5,913	44	-	11	-	1,418	25,100	252
Other assets								
Investment in unconsolidated organizations	-	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	1,210	-
Other assets	-	-	-	-	143	893,363	-	-
Total other assets	-	-	-	-	143	893,363	1,210	-
Total assets	\$ (30,747)	\$ (13,069)	\$ (623)	\$ (9,548)	\$ 44,188	\$ 1,010,231	\$ 28,070	\$ 234,593

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	CHRISTUS Corporate Obligated Eliminations
Assets	
Current assets	
Cash and cash equivalents	\$ —
Short-term investments and equity in managed funds	—
Assets whose use is limited or restricted, required for current liabilities	—
Patient accounts receivable, net of allowance for doubtful accounts	(716)
Notes and other receivables	(1,539)
Inventories	—
Securities pledge to creditors	—
Security lending collateral	—
Other current assets	—
Total current assets	(2,255)
Assets whose use is limited or restricted, less current portion	—
Property and equipment, net of accumulated depreciation	—
Other assets	
Investment in unconsolidated organizations	—
Goodwill	—
Beneficial interest in supporting organizations and other restricted assets	—
Other assets	(947,114)
Total other assets	(947,114)
Total assets	\$ (949,369)

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	CHRISTUS Health Consolidated	CHRISTUS Health Non- obligated Entities	CHRISTUS Health Obligated Entities	Southeast Texas Region	St Elizabeth Hospital	St Mary Hospital	Jasper Memorial Hospital	Southeast Texas Service Center
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 409,675	\$ 172,215	\$ 237,460	\$ 32,345	\$ 26,506	\$ 2,698	\$ 3,024	\$ 117
Accrued employee compensation and benefits, including pension benefits, current portion	176,427	43,524	132,903	7,279	5,513	1,308	458	-
Estimated third-party settlements	33,017	8,548	24,469	(1,664)	(927)	245	(982)	-
Current portion of long-term debt	51,589	7,637	43,952	2,461	1,954	507	-	-
Payable under security lending agreement	9,210	-	9,210	-	-	-	-	-
Total current liabilities	<u>679,918</u>	<u>231,924</u>	<u>447,994</u>	<u>40,421</u>	<u>33,046</u>	<u>4,758</u>	<u>2,500</u>	<u>117</u>
Long-term debt, less current portion	1,071,943	49,019	1,025,924	75,632	59,465	16,167	-	-
Accrued pension benefits, long-term portion	75,435	-	74,435	-	-	-	-	-
Derivative financial instruments	92,624	-	92,624	-	-	-	-	-
Other long-term obligations –primarily related to self-funded liabilities, less current portion	169,613	75,979	93,634	1,860	901	959	-	-
Total liabilities	<u>2,089,533</u>	<u>353,922</u>	<u>1,735,611</u>	<u>117,913</u>	<u>93,412</u>	<u>21,884</u>	<u>2,500</u>	<u>117</u>
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	2,356,267	260,691	2,095,576	429,312	408,688	31,138	(10,397)	-
Attributable to non-controlling interest	120,356	109,353	11,003	-	-	-	-	-
Total unrestricted	<u>2,476,623</u>	<u>370,044</u>	<u>2,106,579</u>	<u>429,312</u>	<u>408,688</u>	<u>31,138</u>	<u>(10,397)</u>	<u>-</u>
Temporarily restricted	114,858	49,079	65,779	238	227	4	7	-
Permanently restricted	15,885	9,349	6,536	-	-	-	-	-
Total net assets	<u>2,607,366</u>	<u>428,472</u>	<u>2,178,894</u>	<u>429,550</u>	<u>408,915</u>	<u>31,142</u>	<u>(10,390)</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 4,696,899</u>	<u>\$ 782,394</u>	<u>\$ 3,914,505</u>	<u>\$ 547,463</u>	<u>\$ 502,327</u>	<u>\$ 53,026</u>	<u>\$ (7,890)</u>	<u>\$ 117</u>

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Southeast Texas Obligated Eliminations	Gulf Coast Texas Region	St John Hospital	St Catherine Health and Wellness Center	St Joseph Hospital – Houston	Regional Development Projects	Gulf Coast Service Center	Gulf Coast Texas Obligated Eliminations
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ –	\$ 17,697	\$ 13,953	\$ 7,586	\$ 598	\$ –	\$ (4,440)	\$ –
Accrued employee compensation and benefits, including pension benefits, current portion	–	3,684	1,990	1,315	–	–	379	–
Estimated third-party settlements	–	1,273	742	61	470	–	–	–
Current portion of long-term debt	–	11,946	1,655	10,361	–	–	–	(70)
Payable under security lending agreement	–	–	–	–	–	–	–	–
Total current liabilities	–	34,600	18,340	19,323	1,068	–	(4,061)	(70)
Long-term debt, less current portion	–	68,718	17,794	50,978	–	–	–	(54)
Accrued pension benefits, long-term portion	–	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	–	–
Other long-term obligations –primarily related to self-funded liabilities, less current portion	–	1,571	1,052	519	–	–	–	–
Total liabilities	–	104,889	37,186	70,820	1,068	–	(4,061)	(124)
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	(117)	211,341	91,765	(69,650)	108,960	–	80,266	–
Attributable to non-controlling interest	–	–	–	–	–	–	–	–
Total unrestricted	(117)	211,341	91,765	(69,650)	108,960	–	80,266	–
Temporarily restricted	–	–	–	–	–	–	–	–
Permanently restricted	–	–	–	–	–	–	–	–
Total net assets	(117)	211,341	91,765	(69,650)	108,960	–	80,266	–
Total liabilities and net assets	\$ (117)	\$ 316,230	\$ 128,951	\$ 1,170	\$ 110,028	\$ –	\$ 76,205	\$ (124)

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Ark-La-Tex Region	St Michael Health Care Center	St Michael Rehabilitation Hospital	Ark-La-Tex Obligated Eliminations	Spohn Region	Spohn Shoreline	Spohn Memorial	Spohn South
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 24,315	\$ 12,627	\$ 11,688	\$ -	\$ 16,647	\$ (230,107)	\$ (61,227)	\$ 154,156
Accrued employee compensation and benefits, including pension benefits, current portion	5,142	4,560	582	-	11,431	3,310	2,348	1,372
Estimated third-party settlements	(3,384)	(3,740)	356	-	7,131	1,925	234	552
Current portion of long-term debt	2,603	2,603	-	-	7,010	4,716	1,918	-
Payable under security lending agreement	-	-	-	-	-	-	-	-
Total current liabilities	28,676	16,050	12,626	-	42,219	(220,156)	(56,727)	156,080
Long-term debt, less current portion	69,620	69,620	-	-	215,485	84,292	61,491	51,316
Accrued pension benefits, long-term portion	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other long-term obligations –primarily related to self-funded liabilities, less current portion	-	-	-	-	10	-	10	-
Total liabilities	98,296	85,670	12,626	-	257,714	(135,864)	4,774	207,396
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	186,798	189,839	(3,041)	-	654,115	596,679	(31,207)	23,584
Attributable to non-controlling interest	-	-	-	-	-	-	-	-
Total unrestricted	186,798	189,839	(3,041)	-	654,115	596,679	(31,207)	23,584
Temporarily restricted	1,425	1,425	-	-	45	16	-	-
Permanently restricted	-	-	-	-	-	-	-	-
Total net assets	188,223	191,264	(3,041)	-	654,160	596,695	(31,207)	23,584
Total liabilities and net assets	\$ 286,519	\$ 276,934	\$ 9,585	\$ -	\$ 911,874	\$ 460,831	\$ (26,433)	\$ 230,980

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Spohn Kleberg Memorial	Spohn Beeville	Spohn Alice	Spohn Shared Services	Spohn Membership Agreement	Spohn Health System Payroll	Spohn Obligated Eliminations	Santa Rosa Region
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 13,272	\$ (505)	\$ 53,432	\$ (100,960)	\$ 189,733	\$ (1,147)	\$ –	\$ 24,120
Accrued employee compensation and benefits, including pension benefits, current portion	546	436	617	1,659	–	1,143	–	8,283
Estimated third-party settlements	288	612	3,520	–	–	–	–	8,348
Current portion of long-term debt	–	376	–	–	–	–	–	3,153
Payable under security lending agreement	–	–	–	–	–	–	–	–
Total current liabilities	14,106	919	57,569	(99,301)	189,733	(4)	–	43,904
Long-term debt, less current portion	5,712	9,716	–	2,958	–	–	–	277,537
Accrued pension benefits, long-term portion	–	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	–	–
Other long-term obligations –primarily related to self-funded liabilities, less current portion	–	–	–	–	–	–	–	1,988
Total liabilities	19,818	10,635	57,569	(96,343)	189,733	(4)	–	323,429
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	72,425	20,326	(26,314)	9,693	–	–	(11,071)	221,187
Attributable to non-controlling interest	–	–	–	–	–	–	–	10,931
Total unrestricted	72,425	20,326	(26,314)	9,693	–	–	(11,071)	232,118
Temporarily restricted	–	–	–	29	–	–	–	60,478
Permanently restricted	–	–	–	–	–	–	–	5,338
Total net assets	72,425	20,326	(26,314)	9,722	–	–	(11,071)	297,934
Total liabilities and net assets	\$ 92,243	\$ 30,961	\$ 31,255	\$ (86,621)	\$ 189,733	\$ (4)	\$ (11,071)	\$ 621,363

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Santa Rosa General Hospital	Santa Rosa Children's Hospital	Santa Rosa Medical Center	Santa Rosa Support Services	Santa Rosa Boerne	Santa Rosa Westover Hills	Santa Rosa New Braunfels	Santa Rosa Alamo Heights
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ (47,630)	\$ 44,756	\$ (3,429)	\$ 47,758	\$ 434	\$ (9,959)	\$ (33,030)	\$ 38,615
Accrued employee compensation and benefits, including pension benefits, current portion	-	2,874	1,094	1,535	-	1,267	1,186	107
Estimated third-party settlements	20,121	(4,088)	(4,088)	1,309	-	(818)	(4,088)	-
Current portion of long-term debt	-	160	-	2,638	-	124	428	(197)
Payable under security lending agreement	-	-	-	-	-	-	-	-
Total current liabilities	(27,509)	43,702	(6,423)	53,240	434	(9,386)	(35,504)	38,525
Long-term debt, less current portion	-	7,389	-	77,480	-	103,174	76,229	13,265
Accrued pension benefits, long-term portion	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other long-term obligations –primarily related to self-funded liabilities, less current portion	-	-	-	1,988	-	-	-	-
Total liabilities	(27,509)	51,091	(6,423)	132,708	434	93,788	40,725	51,790
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	30,502	63,506	31,813	(8,601)	5,036	36,991	39,456	(15,540)
Attributable to non-controlling interest	-	-	-	-	-	-	-	-
Total unrestricted	30,502	63,506	31,813	(8,601)	5,036	36,991	39,456	(15,540)
Temporarily restricted	-	60,375	7	96	-	-	-	-
Permanently restricted	-	5,338	-	-	-	-	-	-
Total net assets	30,502	129,219	31,820	(8,505)	5,036	36,991	39,456	(15,540)
Total liabilities and net assets	\$ 2,993	\$ 180,310	\$ 25,397	\$ 124,203	\$ 5,470	\$ 130,779	\$ 80,181	\$ 36,250

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Santa Rosa Rehabilitation Hospital	Santa Rosa Partnership Management Services	Santa Rosa Alon	Santa Rosa Creekside	Santa Rosa Foundation	Santa Rosa Real Estate	Santa Rosa Obligated Eliminations	Northern Louisiana Region
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ (2,702)	\$ (19,233)	\$ 2,475	\$ 5,521	\$ (45)	\$ 589	\$ -	\$ 21,050
Accrued employee compensation and benefits, including pension benefits, current portion	-	-	121	53	46	-	-	2,631
Estimated third-party settlements	-	-	-	-	-	-	-	15
Current portion of long-term debt	-	-	-	-	-	-	-	8,542
Payable under security lending agreement	-	-	-	-	-	-	-	-
Total current liabilities	(2,702)	(19,233)	2,596	5,574	1	589	-	32,238
Long-term debt, less current portion	-	-	-	-	-	-	-	59,747
Accrued pension benefits, long-term portion	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other long-term obligations –primarily related to self-funded liabilities, less current portion	-	-	-	-	-	-	-	-
Total liabilities	(2,702)	(19,233)	2,596	5,574	1	589	-	91,985
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	2,279	33,180	2,132	1,182	2	(751)	-	50,095
Attributable to non-controlling interest	-	10,931	-	-	-	-	-	-
Total unrestricted	2,279	44,111	2,132	1,182	2	(751)	-	50,095
Temporarily restricted	-	-	-	-	-	-	-	519
Permanently restricted	-	-	-	-	-	-	-	-
Total net assets	2,279	44,111	2,132	1,182	2	(751)	-	50,614
Total liabilities and net assets	\$ (423)	\$ 24,878	\$ 4,728	\$ 6,756	\$ 3	\$ (162)	\$ -	\$ 142,599

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Schumpert Health System	Schumpert Highland Hospital	Northern Louisiana Obligated Eliminations	Southwestern Louisiana Region	St Patrick Hospital	CHRISTUS Village – Lake Charles	Southwestern Louisiana Obligated Eliminations	Central Louisiana Region
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ (379,712)	\$ 400,762	\$ –	\$ 18,627	\$ 20,656	\$ (2,029)	\$ –	\$ 16,095
Accrued employee compensation and benefits, including pension benefits, current portion	2,200	431	–	1,365	1,365	–	–	3,746
Estimated third-party settlements	15	–	–	496	496	–	–	2,254
Current portion of long-term debt	8,542	–	–	4,726	4,726	–	–	5,752
Payable under security lending agreement	–	–	–	–	–	–	–	–
Total current liabilities	(368,955)	401,193	–	25,214	27,243	(2,029)	–	27,847
Long-term debt, less current portion	59,747	–	–	30,252	30,252	–	–	104,754
Accrued pension benefits, long-term portion	–	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	–	–
Other long-term obligations – primarily related to self-funded liabilities, less current portion	–	–	–	153	153	–	–	1,026
Total liabilities	(309,208)	401,193	–	55,619	57,648	(2,029)	–	133,627
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	(48,488)	98,583	–	63,463	61,413	2,050	–	100,203
Attributable to non-controlling interest	–	–	–	–	–	–	–	72
Total unrestricted	(48,488)	98,583	–	63,463	61,413	2,050	–	100,275
Temporarily restricted	494	25	–	1,788	1,788	–	–	1,131
Permanently restricted	–	–	–	–	–	–	–	(5)
Total net assets	(47,994)	98,608	–	65,251	63,201	2,050	–	101,401
Total liabilities and net assets	\$ (357,202)	\$ 499,801	\$ –	\$ 120,870	\$ 120,849	\$ 21	\$ –	\$ 235,028

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	St Frances Cabrum Hospital	Coushatta Health Care	St Joseph Nursing Home	CHRISTUS Health Louisiana Ministries	Heart Center of Louisiana	Central Louisiana Obligated Eliminations	Corporate and Eliminations	TLRA
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 13.462	\$ 561	\$ 1.625	\$ 252	\$ 195	\$ -	\$ 66,562	\$ 2.403
Accrued employee compensation and benefits, including pension benefits, current portion	3.022	248	138	338	-	-	89,342	663
Estimated third-party settlements	2.391	180	(317)	-	-	-	10,000	-
Current portion of long-term debt	5.752	-	-	-	-	-	(2,241)	-
Payable under security lending agreement	-	-	-	-	-	-	9,210	-
Total current liabilities	24.627	989	1.446	590	195	-	172,873	3.066
Long-term debt, less current portion	104.754	-	-	-	-	-	124,180	-
Accrued pension benefits, long-term portion	-	-	-	-	-	-	75,435	-
Derivative financial instruments	-	-	-	-	-	-	92,624	-
Other long-term obligations –primarily related to self-funded liabilities, less current portion	1.026	-	-	-	-	-	87,025	-
Total liabilities	130.407	989	1.446	590	195	-	552,137	3.066
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	97.102	(2.058)	4.725	497	(109)	46	179,063	3.941
Attributable to non-controlling interest	-	-	-	-	72	-	-	-
Total unrestricted	97.102	(2.058)	4.725	497	(37)	46	179,063	3.941
Temporarily restricted	1.033	95	3	-	-	-	154	-
Permanently restricted	-	(5)	-	-	-	-	1,202	-
Total net assets	98.135	(1.968)	4.728	497	(37)	46	180,419	3.941
Total liabilities and net assets	\$ 228.542	\$ (979)	\$ 6.174	\$ 1.087	\$ 158	\$ 46	\$ 732,556	\$ 7.007

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Revenue Cycle Business Services	Supply Cham Management	Corporate office	Grants and Loans	Workers Compensation	Insurance Fund	Information Management	CHRISTUS TechSource
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 2,007	\$ 997	\$ 8,759	\$ (340)	\$ 355	\$ (4,567)	\$ 11,493	\$ 203
Accrued employee compensation and benefits, including pension benefits, current portion	1,478	–	69,730	–	3,509	–	658	10
Estimated third-party settlements	–	–	10,000	–	–	–	–	–
Current portion of long-term debt	–	–	–	–	–	–	–	–
Payable under security lending agreement	–	–	9,210	–	–	–	–	–
Total current liabilities	3,485	997	97,699	(340)	3,864	(4,567)	12,151	213
Long-term debt, less current portion	–	–	–	–	–	–	–	–
Accrued pension benefits, long-term portion	–	–	75,435	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	–	–
Other long-term obligations –primarily related to self-funded liabilities, less current portion	407	–	48,387	–	9,457	–	–	–
Total liabilities	3,892	997	221,521	(340)	13,321	(4,567)	12,151	213
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	(6,152)	3,196	146,013	25,064	8,751	97	(42,898)	(13,282)
Attributable to non-controlling interest	–	–	–	–	–	–	–	–
Total unrestricted	(6,152)	3,196	146,013	25,064	8,751	97	(42,898)	(13,282)
Temporarily restricted	–	–	30	–	–	–	–	–
Permanently restricted	–	–	–	–	–	–	–	–
Total net assets	(6,152)	3,196	146,043	25,064	8,751	97	(42,898)	(13,282)
Total liabilities and net assets	\$ (2,260)	\$ 4,193	\$ 367,564	\$ 24,724	\$ 22,072	\$ (4,470)	\$ (30,747)	\$ (13,069)

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Clinical Engineering	CHRISTUS Retail Services	Benefits	Bond Fund	St. Joseph Village	Uniformed Services Family Health Plan	CHRISTUS Corporate Obligated Eliminations
Liabilities and net assets							
Current liabilities							
Accounts payable and accrued expenses	\$ (130)	\$ 629	\$ 2,566	\$ 14,756	\$ 1,879	\$ 26,268	\$ (716)
Accrued employee compensation and benefits, including pension benefits, current portion	–	66	13,067	–	113	48	–
Estimated third-party settlements	–	–	–	–	–	–	–
Current portion of long-term debt	–	–	–	42,825	719	7	(45,792)
Payable under security lending agreement	–	–	–	–	–	–	–
Total current liabilities	(130)	695	15,633	57,581	2,711	26,323	(46,508)
Long-term debt, less current portion	–	–	–	1,002,832	23,346	7	(902,005)
Accrued pension benefits, long-term portion	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	92,624	–	–	–
Other long-term obligations – primarily related to self-funded liabilities, less current portion	–	–	22,781	–	5,993	–	–
Total liabilities	(130)	695	38,414	1,153,037	32,050	26,330	(948,513)
Net assets							
Unrestricted							
Attributable to CHRISTUS Health	(493)	(10,243)	5,774	(142,806)	(5,306)	208,263	(856)
Attributable to non-controlling interest	–	–	–	–	–	–	–
Total unrestricted	(493)	(10,243)	5,774	(142,806)	(5,306)	208,263	(856)
Temporarily restricted	–	–	–	–	124	–	–
Permanently restricted	–	–	–	–	1,202	–	–
Total net assets	(493)	(10,243)	5,774	(142,806)	(3,980)	208,263	(856)
Total liabilities and net assets	\$ (623)	\$ (9,548)	\$ 44,188	\$ 1,010,231	\$ 28,070	\$ 234,593	\$ (949,369)

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	CHRISTUS Health Consolidated	CHRISTUS Health Non- obligated Entities	CHRISTUS Health Obligated Entities	Southeast Texas Region	St Elizabeth Hospital	St Mary Hospital	Jasper Memorial Hospital	Southeast Texas Service Center
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 3,463,569	\$ 768,101	\$ 2,695,468	\$ 381,105	\$ 272,135	\$ 78,737	\$ 30,695	\$ -
Provision for bad debts	(239,406)	(38,309)	(201,097)	(35,940)	(25,614)	(6,666)	(3,660)	-
Net patient service revenue less provision for bad debts	3,224,163	729,792	2,494,371	345,165	246,521	72,071	27,035	-
Premium revenue	182,893	27,304	155,589	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	182,854	42,639	140,215	11,404	9,788	1,437	434	-
Equity in income of unconsolidated organizations	111,362	1,617	109,745	111	111	-	-	-
Total revenues	3,701,272	801,352	2,899,920	356,680	256,420	73,508	27,469	-
Expenses								
Employee compensation and benefits	1,609,714	419,100	1,190,614	147,588	101,408	32,231	13,949	-
Services and other	1,100,712	242,419	858,293	103,994	68,857	27,204	8,650	-
Supplies	612,132	131,422	480,710	70,280	53,674	13,725	2,881	-
Depreciation and amortization	271,965	29,321	242,644	18,948	13,949	3,926	1,073	-
Interest	33,697	3,138	30,559	4,632	3,650	982	-	-
Total expenses	3,628,220	825,400	2,802,820	345,442	241,538	78,068	26,553	-
Operating income (loss)	73,052	(24,048)	97,100	11,238	14,882	(4,560)	916	-
Non-operating investment gain (loss)	88,212	8,474	79,738	-	-	-	-	-
Other non-operating (loss) gain	(1,585)	(3,597)	2,012	(21)	(17)	-	(4)	-
Revenues in excess (deficit) of expenses	159,679	(19,171)	178,850	11,217	14,865	(4,560)	912	-
Less revenues in excess of expenses attributable to non-controlling interest	17,171	17,180	(9)	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 142,508	\$ (36,351)	\$ 178,859	\$ 11,217	\$ 14,865	\$ (4,560)	\$ 912	\$ -

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Southeast Texas Obligated Eliminations	Gulf Coast Texas Region	St John Hospital	St Catherine Health and Wellness Center	St Joseph Hospital – Houston	Regional Development Projects	Gulf Coast Service Center	Gulf Coast Texas Obligated Eliminations
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ (462)	\$ 223,853	\$ 114,538	\$ 67,321	\$ 19	\$ –	\$ 41,975	\$ –
Provision for bad debts	–	(16,175)	(8,348)	(7,828)	–	–	1	–
Net patient service revenue less provision for bad debts	(462)	207,678	106,190	59,493	19	–	41,976	–
Premium revenue	–	–	–	–	–	–	–	–
Other revenue including net gain on contributions to joint ventures	(255)	8,047	2,464	1,511	162	–	3,910	–
Equity in income of unconsolidated organizations	–	–	–	–	–	–	–	–
Total revenues	(717)	215,725	108,654	61,004	181	–	45,886	–
Expenses								
Employee compensation and benefits	–	85,169	49,554	34,616	36	–	963	–
Services and other	(717)	83,469	27,031	25,863	1	–	30,574	–
Supplies	–	27,514	18,939	8,448	–	–	127	–
Depreciation and amortization	–	11,576	5,451	5,430	–	–	695	–
Interest	–	3,902	1,206	2,696	–	–	–	–
Total expenses	(717)	211,630	102,181	77,053	37	–	32,359	–
Operating income (loss)	–	4,095	6,473	(16,049)	144	–	13,527	–
Non-operating investment gain (loss)	–	–	–	–	–	–	–	–
Other non-operating (loss) gain	–	2,902	(57)	–	–	–	2,959	–
Revenues in excess (deficit) of expenses	–	6,997	6,416	(16,049)	144	–	16,486	–
Less revenues in excess of expenses attributable to non-controlling interest	–	–	–	–	–	–	–	–
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ –	\$ 6,997	\$ 6,416	\$ (16,049)	\$ 144	\$ –	\$ 16,486	\$ –

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Ark-La-Tex Region	St Michael Health Care Center	St Michael Rehabilitation Hospital	Ark-La-Tex Obligated Eliminations	Spohn Region	Spohn Shoreline	Spohn Memorial	Spohn South
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 238,545	\$ 217,189	\$ 21,356	\$ -	\$ 726,871	\$ 316,488	\$ 166,319	\$ 104,677
Provision for bad debts	(7,805)	(7,639)	(166)	-	(58,976)	(14,238)	(20,565)	(8,873)
Net patient service revenue less provision for bad debts	230,740	209,550	21,190	-	667,895	302,250	145,754	95,804
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	12,481	11,686	795	-	24,671	4,862	13,233	3,568
Equity in income of unconsolidated organizations	360	360	-	-	2,311	2,311	-	-
Total revenues	243,581	221,596	21,985	-	694,877	309,423	158,987	99,372
Expenses								
Employee compensation and benefits	97,589	86,322	11,267	-	288,868	113,230	73,517	44,698
Services and other	62,072	55,547	6,525	-	207,240	71,604	74,422	26,263
Supplies	46,125	44,847	1,278	-	132,584	73,861	26,264	16,528
Depreciation and amortization	12,562	12,258	304	-	32,734	13,476	5,033	4,357
Interest	4,521	4,521	-	-	7,898	4,281	464	2,273
Total expenses	222,869	203,495	19,374	-	669,324	276,452	179,700	94,119
Operating income (loss)	20,712	18,101	2,611	-	25,553	32,971	(20,713)	5,253
Non-operating investment gain (loss)	80	80	-	-	-	-	-	-
Other non-operating (loss) gain	2	2	-	-	(129)	9	16	5
Revenues in excess (deficit) of expenses	20,794	18,183	2,611	-	25,424	32,980	(20,697)	5,258
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 20,794	\$ 18,183	\$ 2,611	\$ -	\$ 25,424	\$ 32,980	\$ (20,697)	\$ 5,258

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Spohn Kleberg Memorial	Spohn Beeville	Spohn Alice	Spohn Shared Services	Spohn Membership Agreement	Spohn Health System Payroll	Spohn Obligated Eliminations	Santa Rosa Region
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 47,777	\$ 31,999	\$ 59,611	\$ -	\$ -	\$ -	\$ -	\$ 595,655
Provision for bad debts	(4,123)	(4,557)	(6,620)	-	-	-	-	(53,156)
Net patient service revenue less provision for bad debts	43,654	27,442	52,991	-	-	-	-	542,499
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	926	804	1,278	(215)	-	-	215	15,570
Equity in income of unconsolidated organizations	-	-	-	-	-	-	-	-
Total revenues	44,580	28,246	54,269	(215)	-	-	215	558,069
Expenses								
Employee compensation and benefits	20,689	14,857	21,877	-	-	-	-	218,539
Services and other	11,299	7,643	16,009	-	-	-	-	193,357
Supplies	5,327	2,919	7,685	-	-	-	-	89,945
Depreciation and amortization	2,028	1,436	6,404	-	-	-	-	36,494
Interest	262	606	12	-	-	-	-	17,452
Total expenses	39,605	27,461	51,987	-	-	-	-	555,789
Operating income (loss)	4,975	785	2,282	(215)	-	-	215	2,282
Non-operating investment gain (loss)	-	-	-	-	-	-	-	30
Other non-operating (loss) gain	-	-	-	(159)	-	-	-	197
Revenues in excess (deficit) of expenses	4,975	785	2,282	(374)	-	-	215	2,507
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 4,975	\$ 785	\$ 2,282	\$ (374)	\$ -	\$ -	\$ 215	\$ 2,509

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Santa Rosa General Hospital	Santa Rosa Children's Hospital	Santa Rosa Medical Center	Santa Rosa Support Services	Santa Rosa Boerne	Santa Rosa Westover Hills	Santa Rosa New Braunfels	Santa Rosa Alamo Heights
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 5,914	\$ 183,849	\$ 107,413	\$ -	\$ -	\$ 152,034	\$ 129,703	\$ 7,006
Provision for bad debts	(405)	(13,867)	(7,536)	-	-	(18,198)	(11,208)	(544)
Net patient service revenue less provision for bad debts	5,509	169,982	99,877	-	-	133,836	118,495	6,462
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	86	9,514	724	-	-	1,128	1,150	41
Equity in income of unconsolidated organizations	-	-	-	-	-	-	-	-
Total revenues	5,595	179,496	100,601	-	-	134,964	119,645	6,503
Expenses								
Employee compensation and benefits	2,707	80,199	37,880	-	-	49,224	39,295	3,579
Services and other	2,249	72,571	36,714	(57)	128	37,668	37,512	4,786
Supplies	618	25,707	19,079	-	-	20,074	20,959	2,520
Depreciation and amortization	2,742	8,330	4,129	-	143	11,737	6,154	2,293
Interest	116	3,018	1,790	57	-	5,977	4,874	1,581
Total expenses	8,432	189,825	99,592	-	271	124,680	108,794	14,759
Operating income (loss)	(2,837)	(10,329)	1,009	-	(271)	10,284	10,851	(8,256)
Non-operating investment gain (loss)	-	12	5	-	-	7	6	-
Other non-operating (loss) gain	(86)	4	14	-	-	-	1	-
Revenues in excess (deficit) of expenses	(2,923)	(10,313)	1,028	-	(271)	10,291	10,858	(8,256)
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ (2,923)	\$ (10,313)	\$ 1,028	\$ -	\$ (271)	\$ 10,291	\$ 10,858	\$ (8,256)

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Santa Rosa Rehabilitation Hospital	Santa Rosa Partnership Management Services	Santa Rosa Alon	Santa Rosa Creekside	Santa Rosa Foundation	Santa Rosa Real Estate	Santa Rosa Obligated Eliminations	Northern Louisiana Region
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ (371)	\$ –	\$ 5,464	\$ 4,643	\$ –	\$ –	\$ –	\$ 217,280
Provision for bad debts	(164)	–	(434)	(800)	–	–	–	(10,437)
Net patient service revenue less provision for bad debts	(535)	–	5,030	3,843	–	–	–	206,843
Premium revenue	–	–	–	–	–	–	–	–
Other revenue including net gain on contributions to joint ventures	3	2,388	–	–	–	536	–	11,962
Equity in income of unconsolidated organizations	–	–	–	–	–	–	–	–
Total revenues	(532)	2,388	5,030	3,843	–	536	–	218,805
Expenses								
Employee compensation and benefits	310	636	2,226	1,467	1,016	–	–	87,937
Services and other	111	99	1,184	589	(1,045)	848	–	60,095
Supplies	8	9	468	463	29	11	–	43,130
Depreciation and amortization	124	518	192	129	–	3	–	92,294
Interest	39	–	–	–	–	–	–	5,302
Total expenses	592	1,262	4,070	2,648	–	862	–	288,758
Operating income (loss)	(1,124)	1,126	960	1,195	–	(326)	–	(69,953)
Non-operating investment gain (loss)	–	–	–	–	–	–	–	65
Other non-operating (loss) gain	264	–	–	–	–	–	–	(37)
Revenues in excess (deficit) of expenses	(860)	1,126	960	1,195	–	(326)	–	(69,925)
Less revenues in excess of expenses attributable to non-controlling interest	–	–	–	–	–	–	–	–
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ (860)	\$ 1,126	\$ 960	\$ 1,195	\$ –	\$ (326)	\$ –	\$ (69,925)

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Schumpert Health System	Schumpert Highland Hospital	Schumpert Bossier Medical Center	Northern Louisiana Obligated Eliminations	Southwestern Louisiana Region	St. Patrick Hospital	CHRISTUS Village – Lake Charles	Southwestern Louisiana Obligated Eliminations
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 128,852	\$ 88,428	\$ –	\$ –	\$ 122,035	\$ 122,035	\$ –	\$ –
Provision for bad debts	(6,212)	(4,225)	–	–	(7,556)	(7,556)	–	–
Net patient service revenue less provision for bad debts	122,640	84,203	–	–	114,479	114,479	–	–
Premium revenue	–	–	–	–	–	–	–	–
Other revenue including net gain on contributions to joint ventures	8,176	3,786	–	–	4,268	4,268	–	–
Equity in income of unconsolidated organizations	–	–	–	–	–	–	–	–
Total revenues	130,816	87,989	–	–	118,747	118,747	–	–
Expenses								
Employee compensation and benefits	55,536	32,401	–	–	47,693	47,693	–	–
Services and other	33,262	26,833	–	–	36,788	36,788	–	–
Supplies	27,008	16,122	–	–	29,085	29,085	–	–
Depreciation and amortization	88,349	3,945	–	–	6,097	6,097	–	–
Interest	3,399	1,903	–	–	2,725	2,725	–	–
Total expenses	207,554	81,204	–	–	122,388	122,388	–	–
Operating income (loss)	(76,738)	6,785	–	–	(3,641)	(3,641)	–	–
Non-operating investment gain (loss)	65	–	–	–	35	35	–	–
Other non-operating (loss) gain	(36)	(1)	–	–	192	192	–	–
Revenues in excess (deficit) of expenses	(76,709)	6,784	–	–	(3,414)	(3,414)	–	–
Less revenues in excess of expenses attributable to non-controlling interest	–	–	–	–	–	–	–	–
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ (76,709)	\$ 6,784	\$ –	\$ –	\$ (3,414)	\$ (3,414)	\$ –	\$ –

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Central Louisiana Region	St Frances Cabrin Hospital	Coushatta Health Care	St Joseph Nursing Home	CHRISTUS Health Louisiana Ministries	Heart Center of Louisiana	Central Louisiana Obligated Eliminations	Corporate and Eliminations
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 213,932	\$ 192,357	\$ 13,476	\$ 8,123	\$ -	\$ (24)	\$ -	\$ (23,808)
Provision for bad debts	(11,052)	(9,234)	(1,375)	(443)	-	-	-	-
Net patient service revenue less provision for bad debts	202,880	183,123	12,101	7,680	-	(24)	-	(23,808)
Premium revenue	-	-	-	-	-	-	-	155,589
Other revenue including net gain on contributions to joint ventures	7,076	6,816	207	28	25	-	-	44,736
Equity in income of unconsolidated organizations	1,338	1,338	-	-	-	-	-	105,624
Total revenues	211,294	191,277	12,308	7,708	25	(24)	-	282,141
Expenses								
Employee compensation and benefits	93,168	82,080	7,052	4,036	-	-	-	124,063
Services and other	50,204	43,559	4,359	2,267	20	(1)	-	61,040
Supplies	40,095	38,175	957	963	-	-	-	1,952
Depreciation and amortization	15,428	14,326	795	303	4	-	-	16,513
Interest	7,347	7,347	-	-	-	-	-	(23,217)
Total expenses	206,242	185,487	13,163	7,569	24	(1)	-	180,381
Operating income (loss)	5,052	5,790	(855)	139	1	(23)	-	101,760
Non-operating investment gain (loss)	-	-	-	-	-	-	-	79,530
Other non-operating (loss) gain	(1)	-	(1)	-	-	-	-	(1,093)
Revenues in excess (deficit) of expenses	5,051	5,790	(856)	139	1	(23)	-	180,197
Less revenues in excess of expenses attributable to non-controlling interest	(9)	-	-	-	-	(9)	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 5,060	\$ 5,790	\$ (856)	\$ 139	\$ 1	\$ (14)	\$ -	\$ 180,197

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	TLRA	Revenue Cycle Business Services	Supply Cham Management	Corporate office	Grants and Loans	Workers Compensation	Insurance Fund	Information Management
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -
Provision for bad debts	-	-	-	-	-	-	-	-
Net patient service revenue less provision for bad debts	-	-	-	2,000	-	-	-	-
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	10,225	-	-	70,193	-	285	829	565
Equity in income of unconsolidated organizations	-	-	-	105,624	-	-	-	-
Total revenues	10,225	-	-	177,817	-	285	829	565
Expenses								
Employee compensation and benefits	6,411	15,590	2,809	60,556	-	(464)	1,594	42,959
Services and other	3,746	(9,895)	2,333	50,492	24	533	(1,324)	(43,884)
Supplies	22	188	(8,052)	1,737	-	28	57	4,163
Depreciation and amortization	46	81	-	9,800	-	-	-	3,686
Interest	-	-	-	-	-	-	-	-
Total expenses	10,225	5,964	(2,910)	122,585	24	97	327	6,924
Operating income (loss)	-	(5,964)	2,910	55,232	(24)	188	502	(6,359)
Non-operating investment gain (loss)	-	-	-	49,022	1,685	-	-	-
Other non-operating (loss) gain	-	-	-	-	(1,661)	-	-	(3)
Revenues in excess (deficit) of expenses	-	(5,964)	2,910	104,254	-	188	502	(6,362)
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ -	\$ (5,964)	\$ 2,910	\$ 104,254	\$ -	\$ 188	\$ 502	\$ (6,362)

CHRISTUS Health

Combined Group Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	CHRISTUS TechSource	Clinical Engineering	CHRISTUS Retail Services	Benefits	Bond Fund	St. Joseph Village	Uniformed Services Family Health Plan	CHRISTUS Corporate Obligated Eliminations
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (25.808)
Provision for bad debts	-	-	-	-	-	-	-	-
Net patient service revenue less provision for bad debts	-	-	-	-	-	-	-	(25.808)
Premium revenue	-	-	-	-	-	-	155.589	-
Other revenue including net gain on contributions to joint ventures	1.320	-	4.753	2.643	106	5.628	1.000	(52.811)
Equity in income of unconsolidated organizations	-	-	-	-	-	-	-	-
Total revenues	1.320	-	4.753	2.643	106	5.628	156.589	(78.619)
Expenses								
Employee compensation and benefits	2.307	153	2.165	(19.818)	-	1.915	7.886	-
Services and other	1.458	1.337	559	1	3.386	1.255	128.559	(77.510)
Supplies	3	-	2.674	-	-	613	519	-
Depreciation and amortization	86	-	33	-	1.169	1.137	475	-
Interest	-	-	-	-	(24.186)	1.469	4	(505)
Total expenses	3.854	1.490	5.431	(19.817)	(19.631)	6.389	137.443	(78.015)
Operating income (loss)	(2.534)	(1.490)	(678)	22.460	19.737	(761)	19.146	(604)
Non-operating investment gain (loss)	-	-	-	-	28.823	-	-	-
Other non-operating (loss) gain	(7)	-	(26)	-	-	-	-	604
Revenues in excess (deficit) of expenses	(2.541)	(1.490)	(704)	22.460	48.560	(761)	19.146	-
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ (2.541)	\$ (1.490)	\$ (704)	\$ 22.460	\$ 48.560	\$ (761)	\$ 19.146	\$ -

CHRISTUS Health

Consolidating Financial Statements

June 30, 2014
(In Thousands)

	CHRISTUS Health	New Mexico Region	St. Vincent	Southeast Texas Region	St. Elizabeth Hospital	St. Mary Hospital	Jasper Memorial Hospital	St. Elizabeth Rehab Partners
Assets								
Current assets								
Cash and cash equivalents	\$ 452,854	\$ 25,324	\$ 25,324	\$ 296,429	\$ 301,515	\$ 9,606	\$ (19,067)	\$ 249
Short-term investments and equity in managed funds	853,061	42,947	42,947	—	—	—	—	—
Assets whose use is limited, required for current liabilities	23,480	—	—	—	—	—	—	—
Patient accounts receivable, net of allowance for doubtful accounts	358,691	43,651	43,651	33,610	25,646	5,296	2,085	583
Notes and other receivables	201,065	847	847	1,577	2,900	(2,214)	558	—
Inventories	84,444	5,540	5,540	10,399	7,657	2,208	534	—
Securities pledged to creditors	1,846	—	—	—	—	—	—	—
Security lending collateral	1,987	—	—	—	—	—	—	—
Other current assets	64,764	2,702	2,702	1,293	619	171	311	—
Total current assets	2,042,192	121,011	121,011	343,308	338,337	15,067	(15,579)	832
Assets whose use is limited or restricted, less current portion	597,964	12,107	12,107	1,341	—	—	—	—
Property and equipment, net of accumulated depreciation	1,500,596	107,049	107,049	163,736	137,728	19,268	5,334	1,383
Other assets								
Investment in unconsolidated organizations	168,030	3,807	3,807	1,597	1,597	—	—	—
Goodwill	124,545	10,850	10,850	34,891	34,891	—	—	—
Beneficial interest in supporting organizations and other restricted assets	83,306	7,561	7,561	—	—	—	—	—
Other assets	77,064	171	171	675	668	—	7	—
Total other assets	452,945	22,389	22,389	37,163	37,156	—	7	—
Total assets	\$ 4,593,697	\$ 262,556	\$ 262,556	\$ 545,548	\$ 513,221	\$ 34,335	\$ (10,238)	\$ 2,215

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Health Ventures of Southeast Texas	Southeast Texas Pam Management Center	Southeast Texas Service Center	Foundation of Southeast Texas	Southeast Texas Obligated Eliminations	Southeast Texas Non-Obligated Eliminations	Gulf Coast Texas Region	St John Hospital
Assets								
Current assets								
Cash and cash equivalents	\$ 458	\$ 259	\$ -	\$ 3,409	\$ -	\$ -	\$ 220,716	\$ 136,723
Short-term investments and equity in managed funds	-	-	-	-	-	-	28,656	-
Assets whose use is limited, required for current liabilities	-	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	-	-	-	-	-	-	1,516	433
Notes and other receivables	-	-	-	333	-	-	2,888	79
Inventories	-	-	-	-	-	-	-	-
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	192	-	-	-	-	-	447	378
Total current assets	650	259	-	3,742	-	-	254,223	137,613
Assets whose use is limited or restricted, less current portion	-	-	-	1,341	-	-	31,567	-
Property and equipment, net of accumulated depreciation	19	-	-	4	-	-	21,655	2,431
Other assets								
Investment in unconsolidated organizations	-	-	-	-	-	-	43,145	-
Goodwill	-	-	-	-	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	725	-
Other assets	81	-	117	-	(117)	(81)	71	64
Total other assets	81	-	117	-	(117)	(81)	43,941	64
Total assets	\$ 750	\$ 259	\$ 117	\$ 5,087	\$ (117)	\$ (81)	\$ 351,386	\$ 140,108

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	St Catherine Health and Wellness Center	Houston Metropolitan Health Network	CHRISTUS Foundation For Healthcare	Gulf Coast Service Center	West Houston Real Estate Development	Gulf Coast Texas Obligated Eliminations	Gulf Coast Texas Non-Obligated Eliminations	Ark-La-Tex Region
Assets								
Current assets								
Cash and cash equivalents	\$ (80,091)	\$ 120	\$ 3,441	\$ 160,514	\$ 9	\$ -	\$ -	\$ 155,024
Short-term investments and equity in managed funds	-	-	28,656	-	-	-	-	-
Assets whose use is limited, required for current liabilities	-	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	1,083	-	-	-	-	-	-	25,404
Notes and other receivables	245	2	109	2,453	-	-	-	10,714
Inventories	-	-	-	-	-	-	-	5,551
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	47	-	-	22	-	-	-	2,327
Total current assets	(78,716)	122	32,206	162,989	9	-	-	199,021
Assets whose use is limited or restricted, less current portion	-	-	31,567	-	-	-	-	3,764
Property and equipment, net of accumulated depreciation	2,431	-	519	16,274	-	-	-	123,716
Other assets								
Investment in unconsolidated organizations	-	-	-	43,145	-	-	-	1,072
Goodwill	-	-	-	-	-	-	-	300
Beneficial interest in supporting organizations and other restricted assets	-	-	725	-	-	-	-	-
Other assets	-	-	7	1,000	-	-	(1,000)	1,095
Total other assets	-	-	732	44,145	-	-	(1,000)	2,467
Total assets	\$ (76,285)	\$ 122	\$ 65,024	\$ 223,408	\$ 9	\$ -	\$ (1,000)	\$ 328,968

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	St Michael Health Care Center	St Michael Atlanta	St Michael Rehabilitation Hospital	St Michael Atlanta Home Health	Arkansas ICHN	Ark-La-Tex Health Network	Ark-La-Tex Obligated Eliminations	Ark-La-Tex Non-Obligated Eliminations
Assets								
Current assets								
Cash and cash equivalents	\$ 135,592	\$ 67	\$ 978	\$ –	\$ 17,301	\$ 1,086	\$ –	\$ –
Short-term investments and equity in managed funds	–	–	–	–	–	–	–	–
Assets whose use is limited, required for current liabilities	–	–	–	–	–	–	–	–
Patient accounts receivable, net of allowance for doubtful accounts	21,552	873	2,678	302	–	–	–	–
Notes and other receivables	9,756	442	374	–	11	131	–	–
Inventories	5,275	240	36	–	–	–	–	–
Securities pledged to creditors	–	–	–	–	–	–	–	–
Security lending collateral	–	–	–	–	–	–	–	–
Other current assets	987	1,266	2	–	70	2	–	–
Total current assets	173,162	2,888	4,068	302	17,382	1,219	–	–
Assets whose use is limited or restricted, less current portion	2,146	–	–	–	1,618	–	–	–
Property and equipment, net of accumulated depreciation	114,435	2,194	6,417	–	670	–	–	–
Other assets								
Investment in unconsolidated organizations	763	–	–	–	309	–	–	–
Goodwill	–	–	–	300	–	–	–	–
Beneficial interest in supporting organizations and other restricted assets	–	–	–	–	–	–	–	–
Other assets	1,715	–	–	–	–	–	–	(620)
Total other assets	2,478	–	–	300	309	–	–	(620)
Total assets	\$ 292,221	\$ 5,082	\$ 10,485	\$ 602	\$ 19,979	\$ 1,219	\$ –	\$ (620)

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Spohn Region	Spohn Shoreline	Spohn Memorial	Spohn South	Spohn Kleberg Memorial	Spohn Beeville	Spohn Alice	Spohn Shared Services
Assets								
Current assets								
Cash and cash equivalents	\$ 424,627	\$ 51,585	\$ (212,262)	\$ 98,268	\$ 85,064	\$ 26,786	\$ 25,807	\$ (135,695)
Short-term investments and equity in managed funds	8,093	-	-	-	-	-	-	-
Assets whose use is limited, required for current liabilities	-	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	65,095	32,365	12,892	9,315	3,702	2,505	4,316	-
Notes and other receivables	124,042	3,124	103,304	11	5,160	3,975	7,489	29
Inventories	20,807	7,620	6,943	3,475	826	487	1,456	-
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	394	(298)	213	168	62	51	67	112
Total current assets	643,058	94,396	(88,910)	111,237	94,814	33,804	39,135	(135,554)
Assets whose use is limited or restricted, less current portion	11,540	8	-	-	-	-	-	29
Property and equipment, net of accumulated depreciation	273,951	137,903	35,076	40,062	21,821	11,996	22,634	3,417
Other assets								
Investment in unconsolidated organizations	6,421	6,388	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	-	-
Other assets	38,761	38,708	1	15	8	29	-	10,944
Total other assets	45,182	45,096	1	15	8	29	-	10,944
Total assets	\$ 973,731	\$ 277,403	\$ (53,833)	\$ 151,314	\$ 116,643	\$ 45,829	\$ 61,769	\$ (121,164)

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Spohn Membership Agreement	Spohn Health Network	Spohn Health System Payroll	Spohn Investment Corporation	Spohn Development Foundation	Spohn Obligated Eliminations	Spohn Non-Obligated Eliminations	Santa Rosa Region
Assets								
Current assets								
Cash and cash equivalents	\$ 473.143	\$ 1.274	\$ -	\$ 14.171	\$ (3.514)	\$ -	\$ -	\$ 38,775
Short-term investments and equity in managed funds	-	-	-	-	8,093	-	-	1,846
Assets whose use is limited, required for current liabilities	-	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	-	-	-	-	-	-	-	70,104
Notes and other receivables	-	14	-	1	935	-	-	35,123
Inventories	-	-	-	-	-	-	-	21,926
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	-	1	-	-	18	-	-	3,726
Total current assets	473.143	1.289	-	14.172	5.532	-	-	171,500
Assets whose use is limited or restricted, less current portion	-	-	-	-	11,503	-	-	375
Property and equipment, net of accumulated depreciation	-	-	-	1,038	4	-	-	346,152
Other assets								
Investment in unconsolidated organizations	-	-	-	33	-	-	-	536
Goodwill	-	-	-	-	-	-	-	38,174
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	-	73,802
Other assets	-	-	-	-	-	(10,944)	-	7,237
Total other assets	-	-	-	33	-	(10,944)	-	119,749
Total assets	\$ 473.143	\$ 1.289	\$ -	\$ 15.243	\$ 17.039	\$ (10.944)	\$ -	\$ 637,776

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Santa Rosa General Hospital	Santa Rosa South Texas Alliance	Santa Rosa Children's Hospital	Santa Rosa Medical Center	Santa Rosa Support Services	Santa Rosa Boerne	Santa Rosa Westover Hills	Santa Rosa New Braunfels
Assets								
Current assets								
Cash and cash equivalents	\$ -	\$ 350	\$ -	\$ -	\$ 24,746	\$ -	\$ -	\$ (1)
Short-term investments and equity in managed funds	-	-	-	-	-	-	-	-
Assets whose use is limited, required for current liabilities	-	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	(238)	(8)	27,468	9,312	(1,456)	-	15,938	12,257
Notes and other receivables	-	756	12,174	5,079	2,402	-	6,907	6,023
Inventories	1,028	-	7,085	3,554	202	-	3,882	2,868
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	-	-	2,163	517	680	-	1	69
Total current assets	790	1,098	48,890	18,462	26,574	-	26,728	21,216
Assets whose use is limited or restricted, less current portion	-	-	-	-	375	-	-	-
Property and equipment, net of accumulated depreciation	-	-	96,344	10,185	14,044	5,328	108,447	64,890
Other assets								
Investment in unconsolidated organizations	-	-	-	-	536	-	-	-
Goodwill	-	-	-	-	14,623	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	73,802	-	-	-	-	-
Other assets	-	-	-	-	24,769	-	-	-
Total other assets	-	-	73,802	-	39,928	-	-	-
Total assets	\$ 790	\$ 1,098	\$ 219,036	\$ 28,647	\$ 80,921	\$ 5,328	\$ 135,175	\$ 86,106

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Santa Rosa Alamo Heights Surgical Hospital	Santa Rosa Alamo Heights	Santa Rosa Rehabilitation Hospital	Santa Rosa Partnership Management Services	Santa Rosa New Braunfels Outpatient Surgery Center	Santa Rosa Physician Ambulatory Surgery Center	Santa Rosa Family Health Center	South Texas Health Alliance	Santa Rosa Alon
Assets									
Current assets									
Cash and cash equivalents	\$ 18	\$ -	\$ -	\$ -	\$ 1,018	\$ 1,345	\$ 4711	\$ -	\$ -
Short-term investments and equity in managed funds	-	-	-	-	-	-	-	-	-
Assets whose use is limited, required for current liabilities	-	-	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	704	997	(3)	-	1,260	2,476	(199)	-	682
Notes and other receivables	32	-	-	1,223	27	402	25	-	-
Inventories	1,425	(186)	-	-	607	1,374	-	-	25
Securities pledged to creditors	-	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-	-
Other current assets	-	-	-	-	111	61	4	-	-
Total current assets	2,179	811	(3)	1,223	3,023	5,658	4,541	-	707
Assets whose use is limited or restricted, less current portion	-	-	-	-	-	-	-	-	-
Property and equipment, net of accumulated depreciation	5,375	26,998	-	-	435	3,707	659	-	4,270
Other assets									
Investment in unconsolidated organizations	-	-	-	-	-	-	-	-	-
Goodwill	-	-	-	22,543	1,008	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	1,682	-	-	-	-	-
Total other assets	-	-	-	24,225	1,008	-	-	-	-
Total assets	\$ 7,554	\$ 27,809	\$ (3)	\$ 25,448	\$ 4,466	\$ 9,365	\$ 5,200	\$ -	\$ 4,977

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Santa Rosa Creekside	Santa Rosa Equipment Leasing	Santa Rosa Foundation	Friends of Santa Rosa Foundation	Santa Rosa Real Estate	Santa Rosa Obligated Eliminations	Santa Rosa Non-Obligated Eliminations	Northern Louisiana Region
Assets								
Current assets								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 6,588	\$ -	\$ -	\$ -	\$ 6,902
Short-term investments and equity in managed funds	-	-	-	1,846	-	-	-	2,258
Assets whose use is limited, required for current liabilities	-	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	914	-	-	-	-	-	-	16,609
Notes and other receivables	-	-	-	73	-	-	-	870
Inventories	62	-	-	-	-	-	-	4,854
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	-	-	-	-	120	-	-	530
Total current assets	976	-	-	8,507	120	-	-	32,023
Assets whose use is limited or restricted, less current portion	-	-	-	-	-	-	-	6,447
Property and equipment, net of accumulated depreciation	5,631	-	3	-	(164)	-	-	82,762
Other assets								
Investment in unconsolidated organizations	-	-	-	-	-	-	-	2,432
Goodwill	-	-	-	-	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	(19,214)	1,982
Total other assets	-	-	-	-	-	-	(19,214)	4,414
Total assets	\$ 6,607	\$ -	\$ 3	\$ 8,507	\$ (44)	\$ -	\$ (19,214)	\$ 125,647

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Schumpert Health System	Schumpert Highland Hospital	Northern Louisiana MISO	Schumpert Foundation	Northern Louisiana Obligated Eliminations	Northern Louisiana Non-Obligated Eliminations	Southwestern Louisiana Region	St. Patrick Hospital
Assets								
Current assets								
Cash and cash equivalents	\$ 7,006	\$ 2	\$ 13	\$ (119)	\$ -	\$ -	\$ 53,225	\$ 52,860
Short-term investments and equity in managed funds	423	-	-	1,835	-	-	-	-
Assets whose use is limited, required for current liabilities	-	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	(534,157)	550,766	-	-	-	-	18,223	18,106
Notes and other receivables	3,974	-	-	1	-	(3,105)	1,846	1,846
Inventories	879	3,975	-	-	-	-	4,081	4,081
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	483	-	-	47	-	-	508	501
Total current assets	(521,392)	554,743	13	1,764	-	(3,105)	77,883	77,394
Assets whose use is limited or restricted, less current portion	-	-	-	6,447	-	-	220	220
Property and equipment, net of accumulated depreciation	20,446	62,316	-	-	-	-	52,367	52,306
Other assets								
Investment in unconsolidated organizations	15	-	2,417	-	-	-	1,754	-
Goodwill	-	-	-	-	-	-	5,123	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	-	-
Other assets	1,982	-	-	-	-	-	875	3,822
Total other assets	1,997	-	2,417	-	-	-	7,752	3,822
Total assets	\$ (498,949)	\$ 617,059	\$ 2,430	\$ 8,211	\$ -	\$ (3,105)	\$ 138,222	\$ 133,742

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Occupational Health Services	CHRISTUS Village – Lake Charles	South Ryan Development Corporation	Southwestern Louisiana PHO	Colonnade Endoscopy Center, LLC	Southwestern Louisiana Obligated Eliminations	Southwestern Louisiana Non-Obligated Eliminations	Central Louisiana Region
Assets								
Current assets								
Cash and cash equivalents	\$ 70	\$ –	\$ 67	\$ 8	\$ 220	\$ –	\$ –	\$ 96,640
Short-term investments and equity in managed funds	–	–	–	–	–	–	–	3
Assets whose use is limited, required for current liabilities	–	–	–	–	–	–	–	45
Patient accounts receivable, net of allowance for doubtful accounts	–	–	–	–	117	–	–	21,016
Notes and other receivables	–	–	–	–	–	–	–	(3,006)
Inventories	–	–	–	–	–	–	–	4,781
Securities pledge to creditors	–	–	–	–	–	–	–	–
Security lending collateral	–	–	–	–	–	–	–	–
Other current assets	–	–	–	–	7	–	–	272
Total current assets	70	–	67	8	344	–	–	119,751
Assets whose use is limited or restricted, less current portion	–	–	–	–	–	–	–	3,427
Property and equipment, net of accumulated depreciation	–	–	–	–	61	–	–	132,478
Other assets								
Investment in unconsolidated organizations	1,754	–	–	–	–	–	–	1,219
Goodwill	–	–	–	–	5,123	–	–	–
Beneficial interest in supporting organizations and other restricted assets	–	–	–	–	–	–	–	8
Other assets	–	–	–	–	–	–	(2,947)	743
Total other assets	1,754	–	–	–	5,123	–	(2,947)	1,970
Total assets	\$ 1,824	\$ –	\$ 67	\$ 8	\$ 5,528	\$ –	\$ (2,947)	\$ 257,626

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	St Frances Cabrim Hospital	Coushatta Health Care	St Joseph Nursing Home	St Frances Cabrim Foundation	CHRISTUS Health Louisiana Ministries	Heart Center of Louisiana	Central Louisiana Obligated Eliminations	Central Louisiana Non-Obligated Eliminations
Assets								
Current assets								
Cash and cash equivalents	\$ 106,784	\$ (13,303)	\$ 5,741	\$ 741	\$ (3,369)	\$ 46	\$ -	\$ -
Short-term investments and equity in managed funds	3	-	-	-	-	-	-	-
Assets whose use is limited, required for current liabilities	-	-	-	45	-	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	13,877	6,303	836	-	-	-	-	-
Notes and other receivables	(3,075)	24	-	45	-	-	-	-
Inventories	4,640	141	-	-	-	-	-	-
Securities pledge to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	215	29	8	20	-	-	-	-
Total current assets	122,444	(6,806)	6,585	851	(3,369)	46	-	-
Assets whose use is limited or restricted, less current portion	223	-	-	3,204	-	-	-	-
Property and equipment, net of accumulated depreciation	121,832	7,185	3,444	17	-	-	-	-
Other assets								
Investment in unconsolidated organizations	1,219	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	8	-	-	-	-
Other assets	697	-	-	-	-	-	46	-
Total other assets	1,916	-	-	-	-	-	46	-
Total assets	\$ 246,415	\$ 379	\$ 10,029	\$ 4,080	\$ (3,369)	\$ 46	\$ 46	\$ -

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Physician Group	Corporate and Eliminations	CHRISTUS Strategic Growth	Amatista	TLRA	Revenue Cycle Business Services	Supply Cham Management	Corporate Office
Assets								
Current assets								
Cash and cash equivalents	\$ (154,452)	\$ (729,311)	\$ 111,541	\$ -	\$ 11,319	\$ (19,865)	\$ 7,597	\$ (1,026,526)
Short-term investments and equity in managed funds	-	769,257	3,520	-	-	-	-	765,737
Assets whose use is limited, required for current liabilities	-	23,435	-	-	-	-	-	1
Patient accounts receivable, net of allowance for doubtful accounts	3,428	13,671	-	-	(13)	-	-	-
Notes and other receivables	3,364	18,149	-	-	-	-	290	9,484
Inventories	-	1,369	-	-	-	-	-	-
Securities pledged to creditors	-	1,846	-	-	-	-	-	1,846
Security lending collateral	-	1,987	-	-	-	-	-	1,987
Other current assets	2,044	44,929	-	-	88	53	-	3,763
Total current assets	(145,616)	145,332	115,061	-	11,394	(19,812)	7,887	(243,708)
Assets whose use is limited or restricted, less current portion	-	527,175	-	10,044	-	-	-	232,993
Property and equipment, net of accumulated depreciation	3,680	77,949	-	-	17	537	-	56,384
Other assets								
Investment in unconsolidated organizations	-	17,870	-	-	-	-	-	17,059
Goodwill	-	32,224	-	-	-	-	-	31,943
Beneficial interest in supporting organizations and other restricted assets	-	1,210	-	-	-	-	-	-
Other assets	-	15,089	-	10,052	-	-	-	91,371
Total other assets	-	66,393	-	10,052	-	-	-	140,373
Total assets	\$ (141,936)	\$ 816,849	\$ 115,061	\$ 20,096	\$ 11,411	\$ (19,275)	\$ 7,887	\$ 186,042

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Stehlin Foundation for Cancer Research	Emerald Assurance	Grants and Loans	Workers Compensation	Insurance Fund	Information Management	CHRISTUS TechSource	Clinical Engineering
Assets								
Current assets								
Cash and cash equivalents	\$ -	\$ -	\$ 20,091	\$ 21,704	\$ (20,724)	\$ (62,456)	\$ (13,483)	\$ (879)
Short-term investments and equity in managed funds	-	-	-	-	-	-	-	-
Assets whose use is limited, required for current liabilities	-	21,258	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	-	-	-	-	-	-	-	-
Notes and other receivables	-	6,087	47	97	(70)	228	-	-
Inventories	-	-	-	-	-	-	-	-
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	-	2,037	-	(6)	8,707	25,815	-	-
Total current assets	-	29,382	20,138	21,795	(12,087)	(36,413)	(13,483)	(879)
Assets whose use is limited or restricted, less current portion	-	197,992	-	-	-	-	-	-
Property and equipment, net of accumulated depreciation	-	-	-	-	-	(4,675)	-	-
Other assets								
Investment in unconsolidated organizations	-	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	-	-
Other assets	-	75	4,611	718	-	-	-	-
Total other assets	-	75	4,611	718	-	-	-	-
Total assets	\$ -	\$ 227,449	\$ 24,749	\$ 22,513	\$ (12,087)	\$ (41,088)	\$ (13,483)	\$ (879)

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	CHRISTUS Retail Services	CHRISTUS Foundation	Benefits	Bond Fund	Liability Retention Trust	CHRISTUS Health Plan	Health Plan New Mexico	Health Plan Louisiana
Assets								
Current assets								
Cash and cash equivalents	\$ (11,884)	\$ 2	\$ 59,770	\$ (49,404)	\$ -	\$ 14,058	\$ -	\$ -
Short-term investments and equity in managed funds	-	-	-	-	-	-	-	-
Assets whose use is limited, required for current liabilities	-	-	-	1,700	476	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	-	-	-	-	-	-	-	-
Notes and other receivables	-	-	965	93	6	549	-	-
Inventories	970	-	-	-	-	-	-	-
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	-	-	-	3,895	-	233	-	-
Total current assets	(10,914)	2	60,735	(43,716)	482	14,840	-	-
Assets whose use is limited or restricted, less current portion	-	-	-	66,746	15,340	3,619	-	-
Property and equipment, net of accumulated depreciation	5	-	-	1,241	-	-	-	-
Other assets								
Investment in unconsolidated organizations	-	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	-	-
Other assets	-	-	658	765,917	-	-	-	-
Total other assets	-	-	658	765,917	-	-	-	-
Total assets	\$ (10,909)	\$ 2	\$ 61,393	\$ 790,188	\$ 15,822	\$ 18,459	\$ -	\$ -

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	CHRISTUS Duburs Health System	CHRISTUS Homecare	St. Joseph Village	Uniformed Services Family Health Plan	CHRISTUS Corporate Obligated Eliminations	CHRISTUS Corporate Non-Obligated Eliminations	International	Christus Latin America (Chile)
Assets								
Current assets								
Cash and cash equivalents	\$ 1,496	\$ (15,033)	\$ 3,155	\$ 240,210	\$ -	\$ -	\$ 18,955	\$ -
Short-term investments and equity in managed funds	-	-	-	-	-	-	-	-
Assets whose use is limited, required for current liabilities	-	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful accounts	5,192	9,561	-	-	(1,022)	(47)	46,365	-
Notes and other receivables	1,862	70	63	-	(1,622)	-	4,650	-
Inventories	399	-	-	-	-	-	5,137	-
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	181	155	-	8	-	-	5,590	-
Total current assets	9,130	(5,247)	3,218	240,218	(2,644)	(47)	80,697	-
Assets whose use is limited or restricted, less current portion	-	129	312	-	-	-	-	-
Property and equipment, net of accumulated depreciation	1,215	(876)	23,967	134	-	-	115,102	-
Other assets								
Investment in unconsolidated organizations	318	493	-	-	-	-	88,178	-
Goodwill	-	281	-	-	-	-	2,982	-
Beneficial interest in supporting organizations and other restricted assets	-	-	1,210	-	-	-	-	-
Other assets	10	-	-	-	(791,926)	(66,397)	10,363	-
Total other assets	328	774	1,210	-	(791,926)	(66,397)	101,523	-
Total assets	\$ 10,673	\$ (5,220)	\$ 28,707	\$ 240,352	\$ (794,570)	\$ (66,444)	\$ 297,322	\$ -

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Christus Health Spa (Chile)	Grupo Muguerza (Mexico)
Assets		
Current assets		
Cash and cash equivalents	\$ 2,081	\$ 16,874
Short-term investments and equity in managed funds	-	-
Assets whose use is limited, required for current liabilities	-	-
Patient accounts receivable, net of allowance for doubtful accounts	-	46,365
Notes and other receivables	-	4,650
Inventories	-	5,137
Securities pledged to creditors	-	-
Security lending collateral	-	-
Other current assets	-	5,590
Total current assets	2,081	78,616
Assets whose use is limited or restricted, less current portion	-	-
Property and equipment, net of accumulated depreciation	-	115,102
Other assets		
Investment in unconsolidated organizations	88,178	-
Goodwill	-	2,982
Beneficial interest in supporting organizations and other restricted assets	-	-
Other assets	-	10,363
Total other assets	88,178	13,345
Total assets	\$ 90,259	\$ 207,063

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	CHRISTUS Health	New Mexico Region	St. Vincent	Southeast Texas Region	St. Elizabeth Hospital	St. Mary Hospital	Jasper Memorial Hospital	St. Elizabeth Rehab Partners
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 392,428	\$ 22,480	\$ 22,480	\$ 34,912	\$ 37,919	\$ (5,549)	\$ 754	\$ 440
Accrued employee compensation and benefits, including pension benefits, current portion	164,741	20,893	20,893	6,887	5,225	1,256	406	-
Estimated third-party settlements, net	53,160	5,902	5,902	2,998	2,312	481	205	-
Current portion of long-term debt	12,668	-	-	3,743	2,955	788	-	-
Payable under security lending agreement	1,989	-	-	-	-	-	-	-
Total current liabilities	624,986	49,275	49,275	48,540	48,411	(3,024)	1,365	440
Long-term debt, less current portion	892,785	729	729	64,247	50,656	13,591	-	-
Accrued pension benefits, long-term portion	31,093	-	-	-	-	-	-	-
Derivative financial instruments	91,810	-	-	-	-	-	-	-
Other long-term obligations – primarily related to self-funded liabilities, less current portion	175,839	-	-	1,713	832	837	44	-
Total liabilities	1,816,513	50,004	50,004	114,500	99,899	11,404	1,409	440
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	2,502,684	101,287	101,287	430,099	413,093	22,926	(11,655)	2,500
Attributable to non-controlling interest	126,789	103,705	103,705	(725)	-	-	-	(725)
Total unrestricted	2,629,473	204,992	204,992	429,374	413,093	22,926	(11,655)	1,775
Temporarily restricted	136,241	7,561	7,561	1,058	227	4	7	-
Permanently restricted	11,470	-	-	613	-	-	-	-
Total net assets	2,777,184	212,553	212,553	431,045	413,320	22,930	(11,648)	1,775
Total liabilities and net assets	\$ 4,593,687	\$ 262,557	\$ 262,557	\$ 545,545	\$ 513,219	\$ 34,334	\$ (10,239)	\$ 2,215

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Health Ventures of Southeast Texas	Southeast Texas Pam Management Center	Southeast Texas Service Center	Foundation of Southeast Texas	Southeast Texas Obligated Eliminations	Southeast Texas Non-Obligated Eliminations	Gulf Coast Texas Region	St John Hospital
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 621	\$ (9)	\$ 117	\$ 619	\$ -	\$ -	\$ 29,237	\$ 23,152
Accrued employee compensation and benefits, including pension benefits, current portion	-	-	-	-	-	-	362	219
Estimated third-party settlements, net	-	-	-	-	-	-	195	525
Current portion of long-term debt	-	-	-	-	-	-	-	-
Payable under security lending agreement	-	-	-	-	-	-	-	-
Total current liabilities	621	(9)	117	619	-	-	29,794	23,896
Long-term debt, less current portion	-	-	-	-	-	-	-	-
Accrued pension benefits, long-term portion	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other long-term obligations – primarily related to self-funded liabilities, less current portion	-	-	-	-	-	-	1,426	975
Total liabilities	621	(9)	117	619	-	-	31,220	24,871
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	129	268	-	3,036	(117)	(81)	292,993	115,237
Attributable to noncontrolling interest	-	-	-	-	-	-	(3,123)	-
Total unrestricted	129	268	-	3,036	(117)	(81)	289,870	115,237
Temporarily restricted	-	-	-	820	-	-	25,524	-
Permanently restricted	-	-	-	613	-	-	4,772	-
Total net assets	129	268	-	4,469	(117)	(81)	320,166	115,237
Total liabilities and net assets	\$ 750	\$ 259	\$ 117	\$ 5,088	\$ (117)	\$ (81)	\$ 351,386	\$ 140,108

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	St Catherine Health and Wellness Center	Houston Metropolitan Health Network	CHRISTUS Foundation For Healthcare	Gulf Coast Service Center	West Houston Real Estate Development	Gulf Coast Texas Obligated Eliminations	Gulf Coast Texas Non-Obligated Eliminations	Ark-La-Tex Region
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 1,249	\$ 21	\$ 639	\$ 4,176	\$ –	\$ –	\$ –	\$ 25,220
Accrued employee compensation and benefits, including pension benefits, current portion	28	–	–	115	–	–	–	5,615
Estimated third-party settlements, net	(330)	–	–	–	–	–	–	257
Current portion of long-term debt	–	–	–	–	–	–	–	3,468
Payable under security lending agreement	–	–	–	–	–	–	–	–
Total current liabilities	947	21	639	4,291	–	–	–	34,560
Long-term debt, less current portion	–	–	–	–	–	–	–	62,575
Accrued pension benefits, long-term portion	–	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	–	–
Other long-term obligations – primarily related to self-funded liabilities, less current portion	451	–	–	–	–	–	–	–
Total liabilities	1,398	21	639	4,291	–	–	–	97,135
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	(77,683)	101	34,089	219,117	3,132	–	(1,000)	230,442
Attributable to noncontrolling interest	–	–	–	–	(3,123)	–	–	–
Total unrestricted	(77,683)	101	34,089	219,117	9	–	(1,000)	230,442
Temporarily restricted	–	–	25,524	–	–	–	–	1,391
Permanently restricted	–	–	4,772	–	–	–	–	–
Total net assets	(77,683)	101	64,385	219,117	9	–	(1,000)	231,833
Total liabilities and net assets	\$ (76,285)	\$ 122	\$ 65,024	\$ 223,408	\$ 9	\$ –	\$ (1,000)	\$ 328,968

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	St Michael Health Care Center	St Michael Atlanta	St Michael Rehabilitation Hospital	St Michael Atlanta Home Health	Arkansas ICHN	Ark-La-Tex Health Network	Ark-La-Tex Obligated Eliminations	Ark-La-Tex Non-Obligated Eliminations
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 8,345	\$ 3,587	\$ 11,273	\$ 425	\$ 418	\$ 1,172	\$ -	\$ -
Accrued employee compensation and benefits, including pension benefits, current portion	4,708	324	550	33	-	-	-	-
Estimated third-party settlements, net	176	-	81	-	-	-	-	-
Current portion of long-term debt	3,468	-	-	-	-	-	-	-
Payable under security lending agreement	-	-	-	-	-	-	-	-
Total current liabilities	16,697	3,911	11,904	458	418	1,172	-	-
Long-term debt, less current portion	62,575	-	-	-	-	-	-	-
Accrued pension benefits, long-term portion	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other long-term obligations – primarily related to self-funded liabilities, less current portion	-	-	-	-	-	-	-	-
Total liabilities	79,272	3,911	11,904	458	418	1,172	-	-
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	211,558	1,171	(1,419)	144	19,561	47	-	(620)
Attributable to noncontrolling interest	-	-	-	-	-	-	-	-
Total unrestricted	211,558	1,171	(1,419)	144	19,561	47	-	(620)
Temporarily restricted	1,391	-	-	-	-	-	-	-
Permanently restricted	-	-	-	-	-	-	-	-
Total net assets	212,949	1,171	(1,419)	144	19,561	47	-	(620)
Total liabilities and net assets	\$ 292,221	\$ 5,082	\$ 10,485	\$ 602	\$ 19,979	\$ 1,219	\$ -	\$ (620)

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Spohn Region	Spohn Shoreline	Spohn Memorial	Spohn South	Spohn Kleberg Memorial	Spohn Beeville	Spohn Alice	Spohn Shared Services
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 28,015	\$ (429,864)	\$ (84,649)	\$ 69,210	\$ 33,687	\$ 13,414	\$ 82,011	\$ (134,940)
Accrued employee compensation and benefits, including pension benefits, current portion	11,301	4,809	2,637	1,698	662	539	693	315
Estimated third-party settlements, net	8,001	3,191	836	734	242	265	2,733	-
Current portion of long-term debt	6,805	4,159	2,247	-	-	399	-	-
Payable under security lending agreement	-	-	-	-	-	-	-	-
Total current liabilities	54,122	(417,705)	(78,929)	71,642	34,591	14,617	85,437	(134,625)
Long-term debt, less current portion	201,898	73,533	59,063	51,316	5,712	9,316	-	2,958
Accrued pension benefits, long-term portion	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other long-term obligations – primarily related to self-funded liabilities, less current portion	18	-	15	-	-	-	-	-
Total liabilities	256,038	(344,172)	(19,851)	122,958	40,303	23,933	85,437	(131,667)
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	708,146	621,567	(33,982)	28,356	76,340	21,896	(23,668)	10,474
Attributable to noncontrolling interest	-	-	-	-	-	-	-	-
Total unrestricted	708,146	621,567	(33,982)	28,356	76,340	21,896	(23,668)	10,474
Temporarily restricted	7,421	8	-	-	-	-	-	29
Permanently restricted	2,126	-	-	-	-	-	-	-
Total net assets	717,693	621,575	(33,982)	28,356	76,340	21,896	(23,668)	10,503
Total liabilities and net assets	\$ 973,731	\$ 277,403	\$ (53,833)	\$ 151,314	\$ 116,643	\$ 45,829	\$ 61,769	\$ (121,164)

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Spohn Membership Agreement	Spohn Health Network	Spohn Health System Payroll	Spohn Investment Corporation	Spohn Development Foundation	Spohn Obligated Eliminations	Spohn Non-Obligated Eliminations	Santa Rosa Region
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 473,143	\$ 5,659	\$ 52	\$ (71)	\$ 363	\$ -	\$ -	\$ 62,380
Accrued employee compensation and benefits, including pension benefits, current portion	-	-	(52)	-	-	-	-	9,370
Estimated third-party settlements, net	-	-	-	-	-	-	-	12,477
Current portion of long-term debt	-	-	-	-	-	-	-	7,886
Payable under security lending agreement	-	-	-	-	-	-	-	-
Total current liabilities	473,143	5,659	-	(71)	363	-	-	92,113
Long-term debt, less current portion	-	-	-	-	-	-	-	269,946
Accrued pension benefits, long-term portion	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other long-term obligations – primarily related to self-funded liabilities, less current portion	-	-	-	-	3	-	-	2,295
Total liabilities	473,143	5,659	-	(71)	366	-	-	364,354
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	-	(4,370)	-	15,314	7,163	(10,944)	-	196,093
Attributable to noncontrolling interest	-	-	-	-	-	-	-	(2,497)
Total unrestricted	-	(4,370)	-	15,314	7,163	(10,944)	-	193,596
Temporarily restricted	-	-	-	-	7,384	-	-	77,773
Permanently restricted	-	-	-	-	2,126	-	-	2,053
Total net assets	-	(4,370)	-	15,314	16,673	(10,944)	-	273,422
Total liabilities and net assets	\$ 473,143	\$ 1,289	\$ -	\$ 15,243	\$ 17,039	\$ (10,944)	\$ -	\$ 637,776

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Santa Rosa General Hospital	Santa Rosa South Texas Alliance	Santa Rosa Children's Hospital	Santa Rosa Medical Center	Santa Rosa Support Services	Santa Rosa Boerne	Santa Rosa Westover Hills	Santa Rosa New Braunfels
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ (48,355)	\$ 728	\$ 64,371	\$ 4,034	\$ 2,170	\$ 485	\$ (6,489)	\$ (27,326)
Accrued employee compensation and benefits, including pension benefits, current portion	-	-	3,965	1,341	(617)	-	1,866	1,541
Estimated third-party settlements, net	18,552	-	(2,910)	(2,556)	2,635	-	(543)	(2,701)
Current portion of long-term debt	-	-	76	-	2,203	-	1,955	(19)
Payable under security lending agreement	-	-	-	-	-	-	-	-
Total current liabilities	(29,803)	728	65,502	2,819	6,391	485	(3,211)	(28,505)
Long-term debt, less current portion	-	19,959	18,282	-	76,426	-	88,450	65,902
Accrued pension benefits, long-term portion	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other long-term obligations – primarily related to self-funded liabilities, less current portion	-	-	-	-	1,223	-	-	-
Total liabilities	(29,803)	20,687	83,784	2,819	84,040	485	85,239	37,397
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	30,593	(19,589)	55,529	25,821	(3,215)	4,843	49,936	48,709
Attributable to noncontrolling interest	-	-	-	-	-	-	-	-
Total unrestricted	30,593	(19,589)	55,529	25,821	(3,215)	4,843	49,936	48,709
Temporarily restricted	-	-	77,670	7	96	-	-	-
Permanently restricted	-	-	2,053	-	-	-	-	-
Total net assets	30,593	(19,589)	135,252	25,827	(3,119)	4,843	49,936	48,709
Total liabilities and net assets	\$ 790	\$ 1,098	\$ 219,036	\$ 28,647	\$ 80,921	\$ 5,328	\$ 135,175	\$ 86,106

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Santa Rosa Alamo Heights Surgical Hospital	Santa Rosa Alamo Heights	Santa Rosa Rehabilitation Hospital	Santa Rosa Partnership Management Services	Santa Rosa New Braunfels Outpatient Surgery Center	Santa Rosa Physician Ambulatory Surgery Center	Santa Rosa Family Health Center	Santa Rosa Alon
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 7,963	\$ 38,552	\$ (1,430)	\$ (24,467)	\$ 1,932	\$ 2,920	\$ 46,790	\$ 784
Accrued employee compensation and benefits, including pension benefits, current portion	8	15	-	36	112	520	251	148
Estimated third-party settlements, net	-	-	-	-	-	-	-	-
Current portion of long-term debt	-	(178)	-	-	-	3,849	-	-
Payable under security lending agreement	-	-	-	-	-	-	-	-
Total current liabilities	7,971	38,389	(1,430)	(24,431)	2,044	7,289	47,041	932
Long-term debt, less current portion	-	13,499	-	-	-	7,387	-	-
Accrued pension benefits, long-term portion	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other long-term obligations – primarily related to self-funded liabilities, less current portion	-	-	-	-	-	1,072	-	-
Total liabilities	7,971	51,888	(1,430)	(24,431)	2,044	15,748	47,041	932
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	(417)	(24,079)	1,427	38,948	16,084	(6,785)	(41,841)	4,045
Attributable to noncontrolling interest	-	-	-	10,931	(13,662)	402	-	-
Total unrestricted	(417)	(24,079)	1,427	49,879	2,422	(6,383)	(41,841)	4,045
Temporarily restricted	-	-	-	-	-	-	-	-
Permanently restricted	-	-	-	-	-	-	-	-
Total net assets	(417)	(24,079)	1,427	49,879	2,422	(6,383)	(41,841)	4,045
Total liabilities and net assets	\$ 7,554	\$ 27,809	\$ (3)	\$ 25,448	\$ 4,466	\$ 9,365	\$ 5,200	\$ 4,977

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Santa Rosa Creekside	Santa Rosa Equipment Leasing	Santa Rosa Foundation	Friends of Santa Rosa Foundation	Santa Rosa Real Estate	Santa Rosa Obligated Eliminations	Santa Rosa Non-Obligated Eliminations	Northern Louisiana Region
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 42	\$ -	\$ (85)	\$ (1,104)	\$ 865	\$ -	\$ -	\$ 27,729
Accrued employee compensation and benefits, including pension benefits, current portion	98	-	86	-	-	-	-	2,376
Estimated third-party settlements, net	-	-	-	-	-	-	-	3,636
Current portion of long-term debt	-	-	-	-	-	-	-	1,670
Payable under security lending agreement	-	-	-	-	-	-	-	-
Total current liabilities	140	-	1	(1,104)	865	-	-	35,411
Long-term debt, less current portion	-	-	-	-	-	-	(19,959)	25,390
Accrued pension benefits, long-term portion	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other long-term obligations – primarily related to self-funded liabilities, less current portion	-	-	-	-	-	-	-	-
Total liabilities	140	-	1	(1,104)	865	-	(19,959)	60,801
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	6,467	168	2	9,611	(909)	-	745	56,501
Attributable to noncontrolling interest	-	(168)	-	-	-	-	-	-
Total unrestricted	6,467	-	2	9,611	(909)	-	745	56,501
Temporarily restricted	-	-	-	-	-	-	-	8,029
Permanently restricted	-	-	-	-	-	-	-	315
Total net assets	6,467	-	2	9,611	(909)	-	745	64,845
Total liabilities and net assets	\$ 6,607	\$ -	\$ 3	\$ 8,507	\$ (44)	\$ -	\$ (19,214)	\$ 125,646

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Schumpert Health System	Schumpert Highland Hospital	Northern Louisiana MISO	Schumpert Foundation	Northern Louisiana Obligated Eliminations	Northern Louisiana Non-Obligated Eliminations	Southwestern Louisiana Region	St. Patrick Hospital
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ (476,969)	\$ 507,316	\$ 455	\$ 32	\$ –	\$ (3,105)	\$ 10,969	\$ 11,101
Accrued employee compensation and benefits, including pension benefits, current portion	863	1,513	–	–	–	–	1,587	1,592
Estimated third-party settlements, net	4,255	(619)	–	–	–	–	955	955
Current portion of long-term debt	1,670	–	–	–	–	–	2,942	2,942
Payable under security lending agreement	–	–	–	–	–	–	–	–
Total current liabilities	(470,181)	508,210	455	32	–	(3,105)	16,453	16,590
Long-term debt, less current portion	25,390	–	–	–	–	–	41,836	41,836
Accrued pension benefits, long-term portion	–	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	–	–
Other long-term obligations – primarily related to self-funded liabilities, less current portion	–	–	–	–	–	–	11	11
Total liabilities	(444,791)	508,210	455	32	–	(3,105)	58,300	58,437
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	(54,657)	108,824	1,975	359	–	–	77,381	73,475
Attributable to noncontrolling interest	–	–	–	–	–	–	711	–
Total unrestricted	(54,657)	108,824	1,975	359	–	–	78,092	73,475
Temporarily restricted	499	25	–	7,505	–	–	1,830	1,830
Permanently restricted	–	–	–	315	–	–	–	–
Total net assets	(54,158)	108,849	1,975	8,179	–	–	79,922	75,305
Total liabilities and net assets	\$ (498,949)	\$ 617,059	\$ 2,430	\$ 8,211	\$ –	\$ (3,105)	\$ 138,222	\$ 133,742

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Occupational Health Services	CHRISTUS Village – Lake Charles	South Ryan Development Corporation	Southwestern Louisiana PHO	Colonnade Endoscopy Center, LLC	Southwestern Louisiana Obligated Eliminations	Southwestern Louisiana Non-Obligated Eliminations	Central Louisiana Region
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 2	\$ –	\$ (24)	\$ 84	\$ (194)	\$ –	\$ –	\$ 13,976
Accrued employee compensation and benefits, including pension benefits, current portion	–	–	–	–	(5)	–	–	3,608
Estimated third-party settlements, net	–	–	–	–	–	–	–	6,136
Current portion of long-term debt	–	–	–	–	–	–	–	3,843
Payable under security lending agreement	–	–	–	–	–	–	–	–
Total current liabilities	2	–	(24)	84	(199)	–	–	27,563
Long-term debt, less current portion	–	–	–	–	–	–	–	112,463
Accrued pension benefits, long-term portion	–	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	–	–
Other long-term obligations – primarily related to self-funded liabilities, less current portion	–	–	–	–	–	–	–	238
Total liabilities	2	–	(24)	84	(199)	–	–	140,264
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	1,822	–	91	(76)	5,016	–	(2,947)	111,641
Attributable to noncontrolling interest	–	–	–	–	711	–	–	–
Total unrestricted	1,822	–	91	(76)	5,727	–	(2,947)	111,641
Temporarily restricted	–	–	–	–	–	–	–	5,350
Permanently restricted	–	–	–	–	–	–	–	371
Total net assets	1,822	–	91	(76)	5,727	–	(2,947)	117,362
Total liabilities and net assets	\$ 1,824	\$ –	\$ 67	\$ 8	\$ 5,528	\$ –	\$ (2,947)	\$ 257,626

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	St Frances Cabrim Hospital	Coushatta Health Care	St Joseph Nursing Home	St Frances Cabrim Foundation	CHRISTUS Health Louisiana Ministries	Heart Center of Louisiana	Central Louisiana Obligated Eliminations	Central Louisiana Non-Obligated Eliminations
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 12,900	\$ 352	\$ 4,892	\$ 1	\$ (4,215)	\$ 46	\$ -	\$ -
Accrued employee compensation and benefits, including pension benefits, current portion	3,076	172	142	-	218	-	-	-
Estimated third-party settlements, net	4,292	1,820	24	-	-	-	-	-
Current portion of long-term debt	3,843	-	-	-	-	-	-	-
Payable under security lending agreement	-	-	-	-	-	-	-	-
Total current liabilities	24,111	2,344	5,058	1	(3,997)	46	-	-
Long-term debt, less current portion	112,463	-	-	-	-	-	-	-
Accrued pension benefits, long-term portion	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other long-term obligations – primarily related to self-funded liabilities, less current portion	238	-	-	-	-	-	-	-
Total liabilities	136,812	2,344	5,058	1	(3,997)	46	-	-
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	108,408	(2,057)	4,968	(352)	628	-	46	-
Attributable to noncontrolling interest	-	-	-	-	-	-	-	-
Total unrestricted	108,408	(2,057)	4,968	(352)	628	-	46	-
Temporarily restricted	1,195	97	3	4,055	-	-	-	-
Permanently restricted	-	(5)	-	376	-	-	-	-
Total net assets	109,603	(1,965)	4,971	4,079	628	-	46	-
Total liabilities and net assets	\$ 246,415	\$ 379	\$ 10,029	\$ 4,080	\$ (3,369)	\$ 46	\$ 46	\$ -

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Physician Group	Corporate and Eliminations	CHRISTUS Strategic Growth	Amatista	TLRA	Revenue Cycle Business Services	Supply Cham Management	Corporate Office
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 14,616	\$ 65,582	\$ 35	\$ 22	\$ 6,495	\$ 5,022	\$ 913	\$ (31,577)
Accrued employee compensation and benefits, including pension benefits, current portion	4,567	86,584	-	-	842	1,360	236	62,601
Estimated third-party settlements, net	-	12,601	-	-	-	-	-	10,000
Current portion of long-term debt	-	(21,538)	-	-	-	-	-	-
Payable under security lending agreement	-	1,989	-	-	-	-	-	1,989
Total current liabilities	19,183	145,218	35	22	7,337	6,382	1,149	43,013
Long-term debt, less current portion	-	73,847	-	-	-	-	-	-
Accrued pension benefits, long-term portion	-	31,093	-	-	-	-	-	31,093
Derivative financial instruments	-	91,810	-	-	-	-	-	-
Other long-term obligations – primarily related to self-funded liabilities, less current portion	-	172,228	-	-	-	388	-	61,960
Total liabilities	19,183	514,196	35	22	7,337	6,770	1,149	136,066
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	(161,119)	301,131	115,026	20,074	4,074	(26,045)	6,738	49,946
Attributable to noncontrolling interest	-	-	-	-	-	-	-	-
Total unrestricted	(161,119)	301,131	115,026	20,074	4,074	(26,045)	6,738	49,946
Temporarily restricted	-	302	-	-	-	-	-	30
Permanently restricted	-	1,220	-	-	-	-	-	-
Total net assets	(161,119)	302,653	115,026	20,074	4,074	(26,045)	6,738	49,976
Total liabilities and net assets	\$ (141,936)	\$ 816,849	\$ 115,061	\$ 20,096	\$ 11,411	\$ (19,275)	\$ 7,887	\$ 186,042

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Stehlin Foundation for Cancer Research	Emerald Assurance	Grants and Loans	Workers Compensation	Insurance Fund	Information Management	CHRISTUS TechSource	Clinical Engineering
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ -	\$ 41,394	\$ (314)	\$ 205	\$ (12,104)	\$ 14,899	\$ (13,421)	\$ (130)
Accrued employee compensation and benefits, including pension benefits, current portion	-	-	-	3,611	-	2,699	-	-
Estimated third-party settlements, net	-	-	-	-	-	-	-	-
Current portion of long-term debt	-	-	-	-	-	-	-	-
Payable under security lending agreement	-	-	-	-	-	-	-	-
Total current liabilities	-	41,394	(314)	3,816	(12,104)	17,598	(13,421)	(130)
Long-term debt, less current portion	-	-	-	-	-	-	-	-
Accrued pension benefits, long-term portion	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other long-term obligations – primarily related to self-funded liabilities, less current portion	-	66,661	-	9,869	-	-	-	-
Total liabilities	-	108,055	(314)	13,685	(12,104)	17,598	(13,421)	(130)
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	-	119,394	25,063	8,828	17	(58,686)	(62)	(749)
Attributable to noncontrolling interest	-	-	-	-	-	-	-	-
Total unrestricted	-	119,394	25,063	8,828	17	(58,686)	(62)	(749)
Temporarily restricted	-	-	-	-	-	-	-	-
Permanently restricted	-	-	-	-	-	-	-	-
Total net assets	-	119,394	25,063	8,828	17	(58,686)	(62)	(749)
Total liabilities and net assets	\$ -	\$ 227,449	\$ 24,749	\$ 22,513	\$ (12,087)	\$ (41,088)	\$ (13,483)	\$ (879)

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	CHRISTUS Retail Services	CHRISTUS Foundation	Benefits	Bond Fund	Liability Retention Trust	CHRISTUS Health Plan	Health Plan New Mexico	Health Plan Louisiana
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 161	\$ (2)	\$ 2,122	\$ 10,466	\$ 585	\$ 3,635	\$ 104	\$ 90
Accrued employee compensation and benefits, including pension benefits, current portion	61	–	11,041	–	–	–	–	–
Estimated third-party settlements, net	–	–	–	–	–	–	–	–
Current portion of long-term debt	–	–	–	4,098	–	–	–	–
Payable under security lending agreement	–	–	–	–	–	–	–	–
Total current liabilities	222	(2)	13,163	14,564	585	3,635	104	90
Long-term debt, less current portion	–	–	–	832,790	–	–	–	–
Accrued pension benefits, long-term portion	–	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	91,810	–	–	–	–
Other long-term obligations – primarily related to self-funded liabilities, less current portion	–	–	23,433	–	40	–	–	–
Total liabilities	222	(2)	36,596	939,164	625	3,635	104	90
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	(11,131)	3	24,797	(148,976)	15,197	14,824	(104)	(90)
Attributable to noncontrolling interest	–	–	–	–	–	–	–	–
Total unrestricted	(11,131)	3	24,797	(148,976)	15,197	14,824	(104)	(90)
Temporarily restricted	–	1	–	–	–	–	–	–
Permanently restricted	–	–	–	–	–	–	–	–
Total net assets	(11,131)	4	24,797	(148,976)	15,197	14,824	(104)	(90)
Total liabilities and net assets	\$ (10,909)	\$ 1	\$ 61,393	\$ 790,188	\$ 15,822	\$ 18,459	\$ –	\$ –

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	CHRISTUS Dubuis Health System	CHRISTUS Homecare	St. Joseph Village	Uniformed Services Family Health Plan	CHRISTUS Corporate Obligated Eliminations	CHRISTUS Corporate Non-Obligated Eliminations	International	CHRISTUS Latin America (Chile)
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 4,264	\$ 2,182	\$ 7,455	\$ 23,866	\$ (1,023)	\$ 238	\$ 57,317	\$ -
Accrued employee compensation and benefits, including pension benefits, current portion	1,271	2,618	61	183	-	-	11,589	-
Estimated third-party settlements, net	2,601	-	-	-	-	-	-	-
Current portion of long-term debt	9	-	1,735	9	(27,389)	-	3,849	-
Payable under security lending agreement	-	-	-	-	-	-	-	-
Total current liabilities	8,145	4,800	9,251	24,058	(28,412)	238	72,755	-
Long-term debt, less current portion	-	-	17,831	-	(766,722)	(10,052)	39,853	-
Accrued pension benefits, long-term portion	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other long-term obligations – primarily related to self-funded liabilities, less current portion	3,801	-	6,076	-	-	-	(2,090)	-
Total liabilities	11,946	4,800	33,158	24,058	(795,133)	(9,814)	110,519	-
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	(1,291)	(10,166)	(5,778)	216,294	564	(56,630)	158,087	-
Attributable to noncontrolling interest	-	-	-	-	-	-	28,717	-
Total unrestricted	(1,291)	(10,166)	(5,778)	216,294	564	(56,630)	186,804	-
Temporarily restricted	-	146	125	-	-	-	-	-
Permanently restricted	18	-	1,202	-	-	-	-	-
Total net assets	(1,273)	(10,020)	(4,451)	216,294	564	(56,630)	186,804	-
Total liabilities and net assets	\$ 10,673	\$ (5,220)	\$ 28,707	\$ 240,352	\$ (794,570)	\$ (66,444)	\$ 297,322	\$ -

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	CHRISTUS Health Spa (Chile)	Grupo Muguerza (Mexico)
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	\$	\$ 57,317
Accrued employee compensation and benefits, including pension benefits, current portion	-	11,589
Estimated third-party settlements, net	-	-
Current portion of long-term debt	-	3,849
Payable under security lending agreement	-	-
Total current liabilities	-	72,755
Long-term debt, less current portion	10,052	29,801
Accrued pension benefits, long-term portion	-	-
Derivative financial instruments	-	-
Other long-term obligations – primarily related to self-funded liabilities, less current portion	-	(2,090)
Total liabilities	10,052	100,466
Net assets		
Unrestricted		
Attributable to CHRISTUS Health	80,207	77,880
Attributable to noncontrolling interest	-	28,717
Total unrestricted	80,207	106,597
Temporarily restricted	-	-
Permanently restricted	-	-
Total net assets	80,207	106,597
Total liabilities and net assets	\$ 90,259	\$ 207,063

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	CHRISTUS Health	New Mexico Region	St. Vincent	Southeast Texas Region	St. Elizabeth Hospital	St. Mary Hospital	Jasper Memorial Hospital	St. Elizabeth Rehab Partners
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 3,388,253	\$ 358,105	\$ 358,105	\$ 369,043	\$ 263,979	\$ 70,976	\$ 27,444	\$ 6,971
Provision for bad debts	(249,517)	(27,806)	(27,806)	(37,977)	(26,595)	(7,048)	(4,334)	-
Net patient service revenue less provision for bad debts	3,138,736	330,299	330,299	331,066	237,384	63,928	23,110	6,971
Premium revenue	169,333	-	-	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	234,393	5,385	5,385	13,075	10,264	1,410	446	-
Equity in income of unconsolidated organizations	9,170	575	575	(156)	(156)	-	-	-
Total revenues	3,551,631	336,259	336,259	343,985	247,492	65,338	23,556	6,971
Expenses								
Employee compensation and benefits	1,534,249	167,464	167,464	146,529	99,529	29,936	12,275	4,583
Services and other	1,148,484	89,174	89,174	110,259	72,501	27,338	9,030	1,249
Supplies	609,705	58,179	58,179	70,531	55,174	12,395	2,502	453
Depreciation and amortization	165,461	14,329	14,329	19,238	14,283	3,584	1,242	88
Interest	31,430	59	59	4,507	3,545	962	-	-
Total expenses	3,489,329	329,205	329,205	351,064	245,032	74,215	25,049	6,373
Operating income (loss)	62,302	7,054	7,054	(7,079)	2,460	(8,877)	(1,493)	598
Non-operating investment gain (loss)	100,236	4,811	4,811	-	-	-	-	-
Loss on defeasance of debt	(11,047)	-	-	-	-	-	-	-
Other non-operating (loss) gain	(8,389)	-	-	(436)	(285)	(110)	(41)	-
Revenues in excess (deficit) of expenses	143,102	11,865	11,865	(7,515)	2,175	(8,987)	(1,534)	598
Less revenues in excess of expenses attributable to non-controlling interest	18,772	6,789	6,789	315	-	-	-	293
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 124,330	\$ 5,076	\$ 5,076	\$ (7,830)	\$ 2,175	\$ (8,987)	\$ (1,534)	\$ 305

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Health Ventures of Southeast Texas	Southeast Texas Pam Management Center	Southeast Texas Service Center	Foundation of Southeast Texas	Southeast Texas Obligated Eliminations	Southeast Texas Non-Obligated Eliminations	Gulf Coast Texas Region	St John Hospital
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ -	\$ -	\$ -	\$ -	\$ (327)	\$ -	\$ 106,129	\$ 69,214
Provision for bad debts	-	-	-	-	-	-	(9,633)	(6,461)
Net patient service revenue less provision for bad debts	-	-	-	-	(327)	-	96,496	62,753
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	-	59	-	1,214	(259)	(59)	46,698	25,272
Equity in income of unconsolidated organizations	-	-	-	-	-	-	95	-
Total revenues	-	59	-	1,214	(586)	(59)	143,289	88,025
Expenses								
Employee compensation and benefits	-	-	-	206	-	-	45,006	28,695
Services and other	169	4	-	613	(586)	(59)	51,113	20,042
Supplies	-	7	-	-	-	-	14,308	11,010
Depreciation and amortization	36	-	-	5	-	-	7,440	3,457
Interest	-	-	-	-	-	-	1,998	657
Total expenses	205	11	-	824	(586)	(59)	119,865	63,861
Operating income (loss)	(205)	48	-	390	-	-	23,424	24,164
Non-operating investment gain (loss)	-	-	-	-	-	-	(4)	(4)
Loss on defeasance of debt	-	-	-	-	-	-	-	-
Other non-operating (loss) gain	-	-	-	-	-	-	(2,664)	(541)
Revenues in excess (deficit) of expenses	(205)	48	-	390	-	-	20,756	23,619
Less revenues in excess of expenses attributable to non-controlling interest	-	22	-	-	-	-	(50)	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ (205)	\$ 26	\$ -	\$ 390	\$ -	\$ -	\$ 20,806	\$ 23,619

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	St Catherine Health and Wellness Center	St Joseph Hospital – Houston	Houston Metropolitan Health Network	CHRISTUS Foundation For Healthcare	Gulf Coast Service Center	West Houston Real Estate Development	Gulf Coast Texas Obligated Eliminations	Gulf Coast Texas Non-Obligated Eliminations
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 34,785	\$ –	\$ –	\$ –	\$ 2,130	\$ –	\$ –	\$ –
Provision for bad debts	(3,226)	–	–	–	54	–	–	–
Net patient service revenue less provision for bad debts	31,559	–	–	–	2,184	–	–	–
Premium revenue	–	–	–	–	–	–	–	–
Other revenue including net gain on contributions to joint ventures	(20,731)	–	63	6,237	38,746	–	–	(2,889)
Equity in income of unconsolidated organizations	–	–	–	–	95	–	–	–
Total revenues	10,828	–	63	6,237	41,025	–	–	(2,889)
Expenses								
Employee compensation and benefits	17,975	–	119	925	(2,708)	–	–	–
Services and other	20,805	–	33	4,312	8,636	171	–	(2,886)
Supplies	3,172	–	–	22	104	–	–	–
Depreciation and amortization	3,269	–	–	–	714	–	–	–
Interest	1,341	–	–	–	–	3	–	(3)
Total expenses	46,562	–	152	5,259	6,746	174	–	(2,889)
Operating income (loss)	(35,734)	–	(89)	978	34,279	(174)	–	–
Non-operating investment gain (loss)	–	–	–	–	–	–	–	–
Loss on defeasance of debt	–	–	–	–	–	–	–	–
Other non-operating (loss) gain	(816)	–	–	–	(1,289)	(18)	–	–
Revenues in excess (deficit) of expenses	(36,550)	–	(89)	978	32,990	(192)	–	–
Less revenues in excess of expenses attributable to non-controlling interest	–	–	–	–	–	(50)	–	–
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ (36,550)	\$ –	\$ (89)	\$ 978	\$ 32,990	\$ (142)	\$ –	\$ –

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Ark-La-Tex Region	St Michael Health Care Center	St Michael Atlanta	St Michael Rehabilitation Hospital	St Michael Atlanta Home Health	Arkansas ICHN	Ark-La-Tex Health Network	Ark-La-Tex Obligated Eliminations
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 266,042	\$ 228,902	\$ 15,637	\$ 20,328	\$ 1,175	\$ -	\$ -	\$ -
Provision for bad debts	(14,018)	(11,914)	(1,392)	(704)	(8)	-	-	-
Net patient service revenue less provision for bad debts	252,024	216,988	14,245	19,624	1,167	-	-	-
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	13,500	11,186	518	843	-	5	970	-
Equity in income of unconsolidated organizations	1,165	-	-	-	-	1,165	-	-
Total revenues	266,689	228,174	14,763	20,467	1,167	1,170	970	-
Expenses								
Employee compensation and benefits	103,731	84,892	5,921	11,345	809	-	764	-
Services and other	73,102	58,896	7,059	6,087	150	788	144	-
Supplies	50,000	47,682	1,075	1,198	26	13	6	-
Depreciation and amortization	13,224	12,595	200	427	-	2	-	-
Interest	4,406	4,406	-	-	-	-	-	-
Total expenses	244,463	208,471	14,255	19,057	985	803	914	-
Operating income (loss)	22,226	19,703	508	1,410	182	367	56	-
Non-operating investment gain (loss)	2,568	182	-	-	-	2,386	-	-
Loss on defeasance of debt	-	-	-	-	-	-	-	-
Other non-operating (loss) gain	(103)	(84)	-	(19)	-	-	-	-
Revenues in excess (deficit) of expenses	24,691	19,801	508	1,391	182	2,753	56	-
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 24,691	\$ 19,801	\$ 508	\$ 1,391	\$ 182	\$ 2,753	\$ 56	\$ -

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Ark-La-Tex Non-Obligated Eliminations	Spohn Region	Spohn Shoreline	Spohn Memorial	Spohn South	Spohn Kleberg Memorial	Spohn Beeville	Spohn Alice
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ -	\$ 705,068	\$ 314,032	\$ 147,608	\$ 108,917	\$ 46,329	\$ 33,560	\$ 54,622
Provision for bad debts	-	(70,275)	(23,860)	(14,593)	(11,937)	(6,511)	(5,539)	(7,835)
Net patient service revenue less provision for bad debts	-	634,793	290,172	133,015	96,980	39,818	28,021	46,787
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	(22)	28,781	4,687	15,709	3,610	927	707	1,162
Equity in income of unconsolidated organizations	-	2,217	2,142	-	-	-	-	-
Total revenues	(22)	665,791	297,001	148,724	100,590	40,745	28,728	47,949
Expenses								
Employee compensation and benefits	-	279,206	111,078	69,806	43,807	19,039	14,226	20,427
Services and other	(22)	186,598	68,629	50,294	29,997	11,586	8,838	16,092
Supplies	-	133,792	75,087	26,967	16,193	4,545	3,001	7,816
Depreciation and amortization	-	28,524	13,914	4,854	4,414	2,187	1,313	1,637
Interest	-	8,535	4,249	1,221	2,220	254	580	11
Total expenses	(22)	636,655	272,957	153,142	96,631	37,611	27,958	45,983
Operating income (loss)	-	29,136	24,044	(4,418)	3,959	3,134	770	1,966
Non-operating investment gain (loss)	-	535	-	-	-	-	-	-
Loss on defeasance of debt	-	-	-	-	-	-	-	-
Other non-operating (loss) gain	-	(800)	(699)	(30)	(63)	(6)	2	(5)
Revenues in excess (deficit) of expenses	-	28,871	23,345	(4,448)	3,896	3,128	772	1,961
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ -	\$ 28,871	\$ 23,345	\$ (4,448)	\$ 3,896	\$ 3,128	\$ 772	\$ 1,961

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Spohn Shared Services	Spohn Membership Agreement	Spohn Health Network	Spohn Health System Payroll	Spohn Investment Corporation	Spohn Development Foundation	Spohn Obligated Eliminations	Spohn Non-Obligated Eliminations
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Provision for bad debts	-	-	-	-	-	-	-	-
Net patient service revenue less provision for bad debts	-	-	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	(132)	-	276	-	994	1,497	132	(788)
Equity in income of unconsolidated organizations	-	-	-	-	75	-	-	-
Total revenues	(132)	-	276	-	1,069	1,497	132	(788)
Expenses								
Employee compensation and benefits	-	-	271	-	20	532	-	-
Services and other	-	-	112	-	857	981	-	(788)
Supplies	-	-	3	-	31	149	-	-
Depreciation and amortization	-	-	1	-	202	2	-	-
Interest	-	-	-	-	-	-	-	-
Total expenses	-	-	387	-	1,110	1,664	-	(788)
Operating income (loss)	(132)	-	(111)	-	(41)	(167)	132	-
Non-operating investment gain (loss)	-	-	2	-	21	512	-	-
Loss on defeasance of debt	-	-	-	-	-	-	-	-
Other non-operating (loss) gain	1	-	-	-	-	-	-	-
Revenues in excess (deficit) of expenses	(131)	-	(109)	-	(20)	345	132	-
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ (131)	\$ -	\$ (109)	\$ -	\$ (20)	\$ 345	\$ 132	\$ -

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Santa Rosa Region	Santa Rosa General Hospital	Santa Rosa South Texas Alliance	Santa Rosa Children's Hospital	Santa Rosa Medical Center	Santa Rosa Support Services	Santa Rosa Boerne	Santa Rosa Westover Hills
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 667,148	\$ (289)	\$ 1,288	\$ 198,977	\$ 99,360	\$ -	\$ -	\$ 167,030
Provision for bad debts	(46,677)	380	-	(3,643)	(7,571)	-	-	(18,866)
Net patient service revenue less provision for bad debts	620,471	91	1,288	195,334	91,789	-	-	148,164
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	16,541	-	-	8,859	845	-	-	1,268
Equity in income of unconsolidated organizations	-	-	-	-	-	-	-	-
Total revenues	637,012	91	1,288	204,193	92,634	-	-	149,432
Expenses								
Employee compensation and benefits	236,585	-	-	81,478	35,824	-	-	53,883
Services and other	235,225	-	815	94,478	40,419	-	50	43,534
Supplies	103,125	-	67	24,620	17,776	-	-	23,223
Depreciation and amortization	33,705	-	16	8,621	3,917	-	143	10,043
Interest	17,316	-	-	2,625	2,155	-	-	5,749
Total expenses	625,956	-	898	211,822	100,091	-	193	136,432
Operating income (loss)	11,053	91	390	(7,629)	(7,457)	-	(193)	13,000
Non-operating investment gain (loss)	600	-	-	(80)	(30)	212	-	(54)
Loss on defeasance of debt	-	-	-	-	-	-	-	-
Other non-operating (loss) gain	802	-	-	(267)	1,495	(212)	-	(2)
Revenues in excess (deficit) of expenses	12,458	91	390	(7,976)	(5,992)	-	(193)	12,944
Less revenues in excess of expenses attributable to non-controlling interest	4,858	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 7,600	\$ 91	\$ 390	\$ (7,976)	\$ (5,992)	\$ -	\$ (193)	\$ 12,944

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Santa Rosa New Braunfels	Santa Rosa Alamo Heights Surgical Hospital	Santa Rosa Alamo Heights	Santa Rosa Rehabilitation Hospital	Santa Rosa Partnership Management Services	Santa Rosa New Braunfels Outpatient Surgery Center	Santa Rosa Physician Ambulatory Surgery Center	Santa Rosa Family Health Center
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 126,571	\$ 1,028	\$ 6,157	\$ (501)	\$ –	\$ 14,827	\$ 29,550	\$ 2,284
Provision for bad debts	(11,312)	(192)	(309)	(345)	–	(95)	(292)	–
Net patient service revenue less provision for bad debts	115,259	836	5,848	(846)	–	14,732	29,258	2,284
Premium revenue	–	–	–	–	–	–	–	–
Other revenue including net gain on contributions to joint ventures	950	6	69	(2)	2,332	6	251	562
Equity in income of unconsolidated organizations	–	–	–	–	–	–	–	–
Total revenues	116,209	842	5,917	(848)	2,332	14,738	29,509	2,846
Expenses								
Employee compensation and benefits	37,603	343	2,993	–	576	2,404	8,329	5,194
Services and other	37,090	317	4,464	1	755	2,613	8,096	1,841
Supplies	21,377	482	3,000	–	1	2,820	8,307	722
Depreciation and amortization	6,192	117	2,143	–	518	110	962	44
Interest	4,701	–	1,606	–	–	–	480	–
Total expenses	106,963	1,259	14,206	1	1,850	7,947	26,174	7,801
Operating income (loss)	9,246	(417)	(8,289)	(849)	482	6,791	3,335	(4,955)
Non-operating investment gain (loss)	(31)	–	–	–	–	–	20	–
Loss on defeasance of debt	–	–	–	–	–	–	–	–
Other non-operating (loss) gain	39	–	(248)	(3)	–	–	–	–
Revenues in excess (deficit) of expenses	9,254	(417)	(8,537)	(852)	482	6,791	3,355	(4,955)
Less revenues in excess of expenses attributable to non-controlling interest	–	–	–	–	–	3,250	1,608	–
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 9,254	\$ (417)	\$ (8,537)	\$ (852)	\$ 482	\$ 3,541	\$ 1,747	\$ (4,955)

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Santa Rosa Alon	Santa Rosa Creekside	Santa Rosa Equipment Leasing	Santa Rosa Foundation	Friends of Santa Rosa Foundation	Santa Rosa Real Estate	Santa Rosa Obligated Eliminations	Santa Rosa Non-Obligated Eliminations
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 8,071	\$ 12,795	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Provision for bad debts	(1,378)	(3,054)	-	-	-	-	-	-
Net patient service revenue less provision for bad debts	6,693	9,741	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	-	-	-	-	1,001	978	-	(584)
Equity in income of unconsolidated organizations	-	-	-	-	-	-	-	-
Total revenues	6,693	9,741	-	-	1,001	978	-	(584)
Expenses								
Employee compensation and benefits	2,719	2,948	-	1,980	311	-	-	-
Services and other	1,275	743	3	(2,022)	214	1,123	-	(584)
Supplies	317	356	-	42	4	11	-	-
Depreciation and amortization	468	409	-	-	-	2	-	-
Interest	-	-	-	-	-	-	-	-
Total expenses	4,779	4,456	3	-	529	1,136	-	(584)
Operating income (loss)	1,914	5,285	(3)	-	472	(158)	-	-
Non-operating investment gain (loss)	-	-	-	-	563	-	-	-
Loss on defeasance of debt	-	-	-	-	-	-	-	-
Other non-operating (loss) gain	-	-	-	-	-	-	-	-
Revenues in excess (deficit) of expenses	1,914	5,285	(3)	-	1,035	(158)	-	-
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 1,914	\$ 5,285	\$ (3)	\$ -	\$ 1,035	\$ (158)	\$ -	\$ -

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Northern Louisiana Region	Schumpert Health System	Schumpert Highland Hospital	Northern Louisiana MISO	Schumpert Foundation	Northern Louisiana Obligated Eliminations	Northern Louisiana Non-Obligated Eliminations	Southwestern Louisiana Region
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 175,480	\$ 65,348	\$ 110,132	\$ -	\$ -	\$ -	\$ -	\$ 133,740
Provision for bad debts	(11,123)	(4,038)	(7,085)	-	-	-	-	(9,619)
Net patient service revenue less provision for bad debts	164,357	61,310	103,047	-	-	-	-	124,121
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	10,603	3,968	5,982	-	728	-	(75)	8,415
Equity in income of unconsolidated organizations	(475)	-	-	(475)	-	-	-	577
Total revenues	174,485	65,278	109,029	(475)	728	-	(75)	133,113
Expenses								
Employee compensation and benefits	68,855	25,664	43,073	-	118	-	-	47,483
Services and other	61,485	31,586	29,217	12	745	-	(75)	43,255
Supplies	33,347	12,954	20,386	-	7	-	-	30,405
Depreciation and amortization	4,686	332	4,354	-	-	-	-	6,166
Interest	4,860	3,106	1,754	-	-	-	-	2,484
Total expenses	173,233	73,642	98,784	12	870	-	(75)	129,793
Operating income (loss)	1,252	(8,364)	10,245	(487)	(142)	-	-	3,320
Non-operating investment gain (loss)	913	41	-	-	872	-	-	169
Loss on defeasance of debt	-	-	-	-	-	-	-	-
Other non-operating (loss) gain	(81)	(73)	(8)	-	-	-	-	(242)
Revenues in excess (deficit) of expenses	2,084	(8,396)	10,237	(487)	730	-	-	3,247
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	167
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 2,084	\$ (8,396)	\$ 10,237	\$ (487)	\$ 730	\$ -	\$ -	\$ 3,080

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	St Patrick Hospital	Occupational Health Services	CHRISTUS Village – Lake Charles	South Ryan Development Corporation	Southwestern Louisiana PHO	Colonnade Endoscopy Center, LLC	Southwestern Louisiana Obligated Eliminations	Southwestern Louisiana Non-Obligated Eliminations
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 132,258	\$ –	\$ –	\$ –	\$ –	\$ 1,482	\$ –	\$ –
Provision for bad debts	(9,619)	–	–	–	–	–	–	–
Net patient service revenue less provision for bad debts	122,639	–	–	–	–	1,482	–	–
Premium revenue	–	–	–	–	–	–	–	–
Other revenue including net gain on contributions to joint ventures	8,481	–	–	29	–	–	–	(95)
Equity in income of unconsolidated organizations	–	577	–	–	–	–	–	–
Total revenues	131,120	577	–	29	–	1,482	–	(95)
Expenses								
Employee compensation and benefits	47,030	–	–	(8)	21	440	–	–
Services and other	42,516	443	–	32	3	356	–	(95)
Supplies	30,286	–	–	–	–	119	–	–
Depreciation and amortization	6,156	–	–	–	–	10	–	–
Interest	2,484	–	–	–	–	–	–	–
Total expenses	128,472	443	–	24	24	925	–	(95)
Operating income (loss)	2,648	134	–	5	(24)	557	–	–
Non-operating investment gain (loss)	169	–	–	–	–	–	–	–
Loss on defeasance of debt	–	–	–	–	–	–	–	–
Other non-operating (loss) gain	(242)	–	–	–	–	–	–	–
Revenues in excess (deficit) of expenses	2,575	134	–	5	(24)	557	–	–
Less revenues in excess of expenses attributable to non-controlling interest	–	–	–	–	–	167	–	–
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 2,575	\$ 134	\$ –	\$ 5	\$ (24)	\$ 390	\$ –	\$ –

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Central Louisiana Region	St Frances Cabrin Hospital	Coushatta Health Care	St Joseph Nursing Home	St Frances Cabrin Foundation	CHRISTUS Health Louisiana Ministries	Heart Center of Louisiana	Central Louisiana Obligated Eliminations
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 252,577	\$ 227,076	\$ 17,257	\$ 8,244	\$ -	\$ -	\$ -	\$ -
Provision for bad debts	(18,141)	(16,518)	(1,452)	(171)	-	-	-	-
Net patient service revenue less provision for bad debts	234,436	210,558	15,805	8,073	-	-	-	-
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	7,702	6,300	362	53	975	12	-	-
Equity in income of unconsolidated organizations	1,290	1,290	-	-	-	-	-	-
Total revenues	243,428	218,148	16,167	8,126	975	12	-	-
Expenses								
Employee compensation and benefits	94,727	83,790	6,953	3,972	-	12	-	-
Services and other	73,555	62,872	7,501	2,542	644	(4)	-	-
Supplies	43,379	41,129	1,136	1,098	16	-	-	-
Depreciation and amortization	14,540	13,522	727	280	7	4	-	-
Interest	7,064	7,064	-	-	-	-	-	-
Total expenses	233,265	208,377	16,317	7,892	667	12	-	-
Operating income (loss)	10,163	9,771	(150)	234	308	-	-	-
Non-operating investment gain (loss)	1	-	-	-	1	-	-	-
Loss on defeasance of debt	-	-	-	-	-	-	-	-
Other non-operating (loss) gain	(218)	(188)	(30)	-	-	-	-	-
Revenues in excess (deficit) of expenses	9,946	9,583	(180)	234	309	-	-	-
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 9,946	\$ 9,583	\$ (180)	\$ 234	\$ 309	\$ -	\$ -	\$ -

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Central Louisiana Non-Obligated Eliminations	Physician Group	Corporate and Eliminations	CHRISTUS Strategic Growth	Amatista	TLRA	Revenue Cycle Business Services	Supply Cham Management
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ -	\$ 43,734	\$ 62,825	\$ -	\$ -	\$ -	\$ -	\$ -
Provision for bad debts	-	(1,833)	(645)	-	-	-	-	-
Net patient service revenue less provision for bad debts	-	41,901	62,180	-	-	-	-	-
Premium revenue	-	332	169,000	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	-	32,732	44,166	-	52	11,080	-	-
Equity in income of unconsolidated organizations	-	-	4,583	-	-	-	-	-
Total revenues	-	74,965	279,929	-	52	11,080	-	-
Expenses								
Employee compensation and benefits	-	73,051	184,217	-	-	7,120	29,860	4,225
Services and other	-	50,231	97,320	222	28	3,922	(10,640)	1,010
Supplies	-	2,982	3,868	-	-	17	162	(8,763)
Depreciation and amortization	-	2,140	11,090	-	-	21	81	-
Interest	-	-	(21,373)	-	-	-	-	-
Total expenses	-	128,404	275,122	222	28	11,080	19,463	(3,528)
Operating income (loss)	-	(53,439)	4,806	(222)	24	-	(19,463)	3,528
Non-operating investment gain (loss)	-	-	90,642	1,304	-	-	(645)	-
Loss on defeasance of debt	-	-	(11,047)	-	-	-	-	-
Other non-operating (loss) gain	-	-	(4,629)	-	-	-	-	-
Revenues in excess (deficit) of expenses	-	(53,439)	79,773	1,082	24	-	(20,108)	3,528
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ -	\$ (53,439)	\$ 79,773	\$ 1,082	\$ 24	\$ -	\$ (20,108)	\$ 3,528

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Corporate Office	Stehlm Foudation for Cancer Research	Emerald Assurance	Grants and Loans	Workers Compensation	Insurance Fund	Information Management	CHRISTUS TechSource
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Provision for bad debts	-	-	-	-	-	-	-	-
Net patient service revenue less provision for bad debts	-	-	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	73,902	-	10,902	-	326	616	554	39
Equity in income of unconsolidated organizations	3,365	-	-	-	-	-	-	-
Total revenues	77,267	-	10,902	-	326	616	554	39
Expenses								
Employee compensation and benefits	49,344	-	-	-	(325)	1,532	38,731	195
Services and other	50,983	-	3,513	-	321	(1,349)	(39,366)	(139)
Supplies	134	-	11	-	253	514	2,270	-
Depreciation and amortization	4,871	-	-	-	-	-	2,266	44
Interest	-	-	-	-	-	-	-	-
Total expenses	105,332	-	3,524	-	249	697	3,901	100
Operating income (loss)	(28,065)	-	7,378	-	77	(81)	(3,347)	(61)
Non-operating investment gain (loss)	102,635	7	-	1,514	-	-	-	-
Loss on defeasance of debt	-	-	-	-	-	-	-	-
Other non-operating (loss) gain	-	(4,279)	-	(1,514)	-	-	-	-
Revenues in excess (deficit) of expenses	74,570	(4,272)	7,378	-	77	(81)	(3,347)	(61)
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 74,570	\$ (4,272)	\$ 7,378	\$ -	\$ 77	\$ (81)	\$ (3,347)	\$ (61)

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Clmical Engineering	CHRISTUS Retail Services	CHRISTUS Foundation	Benefits	Bond Fund	Liability Retention Trust	CHRISTUS Health Plan	Health Plan New Mexico
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Provision for bad debts	-	-	-	-	-	-	-	-
Net patient service revenue less provision for bad debts	-	-	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-	24,287	-
Other revenue including net gain on contributions to joint ventures	-	3,393	-	142,386	267	862	1	-
Equity in income of unconsolidated organizations	-	-	-	-	-	-	-	-
Total revenues	-	3,393	-	142,386	267	862	24,288	-
Expenses								
Employee compensation and benefits	71	1,735	-	123,363	-	-	424	-
Services and other	186	486	-	1	3,568	(1,808)	24,579	104
Supplies	-	1,829	-	-	-	-	1	-
Depreciation and amortization	-	7	-	-	1,115	-	-	-
Interest	-	-	-	-	(22,260)	-	-	-
Total expenses	257	4,057	-	123,364	(17,577)	(1,808)	25,004	104
Operating income (loss)	(257)	(664)	-	19,022	17,844	2,670	(716)	(104)
Non-operating investment gain (loss)	-	-	-	-	(14,175)	-	-	-
Loss on defeasance of debt	-	-	-	-	(11,047)	-	-	-
Other non-operating (loss) gain	-	(135)	-	-	1,207	-	-	-
Revenues in excess (deficit) of expenses	(257)	(799)	-	19,022	(6,171)	2,670	(716)	(104)
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ (257)	\$ (799)	\$ -	\$ 19,022	\$ (6,171)	\$ 2,670	\$ (716)	\$ (104)

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	Health Plan Louisiana	CHRISTUS Dubuis Health System	CHRISTUS Homecare	St. Joseph Village	Uniformed Services Family Health Plan	CHRISTUS Corporate Obligated Eliminations	CHRISTUS Corporate Non-Obligated Eliminations	International
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ -	\$ 39,290	\$ 42,835	\$ -	\$ -	\$ (16,668)	\$ (2,632)	\$ 248,361
Provision for bad debts	-	(266)	(379)	-	-	-	-	(1,768)
Net patient service revenue less provision for bad debts	-	39,024	42,456	-	-	(16,668)	(2,632)	246,593
Premium revenue	-	-	-	-	144,713	-	-	-
Other revenue including net gain on contributions to joint ventures	-	4,552	1,269	5,467	2,266	(52,879)	(160,889)	6,791
Equity in income of unconsolidated organizations	-	1,218	-	-	-	-	-	(700)
Total revenues	-	44,794	43,725	5,467	146,979	(69,547)	(163,521)	252,684
Expenses								
Employee compensation and benefits	-	23,623	34,805	1,947	7,259	-	(139,692)	87,390
Services and other	90	14,247	8,317	1,120	130,869	(69,188)	(23,756)	77,166
Supplies	-	3,817	1,999	535	826	-	263	65,789
Depreciation and amortization	-	548	886	1,133	118	-	-	10,379
Interest	-	3	-	1,199	4	(267)	(52)	1,571
Total expenses	90	42,238	46,007	5,934	139,076	(69,455)	(163,237)	242,295
Operating income (loss)	(90)	2,555	(2,282)	(467)	7,903	(92)	(284)	10,388
Non-operating investment gain (loss)	-	2	-	-	-	-	-	-
Loss on defeasance of debt	-	-	-	-	-	-	-	-
Other non-operating (loss) gain	-	-	-	-	-	92	-	(18)
Revenues in excess (deficit) of expenses	(90)	2,557	(2,282)	(467)	7,903	-	(284)	10,371
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	6,694
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ (90)	\$ 2,557	\$ (2,282)	\$ (467)	\$ 7,903	\$ -	\$ (284)	\$ 3,677

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2014
(In Thousands)

	CHRISTUS Latin America (Chile)	CHRISTUS Health Spa (Chile)	Grupo Muguerza (Mexico)
Revenues			
Patient service revenue (net of contractual allowances and discounts)	\$ -	\$ -	\$ 248,361
Provision for bad debts	-	-	(1,768)
Net patient service revenue less provision for bad debts	-	-	246,593
Premium revenue	-	-	-
Other revenue including net gain on contributions to joint ventures	-	-	6,791
Equity in income of unconsolidated organizations	-	(700)	-
Total revenues	-	(700)	253,384
Expenses			
Employee compensation and benefits	-	-	87,390
Services and other	-	40	77,126
Supplies	-	-	65,789
Depreciation and amortization	-	-	10,379
Interest	-	52	1,519
Total expenses	-	92	242,203
Operating income (loss)	-	(792)	11,181
Non-operating investment gain (loss)	-	-	-
Loss on defeasance of debt	-	-	-
Other non-operating (loss) gain	-	-	(18)
Revenues in excess (deficit) of expenses	-	(792)	11,163
Less revenues in excess of expenses attributable to non-controlling interest	-	-	6,694
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ -	\$ (792)	\$ 4,469

CHRISTUS Health

Consolidating Financial Statements

June 30, 2013
(In Thousands)

	CHRISTUS Health	New Mexico Region	St Vincent	Southeast Texas Region	St Elizabeth Hospital	St Mary Hospital	Jasper Memorial Hospital	St Elizabeth Rehab Partners
Assets								
Current assets								
Cash and cash equivalents	\$ 282,389	\$ 2,159	\$ 2,159	\$ 342,474	\$ 334,255	\$ 22,135	\$ (17,073)	\$ 432
Short-term investments and equity in managed funds	1,043,273	42,032	42,032	—	—	—	—	—
Assets whose use is limited or restricted, required for current liabilities	59,960	—	—	—	—	—	—	—
Patient accounts receivable, net of allowance for doubtful accounts	357,904	42,806	42,806	37,046	27,379	7,339	2,022	306
Notes and other receivables	183,994	3,543	3,543	1,586	900	378	(25)	—
Inventories	88,683	5,156	5,156	9,344	6,565	2,089	684	—
Securities pledged to creditors	8,858	—	—	—	—	—	—	—
Security lending collateral	9,204	—	—	—	—	—	—	—
Other current assets	65,226	2,362	2,362	1,048	500	167	381	—
Total current assets	2,099,491	98,058	98,058	391,498	369,599	32,108	(14,011)	738
Assets whose use is limited or restricted, less current portion	708,174	18,310	18,310	2,248	—	—	—	—
Property and equipment, net of accumulated depreciation	1,618,670	109,994	109,994	158,816	130,268	20,897	6,115	1,471
Other assets								
Investment in unconsolidated organizations	37,302	3,625	3,625	1,775	1,775	—	—	—
Goodwill	89,730	10,850	10,850	—	—	—	—	—
Beneficial interest in supporting unconsolidated organizations and other restricted assets	68,792	7,039	7,039	—	—	—	—	—
Other assets	74,740	717	717	714	685	22	7	—
Total other assets	270,564	22,231	22,231	2,489	2,460	22	7	—
Total assets	\$ 4,696,899	\$ 248,593	\$ 248,593	\$ 555,051	\$ 502,327	\$ 53,027	\$ (7,889)	\$ 2,209

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Health Ventures of Southeast Texas	Southeast Texas Pam Management Center	Southeast Texas Service Center	Foundation of Southeast Texas	Southeast Texas Obligated Eliminations	Southeast Texas Non- Obligated Eliminations	Gulf Coast Texas Region	St John Hospital
Assets								
Current assets								
Cash and cash equivalents	\$ 491	\$ 232	\$ -	\$ 2,002	\$ -	\$ -	\$ 123,542	\$ 71,122
Short-term investments	-	-	-	-	-	-	26,775	-
Assets whose use is limited, required for current liabilities	-	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful uncollectible accounts	-	-	-	-	-	-	11,697	7,895
Notes and other receivables	-	-	-	333	-	-	27,324	1,963
Inventories	-	-	-	6	-	-	4,109	2,254
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-	599	210
Total current assets	491	232	-	2,341	-	-	194,046	83,444
Assets whose use is limited or restricted, less current portion	-	-	-	2,248	-	-	29,767	-
Property and equipment, net of accumulated depreciation	56	-	-	9	-	-	152,979	45,104
Other assets								
Investment in unconsolidated organizations	-	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	1,873	-
Other assets	407	-	117	-	(117)	(407)	854	404
Total other assets	407	-	117	-	(117)	(407)	2,727	404
Total assets	\$ 954	\$ 232	\$ 117	\$ 4,598	\$ (117)	\$ (407)	\$ 379,519	\$ 128,952

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	St Catherine Health and Wellness Center	St Joseph Hospital – Houston	Houston Metropolitan Health Network	CHRISTUS Foundation For Healthcare	Gulf Coast Service Center	West Houston Real Estate Development	Gulf Coast Texas Obligated Eliminations	Gulf Coast Texas Non-Obligated Eliminations	Ark-La-Tex Region
Assets									
Current assets									
Cash and cash equivalents	\$ (86,788)	\$ 110,181	\$ 219	\$ 1,757	\$ 26,961	\$ 90	\$ –	\$ –	\$ 143,051
Short-term investments	–	–	–	26,775	–	–	–	–	–
Assets whose use is limited, required for current liabilities	–	–	–	–	–	–	–	–	–
Patient accounts receivable, net of allowance for doubtful uncollectible accounts	3,803	(2)	–	–	1	–	–	–	25,525
Notes and other receivables	3,823	(151)	29	146	22,324	–	(70)	(740)	3,003
Inventories	1,855	–	–	–	–	–	–	–	5,581
Securities pledged to creditors	–	–	–	–	–	–	–	–	–
Security lending collateral	–	–	–	–	–	–	–	–	–
Other current assets	299	–	5	–	31	54	–	–	2,324
Total current assets	(77,008)	110,028	253	28,678	49,317	144	(70)	(740)	179,484
Assets whose use is limited or restricted, less current portion	–	–	–	29,767	–	–	–	–	3,208
Property and equipment, net of accumulated depreciation	77,766	–	–	519	18,013	11,577	–	–	125,932
Other assets									
Investment in unconsolidated organizations	–	–	–	–	–	–	–	–	1,760
Goodwill	–	–	–	–	–	–	–	–	300
Beneficial interest in supporting organizations and other restricted assets	–	–	–	1,873	–	–	–	–	–
Other assets	412	–	–	92	8,875	–	(54)	(8,875)	521
Total other assets	412	–	–	1,965	8,875	–	(54)	(8,875)	2,581
Total assets	\$ 1,170	\$ 110,028	\$ 253	\$ 60,929	\$ 76,205	\$ 11,721	\$ (124)	\$ (9,615)	\$ 311,205

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	St Michael Health Care Center	St Michael Atlanta	St Michael Rehabilitation Hospital	St Michael Atlanta Home Health	Arkansas ICHN	Ark-La-Tex Health Network	Ark-La-Tex Obligated Eliminations	Ark-La-Tex Non-Obligated Eliminations
Assets								
Current assets								
Cash and cash equivalents	\$ 126,518	\$ 46	\$ 697	\$ -	\$ 14,855	\$ 935	\$ -	\$ -
Short-term investments	-	-	-	-	-	-	-	-
Assets whose use is limited, required for current liabilities	-	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful uncollectible accounts	21,550	1,176	2,420	379	-	-	-	-
Notes and other receivables	317	2,690	276	-	-	(280)	-	-
Inventories	5,325	232	24	-	-	-	-	-
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	664	1,652	3	1	-	4	-	-
Total current assets	154,374	5,796	3,420	380	14,855	659	-	-
Assets whose use is limited or restricted, less current portion	2,000	-	-	-	1,208	-	-	-
Property and equipment, net of accumulated depreciation	118,656	1,111	6,165	-	-	-	-	-
Other assets								
Investment in unconsolidated organizations	763	-	-	-	997	-	-	-
Goodwill	-	-	-	300	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	-	-
Other assets	1,141	-	-	-	-	-	-	(620)
Total other assets	1,904	-	-	300	997	-	-	(620)
Total assets	\$ 276,934	\$ 6,907	\$ 9,585	\$ 680	\$ 17,060	\$ 659	\$ -	\$ (620)

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Spohn Region	Spohn Shoreline	Spohn Memorial	Spohn South	Spohn Kleberg Memorial	Spohn Beeville	Spohn Alice	Spohn Shared Services
Assets								
Current assets								
Cash and cash equivalents	\$ 419,077	\$ 234,119	\$ (184,420)	\$ 177,664	\$ 67,008	\$ 16,870	\$ 2,757	\$ (102,376)
Short-term investments	10,100	-	-	-	-	-	-	-
Assets whose use is limited, required for current liabilities	-	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful uncollectible accounts	63,125	32,451	10,041	9,336	4,073	2,580	4,644	-
Notes and other receivables	108,498	2,874	104,377	17	24	6	90	95
Inventories	20,955	8,101	7,241	2,877	815	523	1,398	-
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	253	(776)	256	237	63	41	41	372
Total current assets	622,008	276,769	(62,505)	190,131	71,983	20,020	8,930	(101,909)
Assets whose use is limited or restricted, less current portion	9,262	16	-	-	-	-	-	29
Property and equipment, net of accumulated depreciation	272,362	136,914	36,063	40,785	20,233	10,785	22,290	4,188
Other assets								
Investment in unconsolidated organizations	6,446	6,424	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	-	-
Other assets	40,997	40,708	9	64	26	156	34	11,071
Total other assets	47,443	47,132	9	64	26	156	34	11,071
Total assets	\$ 951,075	\$ 460,831	\$ (26,433)	\$ 230,980	\$ 92,242	\$ 30,961	\$ 31,254	\$ (86,621)

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Spohn Membership Agreement	Spohn Health Network	Spohn Health System Payroll	Spohn Investment Corporation	Spohn Development Foundation	Spohn Obligated Eliminations	Spohn Non-Obligated Eliminations	Santa Rosa Region
Assets								
Current assets								
Cash and cash equivalents	\$ 189,733	\$ 1,309	\$ -	\$ 14,055	\$ 2,358	\$ -	\$ -	\$ 72,961
Short-term investments	-	-	-	-	10,100	-	-	1,846
Assets whose use is limited, required for current liabilities	-	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful uncollectible accounts	-	-	-	-	-	-	-	65,196
Notes and other receivables	-	5	(4)	(9)	1,023	-	-	12,680
Inventories	-	-	-	-	-	-	-	20,813
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	-	1	-	-	18	-	-	2,306
Total current assets	189,733	1,315	(4)	14,046	13,499	-	-	175,802
Assets whose use is limited or restricted, less current portion	-	-	-	-	9,217	-	-	375
Property and equipment, net of accumulated depreciation	-	-	-	1,099	5	-	-	335,147
Other assets								
Investment in unconsolidated organizations	-	-	-	22	-	-	-	545
Goodwill	-	-	-	-	-	-	-	38,255
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	-	65,411
Other assets	-	-	-	-	-	(11,071)	-	11,240
Total other assets	-	-	-	22	-	(11,071)	-	115,451
Total assets	\$ 189,733	\$ 1,315	\$ (4)	\$ 15,167	\$ 22,721	\$ (11,071)	\$ -	\$ 626,775

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Santa Rosa General Hospital	Santa Rosa South Texas Alliance	Santa Rosa Children's Hospital	Santa Rosa Medical Center	Santa Rosa Support Services	Santa Rosa Boerne	Santa Rosa Westover Hills	Santa Rosa New Braunfels	Santa Rosa Alamo Heights Surgical Hospital
Assets									
Current assets									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 62,231	\$ -	\$ -	\$ -	\$ -
Short-term investments	-	-	-	-	-	-	-	-	-
Assets whose use is limited, required for current liabilities	-	-	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful uncollectible accounts	(175)	-	27,219	8,894	(1,081)	-	14,473	10,605	579
Notes and other receivables	(2)	-	4,157	1,420	1,606	-	2,406	2,093	-
Inventories	1,519	-	5,845	3,724	411	-	3,898	2,900	892
Securities pledged to creditors	-	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-	-
Other current assets	-	-	857	610	652	-	3	42	-
Total current assets	1,342	-	38,078	14,648	63,819	-	20,780	15,640	1,471
Assets whose use is limited or restricted, less current portion	-	-	-	-	375	-	-	-	-
Property and equipment, net of accumulated depreciation	1,651	-	76,821	10,748	16,529	5,470	109,998	64,541	34,779
Other assets									
Investment in unconsolidated organizations	-	-	-	-	545	-	-	-	-
Goodwill	-	-	-	-	14,623	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	65,411	-	-	-	-	-	-
Other assets	-	-	-	-	28,311	-	-	-	-
Total other assets	-	-	65,411	-	43,479	-	-	-	-
Total assets	\$ 2,993	\$ -	\$ 180,310	\$ 25,396	\$ 124,202	\$ 5,470	\$ 130,778	\$ 80,181	\$ 36,250

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Santa Rosa Rehabilitation Hospital	Santa Rosa Partnership Management Services	Santa Rosa New Braunfels Outpatient Surgery Center	Santa Rosa Physician Ambulatory Surgery Center	Santa Rosa Family Health Center	South Texas Health Alliance	Santa Rosa Alon	Santa Rosa Creekside
Assets								
Current assets								
Cash and cash equivalents	\$ -	\$ -	\$ 817	\$ 2,199	\$ 1,491	\$ 353	\$ -	\$ -
Short-term investments	-	-	-	-	-	-	-	-
Assets whose use is limited, required for current liabilities	-	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful uncollectible accounts	(3)	-	1,238	2,259	136	(8)	382	678
Notes and other receivables	-	461	4	198	-	328	-	-
Inventories	1	-	545	1,019	-	-	22	37
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	-	-	111	31	-	-	-	-
Total current assets	(2)	461	2,715	5,706	1,627	673	404	715
Assets whose use is limited or restricted, less current portion	-	-	-	-	-	-	-	-
Property and equipment, net of accumulated depreciation	(421)	-	209	4,500	101	16	4,323	6,041
Other assets								
Investment in unconsolidated organizations	-	-	-	-	-	-	-	-
Goodwill	-	22,624	1,008	-	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	-	-
Other assets	-	1,792	-	-	-	-	-	-
Total other assets	-	24,416	1,008	-	-	-	-	-
Total assets	\$ (423)	\$ 24,877	\$ 3,932	\$ 10,206	\$ 1,728	\$ 689	\$ 4,727	\$ 6,756

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Santa Rosa Equipment Leasing	Santa Rosa Foundation	Friends of Santa Rosa Foundation	Santa Rosa Real Estate	Santa Rosa Obligated Eliminations	Santa Rosa Non-Obligated Eliminations	Northern Louisiana Region	Schumpert Health System
Assets								
Current assets								
Cash and cash equivalents	\$ (1)	\$ -	\$ 5,871	\$ -	\$ -	\$ -	\$ 35,316	\$ 33,765
Short-term investments	-	-	1,846	-	-	-	1,258	413
Assets whose use is limited, required for current liabilities	-	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful uncollectible accounts	-	-	-	-	-	-	25,566	(423,130)
Notes and other receivables	-	-	9	-	-	-	814	3,908
Inventories	-	-	-	-	-	-	7,554	5,136
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-	2,057	2,002
Total current assets	(1)	-	7,726	-	-	-	72,565	(377,906)
Assets whose use is limited or restricted, less current portion	-	-	-	-	-	-	6,575	-
Property and equipment, net of accumulated depreciation	-	3	-	(162)	-	-	68,909	20,222
Other assets								
Investment in unconsolidated organizations	-	-	-	-	-	-	2,907	15
Goodwill	-	-	-	-	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	(18,863)	469	469
Total other assets	-	-	-	-	-	(18,863)	3,376	484
Total assets	\$ (1)	\$ 3	\$ 7,726	\$ (162)	\$ -	\$ (18,863)	\$ 151,425	\$ (357,200)

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Schumpert Highland Hospital	Northern Louisiana MSO	Schumpert Foundation	Northern Louisiana Obligated Eliminations	Northern Louisiana Non-Obligated Eliminations	Southwestern Louisiana Region	St. Patrick Hospital	Occupational Health Services
Assets								
Current assets								
Cash and cash equivalents	\$ -	\$ 1,471	\$ 80	\$ -	\$ -	\$ 47,498	\$ 46,586	\$ 7
Short-term investments	-	-	845	-	-	-	-	-
Assets whose use is limited, required for current liabilities	-	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful uncollectible accounts	448,696	-	-	-	-	16,183	16,002	-
Notes and other receivables	-	-	2	-	(3,096)	562	562	-
Inventories	2,418	-	-	-	-	3,906	3,906	-
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	-	-	55	-	-	497	486	-
Total current assets	451,114	1,471	982	-	(3,096)	68,646	67,542	7
Assets whose use is limited or restricted, less current portion	-	-	6,575	-	-	17	17	-
Property and equipment, net of accumulated depreciation	48,687	-	-	-	-	49,282	49,235	-
Other assets								
Investment in unconsolidated organizations	-	2,892	-	-	-	1,633	-	1,633
Goodwill	-	-	-	-	-	5,123	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	828	4,055	-
Total other assets	-	2,892	-	-	-	7,584	4,055	1,633
Total assets	\$ 499,801	\$ 4,363	\$ 7,557	\$ -	\$ (3,096)	\$ 125,529	\$ 120,849	\$ 1,640

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	CHRISTUS Village – Lake Charles	South Ryan Development Corporation	Southwestern Louisiana PHO	Colonnade Endoscopy Center, LLC	Southwestern Louisiana Obligated Eliminations	Southwestern Louisiana Non-Obligated Eliminations	Central Louisiana Region	St Frances Cabrini Hospital
Assets								
Current assets								
Cash and cash equivalents	\$ 21	\$ 67	\$ 509	\$ 308	\$ –	\$ –	\$ 65,326	\$ 73,560
Short-term investments	–	–	–	–	–	–	3	3
Assets whose use is limited, required for current liabilities	–	–	–	–	–	–	54	–
Patient accounts receivable, net of allowance for doubtful uncollectible accounts	–	–	–	181	–	–	23,046	18,268
Notes and other receivables	–	–	–	–	–	–	686	630
Inventories	–	–	–	–	–	–	4,604	4,482
Securities pledge to creditors	–	–	–	–	–	–	–	–
Security lending collateral	–	–	–	–	–	–	–	–
Other current assets	–	–	(1)	12	–	–	472	416
Total current assets	21	67	508	501	–	–	94,191	97,359
Assets whose use is limited or restricted, less current portion	–	–	–	–	–	–	3,157	227
Property and equipment, net of accumulated depreciation	–	–	–	47	–	–	138,987	128,693
Other assets								
Investment in unconsolidated organizations	–	–	–	–	–	–	1,060	1,060
Goodwill	–	–	–	5,123	–	–	–	–
Beneficial interest in supporting organizations and other restricted assets	–	–	–	–	–	–	8	–
Other assets	–	–	–	–	–	(3,227)	1,249	1,203
Total other assets	–	–	–	5,123	–	(3,227)	2,317	2,263
Total assets	\$ 21	\$ 67	\$ 508	\$ 5,671	\$ –	\$ (3,227)	\$ 238,652	\$ 228,542

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Coushatta Health Care	St Joseph Nursing Home	St Frances Cabrini Foundation	CHRISTUS Health Louisiana Ministries	Heart Center of Louisiana	Central Louisiana Obligated Eliminations	Central Louisiana Non-Obligated Eliminations	Physician Group
Assets								
Current assets								
Cash and cash equivalents	\$ (11,690)	\$ 1,768	\$ 540	\$ 1,087	\$ 61	\$ -	\$ -	\$ (104,495)
Short-term investments	-	-	-	-	-	-	-	-
Assets whose use is limited, required for current liabilities	-	-	54	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful uncollectible accounts	4,083	721	-	-	(26)	-	-	3,321
Notes and other receivables	10	-	46	-	-	-	-	3,145
Inventories	122	-	-	-	-	-	-	-
Securities pledge to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	22	9	20	-	5	-	-	1,740
Total current assets	(7,453)	2,498	660	1,087	40	-	-	(96,289)
Assets whose use is limited or restricted, less current portion	(2)	-	2,932	-	-	-	-	-
Property and equipment, net of accumulated depreciation	6,476	3,676	24	-	118	-	-	5,928
Other assets								
Investment in unconsolidated organizations	-	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	8	-	-	-	-	-
Other assets	-	-	-	-	-	46	-	-
Total other assets	-	-	8	-	-	46	-	-
Total assets	\$ (979)	\$ 6,174	\$ 3,624	\$ 1,087	\$ 158	\$ 46	\$ -	\$ (90,361)

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Corporate and Eliminations	CHRISTUS Strategic Growth	Amatista	TLRA	Revenue Cycle Business Services	Supply Cham Management	Corporate office	Stehlm Foundation for Cancer Research
Assets								
Current assets								
Cash and cash equivalents	\$ (882,178)	\$ 105,000	\$ -	\$ 6,900	\$ (2,887)	\$ 3,953	\$ (1,201,509)	\$ 362
Short-term investments	961,260	-	-	-	-	-	960,187	1,073
Assets whose use is limited, required for current liabilities	59,906	-	-	-	-	-	1	-
Patient accounts receivable, net of allowance for doubtful uncollectible accounts	10,229	-	-	(18)	-	-	-	-
Notes and other receivables	14,295	-	-	-	-	240	5,580	59
Inventories	1,151	-	-	-	-	-	-	-
Securities pledge to creditors	8,858	-	-	-	-	-	8,858	-
Security lending collateral	9,204	-	-	-	-	-	9,204	-
Other current assets	49,164	-	-	88	10	-	2,391	20
Total current assets	231,889	105,000	-	6,970	(2,877)	4,193	(215,288)	1,514
Assets whose use is limited or restricted, less current portion	628,216	-	-	-	-	-	338,385	484
Property and equipment, net of accumulated depreciation	96,818	-	-	37	617	-	59,117	2,777
Other assets								
Investment in unconsolidated organizations	17,553	-	-	-	-	-	17,059	-
Goodwill	32,224	-	-	-	-	-	31,943	-
Beneficial interest in supporting organizations and other restricted assets	1,499	-	-	-	-	-	333	(43)
Other assets	9,475	-	-	-	-	-	136,014	-
Total other assets	60,751	-	-	-	-	-	185,349	(43)
Total assets	\$ 1,017,674	\$ 105,000	\$ -	\$ 7,007	\$ (2,260)	\$ 4,193	\$ 367,563	\$ 4,732

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Emerald Assurance	Grants and Loans	Workers Compensation	Insurance Fund	Information Management	CHRISTUS TechSource	Clinical Engineering	CHRISTUS Retail Services
Assets								
Current assets								
Cash and cash equivalents	\$ -	\$ 18,902	\$ 21,368	\$ (19,423)	\$ (69,884)	\$ (12,975)	\$ 7	\$ (10,367)
Short-term investments	-	-	-	-	-	-	-	-
Assets whose use is limited, required for current liabilities	18,865	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful uncollectible accounts	-	-	-	-	-	-	-	-
Notes and other receivables	205	95	97	1,509	71	(207)	-	7
Inventories	-	-	-	-	-	-	-	801
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	96	-	31	13,444	33,153	69	(630)	-
Total current assets	19,166	18,997	21,496	(4,470)	(36,660)	(13,113)	(623)	(9,559)
Assets whose use is limited or restricted, less current portion	192,005	-	-	-	-	-	-	-
Property and equipment, net of accumulated depreciation	-	-	-	-	5,913	44	-	11
Other assets								
Investment in unconsolidated organizations	-	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	-	-
Other assets	(20)	5,727	576	-	-	-	-	-
Total other assets	(20)	5,727	576	-	-	-	-	-
Total assets	\$ 211,151	\$ 24,724	\$ 22,072	\$ (4,470)	\$ (30,747)	\$ (13,069)	\$ (623)	\$ (9,548)

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	CHRISTUS Foundation	Benefits	Bond Fund	Liability Retention Trust	CHRISTUS Health Plan	Health Plan New Mexico	Health Plan Louisiana	CHRISTUS Dubuis Health System
Assets								
Current assets								
Cash and cash equivalents	\$ 7	\$ 37,923	\$ (7,783)	\$ 1	\$ 23,044	\$ -	\$ -	\$ (567)
Short-term investments	-	-	-	-	-	-	-	-
Assets whose use is limited, required for current liabilities	-	-	40,040	1,000	-	-	-	-
Patient accounts receivable, net of allowance for doubtful uncollectible accounts	-	-	-	-	-	-	-	4,322
Notes and other receivables	-	6,122	40	5	221	-	-	1,727
Inventories	-	-	-	-	-	-	-	350
Securities pledged to creditors	-	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-	-
Other current assets	-	-	76	-	8	-	-	32
Total current assets	7	44,045	32,373	1,006	23,273	-	-	5,864
Assets whose use is limited or restricted, less current portion	-	-	83,077	13,523	500	-	-	-
Property and equipment, net of accumulated depreciation	-	-	1,418	-	-	-	-	1,594
Other assets								
Investment in unconsolidated organizations	-	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-
Beneficial interest in supporting organizations and other restricted assets	-	-	-	-	-	-	-	-
Other assets	-	143	893,362	-	-	-	-	18
Total other assets	-	143	893,362	-	-	-	-	18
Total assets	\$ 7	\$ 44,188	\$ 1,010,230	\$ 14,529	\$ 23,773	\$ -	\$ -	\$ 7,476

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	CHRISTUS Homecare	St. Joseph Village	Uniformed Services Family Health Plan	CHRISTUS Corporate Obligated Eliminations	CHRISTUS Corporate Non-Obligated Eliminations	International	CHRISTUS Latin America (Chile)
Assets							
Current assets							
Cash and cash equivalents	\$ (9,925)	\$ 1,576	\$ 234,099	\$ -	\$ -	\$ 17,658	\$ -
Short-term investments	-	-	-	-	-	-	-
Assets whose use is limited, required for current liabilities	-	-	-	-	-	-	-
Patient accounts receivable, net of allowance for doubtful uncollectible accounts	6,671	-	-	(716)	(30)	34,162	-
Notes and other receivables	3	60	-	(1,539)	-	7,861	-
Inventories	-	-	-	-	-	5,510	-
Securities pledge to creditors	-	-	-	-	-	-	-
Security lending collateral	-	-	-	-	-	-	-
Other current assets	134	-	242	-	-	2,400	-
Total current assets	(3,117)	1,636	234,341	(2,255)	(30)	67,591	-
Assets whose use is limited or restricted, less current portion	118	124	-	-	-	-	-
Property and equipment, net of accumulated depreciation	(62)	25,100	252	-	-	103,513	-
Other assets							
Investment in unconsolidated organizations	494	-	-	-	-	-	-
Goodwill	281	-	-	-	-	2,976	-
Beneficial interest in supporting organizations and other restricted assets	-	1,209	-	-	-	-	-
Other assets	-	-	-	(947,115)	(79,230)	7,673	-
Total other assets	775	1,209	-	(947,115)	(79,230)	10,649	-
Total assets	\$ (2,286)	\$ 28,069	\$ 234,593	\$ (949,370)	\$ (79,260)	\$ 181,753	\$ -

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	CHRISTUS Health Spa (Chile)	Grupo Muguerza (Mexico)
Assets		
Current assets		
Cash and cash equivalents	\$ —	\$ 17.658
Short-term investments	—	—
Assets whose use is limited, required for current liabilities	—	—
Patient accounts receivable, net of allowance for doubtful uncollectible accounts	—	34.162
Notes and other receivables	—	7.861
Inventories	—	5.510
Securities pledged to creditors	—	—
Security lending collateral	—	—
Other current assets	—	2.400
Total current assets	—	67.591
Assets whose use is limited or restricted, less current portion	—	—
Property and equipment, net of accumulated depreciation	—	103.513
Other assets		
Investment in unconsolidated organizations	—	—
Goodwill	—	2.976
Beneficial interest in supporting organizations and other restricted assets	—	—
Other assets	—	7.673
Total other assets	—	10.649
Total assets	\$ —	\$ 181.753

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	CHRISTUS Health	New Mexico Region	St. Vincent	Southeast Texas Region	St. Elizabeth Hospital	St. Mary Hospital	Jasper Memorial Hospital	St. Elizabeth Rehab Partners
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 409,675	\$ 22,811	\$ 22,811	\$ 33,910	\$ 26,506	\$ 2,698	\$ 3,024	\$ 392
Accrued employee compensation and benefits, including pension benefits, current portion	176,427	17,732	17,732	7,279	5,513	1,308	458	-
Estimated third-party settlements	33,017	5,930	5,930	(1,664)	(927)	245	(982)	-
Current portion of long-term debt	51,589	62	62	2,461	1,954	507	-	-
Payable under security lending agreement	9,210	-	-	-	-	-	-	-
Total current liabilities	679,918	46,535	46,535	41,986	33,046	4,758	2,500	392
Long-term debt, less current portion	1,071,943	1,200	1,200	75,632	59,465	16,167	-	-
Accrued pension benefits, long-term portion	75,435	-	-	-	-	-	-	-
Derivative financial instruments	92,624	-	-	-	-	-	-	-
Other long-term obligations – primarily related to self-funded liabilities, less current portion	169,613	95	95	1,862	901	960	1	-
Total liabilities	2,089,533	47,830	47,830	119,480	93,412	21,885	2,501	392
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	2,356,267	96,222	96,222	433,832	408,688	31,138	(10,397)	2,521
Attributable to noncontrolling interest	120,356	97,502	97,502	(709)	-	-	-	(704)
Total unrestricted	2,476,623	193,724	193,724	433,123	408,688	31,138	(10,397)	1,817
Temporarily restricted	114,858	7,039	7,039	1,835	227	4	7	-
Permanently restricted	15,885	-	-	613	-	-	-	-
Total net assets	2,607,366	200,763	200,763	435,571	408,915	31,142	(10,390)	1,817
Total liabilities and net assets	\$ 4,696,899	\$ 248,593	\$ 248,593	\$ 555,051	\$ 502,327	\$ 53,027	\$ (7,889)	\$ 2,209

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Health Ventures of Southeast Texas	Southeast Texas Pam Management Center	Southeast Texas Service Center	Foundation of Southeast Texas	Southeast Texas Obligated Eliminations	Southeast Texas Non-Obligated Eliminations	Gulf Coast Texas Region	St John Hospital
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 619	\$ (9)	\$ 117	\$ 563	\$ -	\$ -	\$ 18,559	\$ 13,953
Accrued employee compensation and benefits, including pension benefits, current portion	-	-	-	-	-	-	3,684	1,990
Estimated third-party settlements	-	-	-	-	-	-	1,273	742
Current portion of long-term debt	-	-	-	-	-	-	11,946	1,655
Payable under security lending agreement	-	-	-	-	-	-	-	-
Total current liabilities	619	(9)	117	563	-	-	35,462	18,340
Long-term debt, less current portion	-	-	-	-	-	-	68,718	17,794
Accrued pension benefits, long-term portion	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other long-term obligations – primarily related to self-funded liabilities, less current portion	-	-	-	-	-	-	1,572	1,053
Total liabilities	619	(9)	117	563	-	-	105,752	37,187
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	335	246	-	1,825	(117)	(407)	244,092	91,765
Attributable to noncontrolling interest	-	(5)	-	-	-	-	(300)	-
Total unrestricted	335	241	-	1,825	(117)	(407)	243,792	91,765
Temporarily restricted	-	-	-	1,597	-	-	25,203	-
Permanently restricted	-	-	-	613	-	-	4,772	-
Total net assets	335	241	-	4,035	(117)	(407)	273,767	91,765
Total liabilities and net assets	\$ 954	\$ 232	\$ 117	\$ 4,598	\$ (117)	\$ (407)	\$ 379,519	\$ 128,952

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	St Catherine Health and Wellness Center	St Joseph Hospital – Houston	Houston Metropolitan Health Network	CHRISTUS Foundation For Healthcare	Gulf Coast Service Center	West Houston Real Estate Development	Gulf Coast Texas Obligated Eliminations	Gulf Coast Texas Non-Obligated Eliminations	Ark-La-Tex Region
Liabilities and net assets									
Current liabilities									
Accounts payable and accrued expenses	\$ 7,586	\$ 598	\$ 62	\$ 667	\$ (4,440)	\$ 133	\$ –	\$ –	\$ 31,904
Accrued employee compensation and benefits, including pension benefits, current portion	1,315	–	–	–	379	–	–	–	5,438
Estimated third-party settlements	61	470	–	–	–	–	–	–	(3,384)
Current portion of long-term debt	10,361	–	–	–	–	740	(70)	(740)	2,603
Payable under security lending agreement	–	–	–	–	–	–	–	–	–
Total current liabilities	19,323	1,068	62	667	(4,061)	873	(70)	(740)	36,561
Long-term debt, less current portion	50,978	–	–	–	–	–	(54)	–	69,620
Accrued pension benefits, long-term portion	–	–	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	–	–	–
Other long-term obligations – primarily related to self-funded liabilities, less current portion	519	–	–	–	–	–	–	–	–
Total liabilities	70,820	1,068	62	667	(4,061)	873	(124)	(740)	106,181
Net assets									
Unrestricted									
Attributable to CHRISTUS Health	(69,650)	108,960	191	30,287	80,266	11,148	–	(8,875)	203,599
Attributable to noncontrolling interest	–	–	–	–	–	(300)	–	–	–
Total unrestricted	(69,650)	108,960	191	30,287	80,266	10,848	–	(8,875)	203,599
Temporarily restricted	–	–	–	25,203	–	–	–	–	1,425
Permanently restricted	–	–	–	4,772	–	–	–	–	–
Total net assets	(69,650)	108,960	191	60,262	80,266	10,848	–	(8,875)	205,024
Total liabilities and net assets	\$ 1,170	\$ 110,028	\$ 253	\$ 60,929	\$ 76,205	\$ 11,721	\$ (124)	\$ (9,615)	\$ 311,205

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	St Michael Health Care Center	St Michael Atlanta	St Michael Rehabilitation Hospital	St Michael Atlanta Home Health	Arkansas ICHN	Ark-La-Tex Health Network	Ark-La-Tex Obligated Eliminations	Ark-La-Tex Non-Obligated Eliminations
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 12.627	\$ 5.978	\$ 11.688	\$ 690	\$ 252	\$ 669	\$ -	\$ -
Accrued employee compensation and benefits, including pension benefits, current portion	4.560	267	582	29	-	-	-	-
Estimated third-party settlements	(3.740)	-	356	-	-	-	-	-
Current portion of long-term debt	2.603	-	-	-	-	-	-	-
Payable under security lending agreement	-	-	-	-	-	-	-	-
Total current liabilities	16.050	6.245	12.626	719	252	669	-	-
Long-term debt, less current portion	69.620	-	-	-	-	-	-	-
Accrued pension benefits, long-term portion	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other long-term obligations – primarily related to self-funded liabilities, less current portion	-	-	-	-	-	-	-	-
Total liabilities	85.670	6.245	12.626	719	252	669	-	-
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	189.839	662	(3.041)	(39)	16.808	(10)	-	(620)
Attributable to noncontrolling interest	-	-	-	-	-	-	-	-
Total unrestricted	189.839	662	(3.041)	(39)	16.808	(10)	-	(620)
Temporarily restricted	1.425	-	-	-	-	-	-	-
Permanently restricted	-	-	-	-	-	-	-	-
Total net assets	191.264	662	(3.041)	(39)	16.808	(10)	-	(620)
Total liabilities and net assets	\$ 276.934	\$ 6.907	\$ 9.585	\$ 680	\$ 17.060	\$ 659	\$ -	\$ (620)

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Spohn Region	Spohn Shoreline	Spohn Memorial	Spohn South	Spohn Kleberg Memorial	Spohn Beeville	Spohn Alice	Spohn Shared Services
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 29,696	\$ (230,107)	\$ (61,227)	\$ 154,156	\$ 13,272	\$ (505)	\$ 53,431	\$ (100,960)
Accrued employee compensation and benefits, including pension benefits, current portion	11,430	3,310	2,347	1,372	546	436	617	1,659
Estimated third-party settlements	7,131	1,925	234	552	288	612	3,520	-
Current portion of long-term debt	7,010	4,716	1,918	-	-	376	-	-
Payable under security lending agreement	-	-	-	-	-	-	-	-
Total current liabilities	<u>55,267</u>	<u>(220,156)</u>	<u>(56,728)</u>	<u>156,080</u>	<u>14,106</u>	<u>919</u>	<u>57,568</u>	<u>(99,301)</u>
Long-term debt, less current portion	215,484	84,292	61,491	51,316	5,711	9,716	-	2,958
Accrued pension benefits, long-term portion	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other long-term obligations – primarily related to self-funded liabilities, less current portion	22	-	11	-	-	-	-	-
Total liabilities	<u>270,773</u>	<u>(135,864)</u>	<u>4,774</u>	<u>207,396</u>	<u>19,817</u>	<u>10,635</u>	<u>57,568</u>	<u>(96,343)</u>
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	671,923	596,679	(31,207)	23,584	72,425	20,326	(26,314)	9,693
Attributable to noncontrolling interest	-	-	-	-	-	-	-	-
Total unrestricted	<u>671,923</u>	<u>596,679</u>	<u>(31,207)</u>	<u>23,584</u>	<u>72,425</u>	<u>20,326</u>	<u>(26,314)</u>	<u>9,693</u>
Temporarily restricted	6,367	16	-	-	-	-	-	29
Permanently restricted	2,012	-	-	-	-	-	-	-
Total net assets	<u>680,302</u>	<u>596,695</u>	<u>(31,207)</u>	<u>23,584</u>	<u>72,425</u>	<u>20,326</u>	<u>(26,314)</u>	<u>9,722</u>
Total liabilities and net assets	<u>\$ 951,075</u>	<u>\$ 460,831</u>	<u>\$ (26,433)</u>	<u>\$ 230,980</u>	<u>\$ 92,242</u>	<u>\$ 30,961</u>	<u>\$ 31,254</u>	<u>\$ (86,621)</u>

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Spohn Membership Agreement	Spohn Health Group of South Texas	Spohn Health Network	Spohn Health System Payroll	Spohn Investment Corporation	Spohn Development Foundation	Spohn Obligated Eliminations	Spohn Non-Obligated Eliminations
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 189,733	\$ -	\$ 5,580	\$ (1,147)	\$ (169)	\$ 7,639	\$ -	\$ -
Accrued employee compensation and benefits, including pension benefits, current portion	-	-	-	1,143	-	-	-	-
Estimated third-party settlements	-	-	-	-	-	-	-	-
Current portion of long-term debt	-	-	-	-	-	-	-	-
Payable under security lending agreement	-	-	-	-	-	-	-	-
Total current liabilities	189,733	-	5,580	(4)	(169)	7,639	-	-
Long-term debt, less current portion	-	-	-	-	-	-	-	-
Accrued pension benefits, long-term portion	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other long-term obligations – primarily related to self-funded liabilities, less current portion	-	-	-	-	-	11	-	-
Total liabilities	189,733	-	5,580	(4)	(169)	7,650	-	-
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	-	-	(4,265)	-	15,336	6,737	(11,071)	-
Attributable to noncontrolling interest	-	-	-	-	-	-	-	-
Total unrestricted	-	-	(4,265)	-	15,336	6,737	(11,071)	-
Temporarily restricted	-	-	-	-	-	6,322	-	-
Permanently restricted	-	-	-	-	-	2,012	-	-
Total net assets	-	-	(4,265)	-	15,336	15,071	(11,071)	-
Total liabilities and net assets	\$ 189,733	\$ -	\$ 1,315	\$ (4)	\$ 15,167	\$ 22,721	\$ (11,071)	\$ -

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Santa Rosa Region	Santa Rosa General Hospital	Santa Rosa South Texas Alliance	Santa Rosa Children's Hospital	Santa Rosa Medical Center	Santa Rosa Support Services	Santa Rosa Boerne	Santa Rosa Westover Hills	Santa Rosa New Braunfels
Liabilities and net assets									
Current liabilities									
Accounts payable and accrued expenses	\$ 65,068	\$ (47,630)	\$ 709	\$ 44,756	\$ (3,430)	\$ 47,758	\$ 434	\$ (9,959)	\$ (33,030)
Accrued employee compensation and benefits, including pension benefits, current portion	9,006	-	-	2,874	1,094	1,535	-	1,267	1,186
Estimated third-party settlements	8,348	20,121	-	(4,088)	(4,088)	1,309	-	(818)	(4,088)
Current portion of long-term debt	6,820	-	-	160	-	2,638	-	124	428
Payable under security lending agreement	-	-	-	-	-	-	-	-	-
Total current liabilities	89,242	(27,509)	709	43,702	(6,424)	53,240	434	(9,386)	(35,504)
Long-term debt, less current portion	288,857	-	19,595	7,389	-	77,480	-	103,173	76,229
Accrued pension benefits, long-term portion	-	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-	-
Other long-term obligations – primarily related to self-funded liabilities, less current portion	3,100	-	-	-	-	1,987	-	-	-
Total liabilities	381,199	(27,509)	20,668	51,091	(6,424)	132,707	434	93,787	40,725
Net assets									
Unrestricted									
Attributable to CHRISTUS Health	183,407	30,502	(19,979)	63,506	31,813	(8,601)	5,036	36,991	39,456
Attributable to noncontrolling interest	(3,647)	-	-	-	-	-	-	-	-
Total unrestricted	179,760	30,502	(19,979)	63,506	31,813	(8,601)	5,036	36,991	39,456
Temporarily restricted	60,478	-	-	60,375	7	96	-	-	-
Permanently restricted	5,338	-	-	5,338	-	-	-	-	-
Total net assets	245,576	30,502	(19,979)	129,219	31,820	(8,505)	5,036	36,991	39,456
Total liabilities and net assets	\$ 626,775	\$ 2,993	\$ 689	\$ 180,310	\$ 25,396	\$ 124,202	\$ 5,470	\$ 130,778	\$ 80,181

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Santa Rosa Alamo Heights Surgical Hospital	Santa Rosa Alamo Heights	Santa Rosa Rehabilitation Hospital	Santa Rosa Partnership Management Services	Santa Rosa New Braunfels Outpatient Surgery Center	Santa Rosa Physician Ambulatory Surgery Center	Santa Rosa Family Health Center	South Texas Health Care Alliance
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 38.615	\$ -	\$ (2.702)	\$ (19.234)	\$ 543	\$ 2.589	\$ 38.614	\$ -
Accrued employee compensation and benefits, including pension benefits, current portion	107	-	-	-	103	489	131	-
Estimated third-party settlements	-	-	-	-	-	-	-	-
Current portion of long-term debt	(197)	-	-	-	-	3.667	-	-
Pavable under security lending agreement	-	-	-	-	-	-	-	-
Total current liabilities	38.525	-	(2.702)	(19.234)	646	6.745	38.745	-
Long-term debt, less current portion	13.267	-	-	-	-	11.319	-	-
Accrued pension benefits, long-term portion	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other long-term obligations – primarily related to self-funded liabilities, less current portion	-	-	-	-	-	1.113	-	-
Total liabilities	51.792	-	(2.702)	(19.234)	646	19.177	38.745	-
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	(15.542)	-	2.279	33.180	16.794	(8.069)	(37.017)	-
Attributable to noncontrolling interest	-	-	-	10.931	(13.508)	(902)	-	-
Total unrestricted	(15.542)	-	2.279	44.111	3.286	(8.971)	(37.017)	-
Temporarily restricted	-	-	-	-	-	-	-	-
Permanently restricted	-	-	-	-	-	-	-	-
Total net assets	(15.542)	-	2.279	44.111	3.286	(8.971)	(37.017)	-
Total liabilities and net assets	\$ 36.250	\$ -	\$ (423)	\$ 24.877	\$ 3.932	\$ 10.206	\$ 1.728	\$ -

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Santa Rosa Alon	Santa Rosa Creekside	Santa Rosa Equipment Leasing	Santa Rosa Foundation	Friends of Santa Rosa Foundation	Santa Rosa Real Estate	Santa Rosa Obligated Eliminations	Santa Rosa Non-Obligated Eliminations
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 2,474	\$ 5,521	\$ (175)	\$ (45)	\$ (1,329)	\$ 589	\$ -	\$ -
Accrued employee compensation and benefits, including pension benefits, current portion	121	53	-	46	-	-	-	-
Estimated third-party settlements	-	-	-	-	-	-	-	-
Current portion of long-term debt	-	-	-	-	-	-	-	-
Payable under security lending agreement	-	-	-	-	-	-	-	-
Total current liabilities	2,595	5,574	(175)	1	(1,329)	589	-	-
Long-term debt, less current portion	-	-	-	-	-	-	-	(19,959)
Accrued pension benefits, long-term portion	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other long-term obligations – primarily related to self-funded liabilities, less current portion	-	-	-	-	-	-	-	-
Total liabilities	2,595	5,574	(175)	1	(1,329)	589	-	(19,959)
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	2,132	1,182	342	2	9,055	(751)	-	1,096
Attributable to noncontrolling interest	-	-	(168)	-	-	-	-	-
Total unrestricted	2,132	1,182	174	2	9,055	(751)	-	1,096
Temporarily restricted	-	-	-	-	-	-	-	-
Permanently restricted	-	-	-	-	-	-	-	-
Total net assets	2,132	1,182	174	2	9,055	(751)	-	1,096
Total liabilities and net assets	\$ 4,727	\$ 6,756	\$ (1)	\$ 3	\$ 7,726	\$ (162)	\$ -	\$ (18,863)

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Northern Louisiana Region	Schumpert Health System	Schumpert Highland Hospital	Northern Louisiana MISO	Schumpert Foundation	Northern Louisiana Obligated Eliminations	Northern Louisiana Non-Obligated Eliminations	Southwestern Louisiana Region
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 19,982	\$ (379,712)	\$ 400,762	\$ 1,897	\$ 131	\$ –	\$ (3,096)	\$ 12,773
Accrued employee compensation and benefits, including pension benefits, current portion	2,631	2,200	431	–	–	–	–	1,371
Estimated third-party settlements	15	15	–	–	–	–	–	496
Current portion of long-term debt	8,542	8,542	–	–	–	–	–	4,725
Payable under security lending agreement	–	–	–	–	–	–	–	–
Total current liabilities	31,170	(368,955)	401,193	1,897	131	–	(3,096)	19,365
Long-term debt, less current portion	59,749	59,749	–	–	–	–	–	30,252
Accrued pension benefits, long-term portion	–	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	–	–
Other long-term obligations – primarily related to self-funded liabilities, less current portion	–	–	–	–	–	–	–	154
Total liabilities	90,919	(309,206)	401,193	1,897	131	–	(3,096)	49,771
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	53,612	(48,488)	98,583	2,466	1,051	–	–	72,935
Attributable to noncontrolling interest	–	–	–	–	–	–	–	1,035
Total unrestricted	53,612	(48,488)	98,583	2,466	1,051	–	–	73,970
Temporarily restricted	5,266	494	25	–	4,747	–	–	1,788
Permanently restricted	1,628	–	–	–	1,628	–	–	–
Total net assets	60,506	(47,994)	98,608	2,466	7,426	–	–	75,758
Total liabilities and net assets	\$ 151,425	\$ (357,200)	\$ 499,801	\$ 4,363	\$ 7,557	\$ –	\$ (3,096)	\$ 125,529

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	St Patrick Hospital	Occupational Health Services	CHRISTUS Village – Lake Charles	South Ryan Development Corporation	Southwestern Louisiana PHO	Colonnade Endoscopy Center, LLC	Southwestern Louisiana Obligated Eliminations	Southwestern Louisiana Non- Obligated Eliminations
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 20,656	\$ (4,058)	\$ (2,029)	\$ (2,362)	\$ 561	\$ 5	\$ –	\$ –
Accrued employee compensation and benefits, including pension benefits, current portion	1,365	–	–	–	–	6	–	–
Estimated third-party settlements	496	–	–	–	–	–	–	–
Current portion of long-term debt	4,725	–	–	–	–	–	–	–
Pavable under security lending agreement	–	–	–	–	–	–	–	–
Total current liabilities	27,242	(4,058)	(2,029)	(2,362)	561	11	–	–
Long-term debt, less current portion	30,252	–	–	–	–	–	–	–
Accrued pension benefits, long-term portion	–	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	–	–
Other long-term obligations – primarily related to self-funded liabilities, less current portion	154	–	–	–	–	–	–	–
Total liabilities	57,648	(4,058)	(2,029)	(2,362)	561	11	–	–
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	61,413	5,698	2,050	2,429	(53)	4,625	–	(3,227)
Attributable to noncontrolling interest	–	–	–	–	–	1,035	–	–
Total unrestricted	61,413	5,698	2,050	2,429	(53)	5,660	–	(3,227)
Temporarily restricted	1,788	–	–	–	–	–	–	–
Permanently restricted	–	–	–	–	–	–	–	–
Total net assets	63,201	5,698	2,050	2,429	(53)	5,660	–	(3,227)
Total liabilities and net assets	\$ 120,849	\$ 1,640	\$ 21	\$ 67	\$ 508	\$ 5,671	\$ –	\$ (3,227)

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Central Louisiana Region	St Frances Cabrim Hospital	Coushatta Health Care	St Joseph Nursing Home	St Frances Cabrim Foundation	CHRISTUS Health Louisiana Ministries	Heart Center of Louisiana	Central Louisiana Obligated Eliminations
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 16,095	\$ 13,462	\$ 560	\$ 1,625	\$ –	\$ 253	\$ 195	\$ –
Accrued employee compensation and benefits, including pension benefits, current portion	3,746	3,022	248	138	–	338	–	–
Estimated third-party settlements	2,254	2,391	180	(317)	–	–	–	–
Current portion of long-term debt	5,752	5,752	–	–	–	–	–	–
Payable under security lending agreement	–	–	–	–	–	–	–	–
Total current liabilities	27,847	24,627	988	1,446	–	591	195	–
Long-term debt, less current portion	104,754	104,754	–	–	–	–	–	–
Accrued pension benefits, long-term portion	–	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	–	–
Other long-term obligations – primarily related to self-funded liabilities, less current portion	1,027	1,027	–	–	–	–	–	–
Total liabilities	133,628	130,408	988	1,446	–	591	195	–
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	99,972	97,101	(2,057)	4,725	(230)	496	(109)	46
Attributable to noncontrolling interest	72	–	–	–	–	–	72	–
Total unrestricted	100,044	97,101	(2,057)	4,725	(230)	496	(37)	46
Temporarily restricted	4,679	1,033	95	3	3,548	–	–	–
Permanently restricted	301	–	(5)	–	306	–	–	–
Total net assets	105,024	98,134	(1,967)	4,728	3,624	496	(37)	46
Total liabilities and net assets	\$ 238,652	\$ 228,542	\$ (979)	\$ 6,174	\$ 3,624	\$ 1,087	\$ 158	\$ 46

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Central Louisiana Non- Obligated Eliminations	Physician Group	Corporate and Eliminations	CHRISTUS Strategic Growth	Amatista	TLRA	Revenue Cycle Business Services	Supply Cham Management		
Liabilities and net assets										
Current liabilities										
Accounts payable and accrued expenses	\$	-	\$ 6,979	\$ 110,545	\$	-	\$ 2,402	\$ 2,007	\$ 997	
Accrued employee compensation and benefits, including pension benefits, current portion	-	10,339	94,102	-	-	663	1,478	-		
Estimated third-party settlements	-	-	12,618	-	-	-	-	-		
Current portion of long-term debt	-	-	(2,227)	-	-	-	-	-		
Payable under security lending agreement	-	-	9,210	-	-	-	-	-		
Total current liabilities	-	17,318	224,248	-	-	3,065	3,485	997		
Long-term debt, less current portion	-	-	124,182	-	-	-	-	-		
Accrued pension benefits, long-term portion	-	-	75,435	-	-	-	-	-		
Derivative financial instruments	-	-	92,624	-	-	-	-	-		
Other long-term obligations – primarily related to self-funded liabilities, less current portion	-	-	163,955	-	-	-	407	-		
Total liabilities	-	17,318	680,444	-	-	3,065	3,892	997		
Net assets										
Unrestricted										
Attributable to CHRISTUS Health	-	(107,679)	335,232	105,000	-	3,942	(6,152)	3,196		
Attributable to noncontrolling interest	-	-	-	-	-	-	-	-		
Total unrestricted	-	(107,679)	335,232	105,000	-	3,942	(6,152)	3,196		
Temporarily restricted	-	-	778	-	-	-	-	-		
Permanently restricted	-	-	1,220	-	-	-	-	-		
Total net assets	-	(107,679)	337,230	105,000	-	3,942	(6,152)	3,196		
Total liabilities and net assets	\$	-	\$ (90,361)	\$ 1,017,674	\$	105,000	\$	7,007	\$ (2,260)	\$ 4,193

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Corporate office	Stehlm Foundation for Cancer Research	Emerald Assurance	Grants and Loans	Workers Compensation	Insurance Fund	Information Management	CHRISTUS TechSource
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 8,759	\$ 193	\$ 29,936	\$ (339)	\$ 355	\$ (4,568)	\$ 11,494	\$ 204
Accrued employee compensation and benefits, including pension benefits, current portion	69,730	42	–	–	3,509	–	657	10
Estimated third-party settlements	10,000	–	–	–	–	–	–	–
Current portion of long-term debt	–	–	–	–	–	–	–	–
Payable under security lending agreement	9,210	–	–	–	–	–	–	–
Total current liabilities	97,699	235	29,936	(339)	3,864	(4,568)	12,151	214
Long-term debt, less current portion	–	–	–	–	–	–	–	–
Accrued pension benefits, long-term portion	75,435	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	–	–
Other long-term obligations – primarily related to self-funded liabilities, less current portion	48,386	593	69,199	–	9,457	–	–	–
Total liabilities	221,520	828	99,135	(339)	13,321	(4,568)	12,151	214
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	146,013	3,573	112,016	25,063	8,751	98	(42,898)	(13,283)
Attributable to noncontrolling interest	–	–	–	–	–	–	–	–
Total unrestricted	146,013	3,573	112,016	25,063	8,751	98	(42,898)	(13,283)
Temporarily restricted	30	332	–	–	–	–	–	–
Permanently restricted	–	–	–	–	–	–	–	–
Total net assets	146,043	3,905	112,016	25,063	8,751	98	(42,898)	(13,283)
Total liabilities and net assets	\$ 367,563	\$ 4,732	\$ 211,151	\$ 24,724	\$ 22,072	\$ (4,470)	\$ (30,747)	\$ (13,069)

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Clmical Engineering	CHRISTUS Retail Services	CHRISTUS Foundation	Benefits	Bond Fund	Liability Retention Trust	CHRISTUS Health Plan	Health Plan New Mexico
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ (131)	\$ 628	\$ –	\$ 2,566	\$ 14,756	\$ 1,154	\$ 8,554	\$ –
Accrued employee compensation and benefits, including pension benefits, current portion	–	66	–	13,067	–	–	–	–
Estimated third-party settlements	–	–	–	–	–	–	–	–
Current portion of long-term debt	–	–	–	–	42,825	–	–	–
Payable under security lending agreement	–	–	–	–	–	–	–	–
Total current liabilities	(131)	694	–	15,633	57,581	1,154	8,554	–
Long-term debt, less current portion	–	–	–	–	1,002,831	–	–	–
Accrued pension benefits, long-term portion	–	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	–	92,624	–	–	–
Other long-term obligations – primarily related to self-funded liabilities, less current portion	–	–	–	22,781	–	847	–	–
Total liabilities	(131)	694	–	38,414	1,153,036	2,001	8,554	–
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	(492)	(10,242)	5	5,774	(142,806)	12,527	15,219	–
Attributable to noncontrolling interest	–	–	–	–	–	–	–	–
Total unrestricted	(492)	(10,242)	5	5,774	(142,806)	12,527	15,219	–
Temporarily restricted	–	–	2	–	–	–	–	–
Permanently restricted	–	–	–	–	–	–	–	–
Total net assets	(492)	(10,242)	7	5,774	(142,806)	12,527	15,219	–
Total liabilities and net assets	\$ (623)	\$ (9,548)	\$ 7	\$ 44,188	\$ 1,010,230	\$ 14,528	\$ 23,773	\$ –

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Health Plan Louisiana	CHRISTUS Duburs Health System	CHRISTUS Homecare	St. Joseph Village	Uniformed Services Family Health Plan	CHRISTUS Corporate Obligated Eliminations	CHRISTUS Corporate Non- Obligated Eliminations	International
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ -	\$ 1,753	\$ 2,424	\$ 1,879	\$ 26,268	\$ (716)	\$ (30)	\$ 41,346
Accrued employee compensation and benefits, including pension benefits, current portion	-	1,212	3,507	113	48	-	-	9,667
Estimated third-party settlements	-	2,618	-	-	-	-	-	-
Current portion of long-term debt	-	14	-	719	7	(45,792)	-	3,894
Pavable under security lending agreement	-	-	-	-	-	-	-	-
Total current liabilities	-	5,597	5,931	2,711	26,323	(46,508)	(30)	54,907
Long-term debt, less current portion	-	4	-	23,345	8	(902,006)	-	33,497
Accrued pension benefits, long-term portion	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other long-term obligations – primarily related to self-funded liabilities, less current portion	-	6,291	-	5,993	-	-	-	(2,171)
Total liabilities	-	11,892	5,931	32,049	26,331	(948,514)	(30)	86,233
Net assets								
Unrestricted								
Attributable to CHRISTUS Health	-	(4,434)	(8,508)	(5,306)	208,262	(856)	(79,230)	69,117
Attributable to noncontrolling interest	-	-	-	-	-	-	-	26,403
Total unrestricted	-	(4,434)	(8,508)	(5,306)	208,262	(856)	(79,230)	95,520
Temporarily restricted	-	-	291	124	-	-	-	-
Permanently restricted	-	18	-	1,202	-	-	-	-
Total net assets	-	(4,416)	(8,217)	(3,980)	208,262	(856)	(79,230)	95,520
Total liabilities and net assets	\$ -	\$ 7,476	\$ (2,286)	\$ 28,069	\$ 234,593	\$ (949,370)	\$ (79,260)	\$ 181,753

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	CHRISTUS Latin America (Chile)	CHRISTUS Health Spa (Chile)	Grupo Muguerza (Mexico)
Liabilities and net assets			
Current liabilities			
Accounts payable and accrued expenses	\$ -	\$ -	\$ 41,346
Accrued employee compensation and benefits, including pension benefits, current portion	-	-	9,667
Estimated third-party settlements	-	-	-
Current portion of long-term debt	-	-	3,894
Payable under security lending agreement	-	-	-
Total current liabilities	-	-	54,907
Long-term debt, less current portion	-	-	33,497
Accrued pension benefits, long-term portion	-	-	-
Derivative financial instruments	-	-	-
Other long-term obligations – primarily related to self-funded liabilities, less current portion	-	-	(2,171)
Total liabilities	-	-	86,233
Net assets			
Unrestricted			-
Attributable to CHRISTUS Health	-	-	69,117
Attributable to noncontrolling interest	-	-	26,403
Total unrestricted	-	-	95,520
Temporarily restricted	-	-	-
Permanently restricted	-	-	-
Total net assets	-	-	95,520
Total liabilities and net assets	\$ -	\$ -	\$ 181,753

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	CHRISTUS Health	New Mexico Region	St. Vincent	Southeast Texas Region	St. Elizabeth Hospital	St. Mary Hospital	Jasper Memorial Hospital	St. Elizabeth Rehab Partners
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 3,463,569	\$ 357,306	\$ 357,306	\$ 388,229	\$ 272,136	\$ 78,737	\$ 30,695	\$ 7,123
Provision for bad debts	(239,406)	(32,279)	(32,279)	(35,942)	(25,616)	(6,666)	(3,660)	-
Net patient service revenue less provision for bad debts	3,224,163	325,027	325,027	352,287	246,520	72,071	27,035	7,123
Premium revenue	182,893	-	-	-	-	-	-	-
Other revenue including net gain in contributions to joint ventures	182,854	7,969	7,969	12,692	9,789	1,437	434	-
Equity in income of unconsolidated organizations	111,362	430	430	112	112	-	-	-
Total revenues	3,701,272	333,426	333,426	365,091	256,421	73,508	27,469	7,123
Expenses								
Employee compensation and benefits	1,609,714	169,497	169,497	152,581	101,407	32,231	13,949	4,772
Services and other	1,100,712	92,730	92,730	106,391	68,859	27,204	8,650	1,504
Supplies	612,132	53,914	53,914	70,784	53,673	13,725	2,881	495
Depreciation and amortization	271,965	15,003	15,003	19,078	13,950	3,926	1,073	88
Interest	33,697	100	100	4,630	3,647	982	-	-
Total expenses	3,628,220	331,244	331,244	353,464	241,536	78,068	26,553	6,859
Operating income (loss)	73,052	2,182	2,182	11,627	14,885	(4,560)	916	264
Non-operating investment gain (loss)	88,212	4,836	4,836	-	-	-	-	-
Other non-operating (loss) gain	(1,585)	24	24	(24)	(20)	-	(4)	-
Revenues in excess (deficit) of expenses	159,679	7,042	7,042	11,603	14,865	(4,560)	912	264
Less revenues in excess of expenses attributable to non-controlling interest	17,171	4,131	4,131	152	-	-	-	129
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 142,508	\$ 2,911	\$ 2,911	\$ 11,451	\$ 14,865	\$ (4,560)	\$ 912	\$ 135

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Health Ventures of Southeast Texas	Southeast Texas Pam Management Center	Southeast Texas Service Center	Foundation of Southeast Texas	Southeast Texas Obligated Eliminations	Southeast Texas Non-Obligated Eliminations	Gulf Coast Texas Region	St John Hospital
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ -	\$ -	\$ -	\$ -	\$ (462)	\$ -	\$ 223,853	\$ 114,538
Provision for bad debts	-	-	-	-	-	-	(16,175)	(8,348)
Net patient service revenue less provision for bad debts	-	-	-	-	(462)	-	207,678	106,190
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	-	68	-	1,335	(255)	(116)	11,803	2,464
Equity in income of unconsolidated organizations	-	-	-	-	-	-	-	-
Total revenues	-	68	-	1,335	(717)	(116)	219,481	108,654
Expenses								
Employee compensation and benefits	-	-	-	222	-	-	86,193	49,554
Services and other	172	11	-	824	(717)	(116)	84,928	27,031
Supplies	-	10	-	-	-	-	27,546	18,939
Depreciation and amortization	36	-	-	5	-	-	11,576	5,451
Interest	1	-	-	-	-	-	3,902	1,206
Total expenses	209	21	-	1,051	(717)	(116)	214,145	102,181
Operating income (loss)	(209)	47	-	284	-	-	5,336	6,473
Non-operating investment gain (loss)	-	-	-	-	-	-	-	-
Other non-operating (loss) gain	-	-	-	-	-	-	2,902	(57)
Revenues in excess (deficit) of expenses	(209)	47	-	284	-	-	8,238	6,416
Less revenues in excess of expenses attributable to non-controlling interest	-	23	-	-	-	-	(88)	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ (209)	\$ 24	\$ -	\$ 284	\$ -	\$ -	\$ 8,326	\$ 6,416

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	St Catherine Health and Wellness Center	St Joseph Hospital – Houston	Houston Metropolitan Health Network	CHRISTUS Foundation For Healthcare	Gulf Coast Service Center	West Houston Real Estate Development	Gulf Coast Texas Obligated Eliminations	Gulf Coast Texas Non- Obligated Eliminations
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 67,321	\$ 19	\$ –	\$ –	\$ 41,975	\$ –	\$ –	\$ –
Provision for bad debts	(7,828)	–	–	–	1	–	–	–
Net patient service revenue less provision for bad debts	59,493	19	–	–	41,976	–	–	–
Premium revenue	–	–	–	–	–	–	–	–
Other revenue including net gain on contributions to joint ventures	1,511	162	124	6,466	3,910	–	–	(2,834)
Equity in income of unconsolidated organizations	–	–	–	–	–	–	–	–
Total revenues	61,004	181	124	6,466	45,886	–	–	(2,834)
Expenses								
Employee compensation and benefits	34,616	36	114	910	963	–	–	–
Services and other	25,863	1	33	3,923	30,574	311	–	(2,808)
Supplies	8,448	–	1	31	127	–	–	–
Depreciation and amortization	5,430	–	–	–	695	–	–	–
Interest	2,696	–	–	–	–	26	–	(26)
Total expenses	77,053	37	148	4,864	32,359	337	–	(2,834)
Operating income (loss)	(16,049)	144	(24)	1,602	13,527	(337)	–	–
Non-operating investment gain (loss)	–	–	–	–	–	–	–	–
Other non-operating (loss) gain	–	–	–	–	2,959	–	–	–
Revenues in excess (deficit) of expenses	(16,049)	144	(24)	1,602	16,486	(337)	–	–
Less revenues in excess of expenses attributable to non-controlling interest	–	–	–	–	–	(88)	–	–
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ (16,049)	\$ 144	\$ (24)	\$ 1,602	\$ 16,486	\$ (249)	\$ –	\$ –

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Ark-La-Tex Region	St Michael Health Care Center	St Michael Atlanta	St Michael Rehabilitation Hospital	Michael Atlanta Home Health	Arkansas ICHN	Ark-La-Tex Health Network	Ark-La-Tex Obligated Eliminations
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 246,745	\$ 217,189	\$ 7,781	\$ 21,356	\$ 419	\$ -	\$ -	\$ -
Provision for bad debts	(8,183)	(7,639)	(378)	(166)	-	-	-	-
Net patient service revenue less provision for bad debts	238,562	209,550	7,403	21,190	419	-	-	-
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	13,680	11,686	278	795	-	-	935	-
Equity in income of unconsolidated organizations	737	360	-	-	-	377	-	-
Total revenues	252,979	221,596	7,681	21,985	419	377	935	-
Expenses								
Employee compensation and benefits	101,593	86,322	2,932	11,267	382	-	690	-
Services and other	66,245	55,547	3,258	6,525	66	736	127	-
Supplies	46,888	44,847	683	1,278	10	60	10	-
Depreciation and amortization	12,707	12,258	145	304	-	-	-	-
Interest	4,521	4,521	-	-	-	-	-	-
Total expenses	231,954	203,495	7,018	19,374	458	796	827	-
Operating income (loss)	21,025	18,101	663	2,611	(39)	(419)	108	-
Non-operating investment gain (loss)	1,516	80	-	-	-	1,436	-	-
Other non-operating (loss) gain	2	2	-	-	-	-	-	-
Revenues in excess (deficit) of expenses	22,543	18,183	663	2,611	(39)	1,017	108	-
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 22,543	\$ 18,183	\$ 663	\$ 2,611	\$ (39)	\$ 1,017	\$ 108	\$ -

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Ark-La-Tex Non-Obligated Eliminations	Spohn Region	Spohn Shoreline	Spohn Memorial	Spohn South	Spohn Kleberg Memorial	Spohn Beeville	Spohn Alice
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ -	\$ 726,871	\$ 316,488	\$ 166,319	\$ 104,677	\$ 47,777	\$ 31,999	\$ 59,611
Provision for bad debts	-	(58,976)	(14,238)	(20,565)	(8,873)	(4,123)	(4,557)	(6,620)
Net patient service revenue less provision for bad debts	-	667,895	302,250	145,754	95,804	43,654	27,442	52,991
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	(14)	26,788	4,862	13,233	3,568	926	804	1,278
Equity in income of unconsolidated organizations	-	2,372	2,311	-	-	-	-	-
Total revenues	(14)	697,055	309,423	158,987	99,372	44,580	28,246	54,269
Expenses								
Employee compensation and benefits	-	289,641	113,230	73,517	44,698	20,689	14,857	21,877
Services and other	(14)	208,634	71,604	74,422	26,263	11,299	7,643	16,009
Supplies	-	132,759	73,861	26,264	16,528	5,327	2,919	7,685
Depreciation and amortization	-	32,969	13,476	5,033	4,357	2,028	1,436	6,404
Interest	-	7,898	4,281	464	2,273	262	606	12
Total expenses	(14)	671,901	276,452	179,700	94,119	39,605	27,461	51,987
Operating income (loss)	-	25,154	32,971	(20,713)	5,253	4,975	785	2,282
Non-operating investment gain (loss)	-	1,326	-	-	-	-	-	-
Other non-operating (loss) gain	-	(129)	9	16	5	-	-	-
Revenues in excess (deficit) of expenses	-	26,351	32,980	(20,697)	5,258	4,975	785	2,282
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ -	\$ 26,351	\$ 32,980	\$ (20,697)	\$ 5,258	\$ 4,975	\$ 785	\$ 2,282

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Spohn Shared Services	Spohn Membership Agreement	Spohn Health Network	Spohn Health System Payroll	Spohn Investment Corporation	Spohn Development Foundation	Spohn Obligated Eliminations	Spohn Non- Obligated Eliminations
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Provision for bad debts	-	-	-	-	-	-	-	-
Net patient service revenue less provision for bad debts	-	-	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	(215)	-	302	-	1,046	1,391	215	(622)
Equity in income of unconsolidated organizations	-	-	-	-	61	-	-	-
Total revenues	(215)	-	302	-	1,107	1,391	215	(622)
Expenses								
Employee compensation and benefits	-	-	255	-	23	495	-	-
Services and other	-	-	136	-	946	934	-	(622)
Supplies	-	-	5	-	39	131	-	-
Depreciation and amortization	-	-	2	-	230	3	-	-
Interest	-	-	-	-	-	-	-	-
Total expenses	-	-	398	-	1,238	1,563	-	(622)
Operating income (loss)	(215)	-	(96)	-	(131)	(172)	215	-
Non-operating investment gain (loss)	-	-	2	-	28	1,296	-	-
Other non-operating (loss) gain	(159)	-	-	-	-	-	-	-
Revenues in excess (deficit) of expenses	(374)	-	(94)	-	(103)	1,124	215	-
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ (374)	\$ -	\$ (94)	\$ -	\$ (103)	\$ 1,124	\$ 215	\$ -

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Santa Rosa Region	Santa Rosa General Hospital	Santa Rosa South Texas Alliance	Santa Rosa Children's Hospital	Santa Rosa Medical Center	Santa Rosa Support Services	Santa Rosa Boerne	Santa Rosa Westover Hills	Santa Rosa New Braunfels
Revenues									
Patient service revenue (net of contractual allowances and discounts)	\$ 643,403	\$ 5,914	\$ 455	\$ 183,849	\$ 107,413	\$ -	\$ -	\$ 152,034	\$ 129,703
Provision for bad debts	(53,442)	(405)	(21)	(13,867)	(7,536)	-	-	(18,198)	(11,208)
Net patient service revenue less provision for bad debts	589,961	5,509	434	169,982	99,877	-	-	133,836	118,495
Premium revenue	-	-	-	-	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	17,172	86	(72)	9,514	724	-	-	1,128	1,150
Equity in income of unconsolidated organizations	-	-	-	-	-	-	-	-	-
Total revenues	607,133	5,595	362	179,496	100,601	-	-	134,964	119,645
Expenses									
Employee compensation and benefits	234,532	2,707	-	80,199	37,880	-	-	49,224	39,295
Services and other	205,277	2,249	386	72,571	36,714	(57)	128	37,668	37,512
Supplies	101,183	618	34	25,707	19,079	-	-	20,074	20,959
Depreciation and amortization	38,027	2,742	27	8,330	4,129	-	143	11,737	6,154
Interest	18,236	116	-	3,018	1,790	57	-	5,977	4,874
Total expenses	597,255	8,432	447	189,825	99,592	-	271	124,680	108,794
Operating income (loss)	9,878	(2,837)	(85)	(10,329)	1,009	-	(271)	10,284	10,851
Non-operating investment gain (loss)	255	-	-	12	5	-	-	7	6
Other non-operating (loss) gain	488	(86)	-	4	14	-	-	-	1
Revenues in excess (deficit) of expenses	10,621	(2,923)	(85)	(10,313)	1,028	-	(271)	10,291	10,858
Less revenues in excess of expenses attributable to non-controlling interest	5,241	-	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 5,380	\$ (2,923)	\$ (85)	\$ (10,313)	\$ 1,028	\$ -	\$ (271)	\$ 10,291	\$ 10,858

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Santa Rosa Alamo Heights Surgical Hospital	Santa Rosa Alama Heights	Santa Rosa Rehabilitation Hospital	Santa Rosa Partnership Management Services	Santa Rosa New Braunfels Outpatient Surgery Center	Santa Rosa Physician Ambulatory Surgery Center	Santa Rosa Family Health Center	South Texas Health Alliance
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 7,006	\$ -	\$ (371)	\$ -	\$ 14,272	\$ 30,221	\$ 2,800	\$ -
Provision for bad debts	(544)	-	(164)	-	(161)	(104)	-	-
Net patient service revenue less provision for bad debts	6,462	-	(535)	-	14,111	30,117	2,800	-
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	41	-	3	2,388	1	406	618	-
Equity in income of unconsolidated organizations	-	-	-	-	-	-	-	-
Total revenues	6,503	-	(532)	2,388	14,112	30,523	3,418	-
Expenses								
Employee compensation and benefits	3,579	-	310	636	2,323	8,204	5,489	-
Services and other	4,786	-	111	99	2,468	7,888	1,184	-
Supplies	2,520	-	8	9	2,525	8,408	271	-
Depreciation and amortization	2,293	-	124	518	85	1,385	36	-
Interest	1,581	-	39	-	-	778	-	-
Total expenses	14,759	-	592	1,262	7,401	26,663	6,980	-
Operating income (loss)	(8,256)	-	(1,124)	1,126	6,711	3,860	(3,562)	-
Non-operating investment gain (loss)	-	-	-	-	-	-	-	-
Other non-operating (loss) gain	-	-	264	-	4	-	-	-
Revenues in excess (deficit) of expenses	(8,256)	-	(860)	1,126	6,715	3,860	(3,562)	-
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	3,163	1,891	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ (8,256)	\$ -	\$ (860)	\$ 1,126	\$ 3,552	\$ 1,969	\$ (3,562)	\$ -

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Santa Rosa Alon	Santa Rosa Creekside	Santa Rosa Equipment Leasing	Santa Rosa Foundation	Friends of Santa Rosa Foundation	Santa Rosa Real Estate	Santa Rosa Obligated Eliminations	Santa Rosa Non-Obligated Eliminations
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 5,464	\$ 4,643	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Provision for bad debts	(434)	(800)	-	-	-	-	-	-
Net patient service revenue less provision for bad debts	5,030	3,843	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	-	-	377	-	760	536	-	(488)
Equity in income of unconsolidated organizations	-	-	-	-	-	-	-	-
Total revenues	5,030	3,843	377	-	760	536	-	(488)
Expenses								
Employee compensation and benefits	2,226	1,467	-	1,016	(23)	-	-	-
Services and other	1,184	589	22	(1,045)	460	848	-	(488)
Supplies	468	463	-	29	-	11	-	-
Depreciation and amortization	192	129	-	-	-	3	-	-
Interest	-	-	6	-	-	-	-	-
Total expenses	4,070	2,648	28	-	437	862	-	(488)
Operating income (loss)	960	1,195	349	-	323	(326)	-	-
Non-operating investment gain (loss)	-	-	-	-	225	-	-	-
Other non-operating (loss) gain	-	-	287	-	-	-	-	-
Revenues in excess (deficit) of expenses	960	1,195	636	-	548	(326)	-	-
Less revenues in excess of expenses attributable to non-controlling interest	-	-	187	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 960	\$ 1,195	\$ 449	\$ -	\$ 548	\$ (326)	\$ -	\$ -

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Northern Louisiana Region	Schumpert Health System	Schumpert Highland Hospital	Northern Louisiana MISO	Schumpert Foundation	North Louisiana Obligated Eliminations	North Louisiana Non-Obligated Eliminations	Southwestern Louisiana Region
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 217,280	\$ 128,852	\$ 88,428	\$ -	\$ -	\$ -	\$ -	\$ 123,683
Provision for bad debts	(10,437)	(6,212)	(4,225)	-	-	-	-	(7,556)
Net patient service revenue less provision for bad debts	206,843	122,640	84,203	-	-	-	-	116,127
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	12,319	8,176	3,786	-	477	-	(120)	4,345
Equity in income of unconsolidated organizations	324	-	-	324	-	-	-	662
Total revenues	219,486	130,816	87,989	324	477	-	(120)	121,134
Expenses								
Employee compensation and benefits	88,052	55,536	32,401	-	115	-	-	48,142
Services and other	60,489	33,262	26,833	17	497	-	(120)	37,205
Supplies	43,132	27,008	16,122	-	2	-	-	29,216
Depreciation and amortization	92,294	88,349	3,945	-	-	-	-	6,107
Interest	5,302	3,399	1,903	-	-	-	-	2,725
Total expenses	289,269	207,554	81,204	17	614	-	(120)	123,395
Operating income (loss)	(69,783)	(76,738)	6,785	307	(137)	-	-	(2,261)
Non-operating investment gain (loss)	497	65	-	-	432	-	-	35
Other non-operating (loss) gain	(38)	(37)	(1)	-	-	-	-	192
Revenues in excess (deficit) of expenses	(69,324)	(76,710)	6,784	307	295	-	-	(2,034)
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	249
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ (69,324)	\$ (76,710)	\$ 6,784	\$ 307	\$ 295	\$ -	\$ -	\$ (2,283)

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	St Patrick Hospital	Occupational Health Services	CHRISTUS Village – Lake Charles	South Ryan Development Corporation	Southwestern Louisiana PHO	Colonnade Endoscopy Center, LLC	Southwestern Louisiana Obligated Eliminations	Southwestern Louisiana Non- Obligated Eliminations
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 122,035	\$ –	\$ –	\$ –	\$ –	\$ 1,648	\$ –	\$ –
Provision for bad debts	(7,556)	–	–	–	–	–	–	–
Net patient service revenue less provision for bad debts	114,479	–	–	–	–	1,648	–	–
Premium revenue	–	–	–	–	–	–	–	–
Other revenue including net gain on contributions to joint ventures	4,268	–	–	17	–	159	–	(99)
Equity in income of unconsolidated organizations	–	662	–	–	–	–	–	–
Total revenues	118,747	662	–	17	–	1,807	–	(99)
Expenses								
Employee compensation and benefits	47,693	–	–	(20)	22	447	–	–
Services and other	36,788	96	–	22	5	393	–	(99)
Supplies	29,085	–	–	–	–	131	–	–
Depreciation and amortization	6,097	–	–	–	–	10	–	–
Interest	2,725	–	–	–	–	–	–	–
Total expenses	122,388	96	–	2	27	981	–	(99)
Operating income (loss)	(3,641)	566	–	15	(27)	826	–	–
Non-operating investment gain (loss)	35	–	–	–	–	–	–	–
Other non-operating (loss) gain	192	–	–	–	–	–	–	–
Revenues in excess (deficit) of expenses	(3,414)	566	–	15	(27)	826	–	–
Less revenues in excess of expenses attributable to non-controlling interest	–	–	–	–	–	249	–	–
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ (3,414)	\$ 566	\$ –	\$ 15	\$ (27)	\$ 577	\$ –	\$ –

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Central Louisiana Region	St Frances Cabrim Hospital	Coushatta Health Care	St Joseph Nursing Home	St Frances Cabrim Foundation	CHRISTUS Health Louisiana Ministries	Heart Center of Louisiana	Central Louisiana Obligated Eliminations
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 213,932	\$ 192,357	\$ 13,476	\$ 8,123	\$ -	\$ -	\$ (24)	\$ -
Provision for bad debts	(11,052)	(9,234)	(1,375)	(443)	-	-	-	-
Net patient service revenue less provision for bad debts	202,880	183,123	12,101	7,680	-	-	(24)	-
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	8,125	6,816	207	28	1,264	25	-	-
Equity in income of unconsolidated organizations	1,338	1,338	-	-	-	-	-	-
Total revenues	212,343	191,277	12,308	7,708	1,264	25	(24)	-
Expenses								
Employee compensation and benefits	93,167	82,080	7,052	4,035	-	-	-	-
Services and other	50,877	43,559	4,359	2,267	888	20	(1)	-
Supplies	40,120	38,175	957	963	25	-	-	-
Depreciation and amortization	15,433	14,326	795	303	5	4	-	-
Interest	7,347	7,347	-	-	-	-	-	-
Total expenses	206,944	185,487	13,163	7,568	918	24	(1)	-
Operating income (loss)	5,399	5,790	(855)	140	346	1	(23)	-
Non-operating investment gain (loss)	-	-	-	-	-	-	-	-
Other non-operating (loss) gain	(1)	-	(1)	-	-	-	-	-
Revenues in excess (deficit) of expenses	5,398	5,790	(856)	140	346	1	(23)	-
Less revenues in excess of expenses attributable to non-controlling interest	(9)	-	-	-	-	-	(9)	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 5,407	\$ 5,790	\$ (856)	\$ 140	\$ 346	\$ 1	\$ (14)	\$ -

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Central Louisiana Non- Obligated Eliminations	Physician Group	Corporate and Eliminations	CHRISTUS Strategic Growth	Amatista	TLRA	Revenue Cycle Business Services	Supply Cham Management
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ -	\$ 54,653	\$ 56,088	\$ -	\$ -	\$ -	\$ -	\$ -
Provision for bad debts	-	(3,389)	(381)	-	-	-	-	-
Net patient service revenue less provision for bad debts	-	51,264	55,707	-	-	-	-	-
Premium revenue	-	656	182,237	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	(215)	32,721	30,179	-	-	10,225	-	-
Equity in income of unconsolidated organizations	-	-	105,388	-	-	-	-	-
Total revenues	(215)	84,641	373,511	-	-	10,225	-	-
Expenses								
Employee compensation and benefits	-	89,182	185,345	-	-	6,411	15,590	2,809
Services and other	(215)	45,669	74,882	-	-	3,746	(9,895)	2,333
Supplies	-	2,987	8,262	-	-	22	188	(8,052)
Depreciation and amortization	-	1,992	18,236	-	-	46	81	-
Interest	-	-	(23,204)	-	-	-	-	-
Total expenses	(215)	139,830	263,521	-	-	10,225	5,964	(2,910)
Operating income (loss)	-	(55,189)	109,990	-	-	-	(5,964)	2,910
Non-operating investment gain (loss)	-	-	79,743	-	-	-	-	-
Other non-operating (loss) gain	-	-	(5,560)	-	-	-	-	-
Revenues in excess (deficit) of expenses	-	(55,189)	184,173	-	-	-	(5,964)	2,910
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ -	\$ (55,189)	\$ 184,173	\$ -	\$ -	\$ -	\$ (5,964)	\$ 2,910

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Corporate office	Stehlm Foundation for Cancer Research	Emerald Assurance	Grants and Loans	Workers Compensation	Insurance Fund	Information Management	CHRISTUS TechSource
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Provision for bad debts	-	-	-	-	-	-	-	-
Net patient service revenue less provision for bad debts	2,000	-	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-	-	-
Other revenue including net gain on contributions to joint ventures	70,193	-	8,015	-	285	829	565	1,320
Equity in income of unconsolidated organizations	105,624	-	-	-	-	-	-	-
Total revenues	177,817	-	8,015	-	285	829	565	1,320
Expenses								
Employee compensation and benefits	60,556	-	(1)	-	(464)	1,594	42,959	2,307
Services and other	50,492	-	120	24	533	(1,324)	(43,884)	1,458
Supplies	1,737	-	11	-	28	57	4,163	3
Depreciation and amortization	9,800	-	-	-	-	-	3,686	86
Interest	-	-	-	-	-	-	-	-
Total expenses	122,585	-	130	24	97	327	6,924	3,854
Operating income (loss)	55,232	-	7,885	(24)	188	502	(6,359)	(2,534)
Non-operating investment gain (loss)	49,018	216	-	1,685	-	-	-	-
Other non-operating (loss) gain	-	(4,469)	-	(1,661)	-	-	(3)	(7)
Revenues in excess (deficit) of expenses	104,250	(4,253)	7,885	-	188	502	(6,362)	(2,541)
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ 104,250	\$ (4,253)	\$ 7,885	\$ -	\$ 188	\$ 502	\$ (6,362)	\$ (2,541)

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Clmical Engineering	CHRISTUS Retail Services	CHRISTUS Foundation	Benefits	Bond Fund	Liability Retention Trust	CHRISTUS Health Plan	Health Plan New Mexico
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Provision for bad debts	-	-	-	-	-	-	-	-
Net patient service revenue less provision for bad debts	-	-	-	-	-	-	-	-
Premium revenue	-	-	-	-	-	-	26.648	-
Other revenue including net gain on contributions to joint ventures	-	4.753	-	2.643	106	942	1	-
Equity in income of unconsolidated organizations	-	-	-	-	-	-	-	-
Total revenues	-	4.753	-	2.643	106	942	26.649	-
Expenses								
Employee compensation and benefits	153	2.165	-	(19.818)	-	-	214	-
Services and other	1,337	559	-	1	3,386	(63)	23,267	-
Supplies	-	2,674	-	-	-	-	-	-
Depreciation and amortization	-	33	-	-	1,169	-	-	-
Interest	-	-	-	-	(24,185)	-	-	-
Total expenses	1,490	5,431	-	(19,817)	(19,630)	(63)	23,481	-
Operating income (loss)	(1,490)	(678)	-	22,460	19,736	1,005	3,168	-
Non-operating investment gain (loss)	-	-	-	-	28,823	-	-	-
Other non-operating (loss) gain	-	(26)	-	-	-	-	-	-
Revenues in excess (deficit) of expenses	(1,490)	(704)	-	22,460	48,559	1,005	3,168	-
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	-
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ (1,490)	\$ (704)	\$ -	\$ 22,460	\$ 48,559	\$ 1,005	\$ 3,168	\$ -

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Health Plan Louisiana	CHRISTUS Duburs Health System	CHRISTUS Homecare	St. Joseph Village	Uniformed Services Family Health Plan	CHRISTUS Corporate Obligated Eliminations	CHRISTUS Corporate Non- Obligated Eliminations	International
Revenues								
Patient service revenue (net of contractual allowances and discounts)	\$ -	\$ 37,248	\$ 45,496	\$ -	\$ -	\$ (25,808)	\$ (2,848)	\$ 211,526
Provision for bad debts	-	(393)	12	-	-	-	-	(1,596)
Net patient service revenue less provision for bad debts	-	36,855	45,508	-	-	(25,808)	(2,848)	209,930
Premium revenue	-	-	-	-	155,589	-	-	-
Other revenue including net gain on contributions to joint ventures	-	4,103	1,333	5,628	1,000	(52,811)	(28,951)	5,062
Equity in income of unconsolidated organizations	-	(276)	40	-	-	-	-	-
Total revenues	-	40,682	46,881	5,628	156,589	(78,619)	(31,799)	214,992
Expenses								
Employee compensation and benefits	-	23,035	38,227	1,915	7,886	-	(193)	71,787
Services and other	-	13,393	8,945	1,255	128,559	(77,510)	(31,850)	67,387
Supplies	-	3,540	2,515	613	519	-	244	55,340
Depreciation and amortization	-	512	1,211	1,137	475	-	-	8,544
Interest	-	11	2	1,469	4	(505)	-	2,238
Total expenses	-	40,491	50,900	6,389	137,443	(78,015)	(31,799)	205,296
Operating income (loss)	-	191	(4,019)	(761)	19,146	(604)	-	9,696
Non-operating investment gain (loss)	-	1	-	-	-	-	-	-
Other non-operating (loss) gain	-	-	-	-	-	606	-	556
Revenues in excess (deficit) of expenses	-	192	(4,019)	(761)	19,146	2	-	10,252
Less revenues in excess of expenses attributable to non-controlling interest	-	-	-	-	-	-	-	7,493
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ -	\$ 192	\$ (4,019)	\$ (761)	\$ 19,146	\$ 2	\$ -	\$ 2,759

CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	CHRISTUS Latin America (Chile)	CHRISTUS Health Spa (Chile)	Grupo Muguerza (Mexico)
Revenues			
Patient service revenue (net of contractual allowances and discounts)	\$ -	\$ -	\$ 211,526
Provision for bad debts	-	-	(1,596)
Net patient service revenue less provision for bad debts	-	-	209,930
Premium revenue	-	-	-
Other revenue including net gain on contributions to joint ventures	-	-	5,062
Equity in income of unconsolidated organizations	-	-	-
Total revenues	-	-	214,992
Expenses			
Employee compensation and benefits	-	-	71,787
Services and other	-	-	67,387
Supplies	-	-	55,340
Depreciation and amortization	-	-	8,544
Interest	-	-	2,238
Total expenses	-	-	205,296
Operating income (loss)	-	-	9,696
Non-operating investment gain (loss)	-	-	-
Other non-operating (loss) gain	-	-	556
Revenues in excess (deficit) of expenses	-	-	10,252
Less revenues in excess of expenses attributable to non-controlling interest	-	-	7,493
Revenue in excess (deficit) of expenses attributable to CHRISTUS Health	\$ -	\$ -	\$ 2,759