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Form 990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

▶ Information about Form 990 and its instructions is at *www.IRS.gov/form990*

OMB No 1545-0047

2013

Open to Public Inspection

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

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
Christus Health Southeast Texas

Doing Business As
SEE SCHEDULE O

Number and street (or P O box if mail is not delivered to street address) | Room/suite
919 Hidden Ridge Drive
Suite

City or town, state or province, country, and ZIP or foreign postal code
Irving, TX 75038

D Employer identification number
76-0591590

E Telephone number
(469) 282-2000

G Gross receipts $ 374,432,520

F Name and address of principal officer
PAUL TREVINO
2830 CALDER AVENUE
Beaumont, TX 77702

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

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

H(c) Group exemption number ▶ 0928

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

J **Website: ▶** www christushospital org

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

L Year of formation 1999

M State of legal domicile TX

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
SUPPORTING THE HEALTH CARE MINISTRIES OF THE SPONSORING CONGREGATIONS IN EXTENDING THE HEALING MINISTRY OF JESUS CHRIST IN CONFORMITY WITH THE TEACHINGS OF THE CATHOLIC CHURCH

2 Check this box ▶☐ 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	18
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	16
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	2,445
6	Total number of volunteers (estimate if necessary)	6	145
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	1,152,635
b	Net unrelated business taxable income from Form 990-T, line 34	7b	248,511

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	1,752,223	424,556
	9	Program service revenue (Part VIII, line 2g)	390,883,643	371,872,632
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-23,548	-436,040
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,012,792	2,135,294
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	394,625,110	373,996,442
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	9,586,310	11,104,701
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	147,592,783	141,725,835
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶12,713		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	224,917,839	229,441,548
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	382,096,932	382,272,084
	19	Revenue less expenses Subtract line 18 from line 12	12,528,178	-8,275,642

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	544,443,047	533,538,077
	21	Total liabilities (Part X, line 26)	114,665,078	108,852,151
	22	Net assets or fund balances Subtract line 21 from line 20	429,777,969	424,685,926

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 | Date 2015-05-07

SHAWN ADAMS cfo
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
KATHLEEN MOSELEY				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 . . . . ☑

1 Briefly describe the organization's mission

THE CORPORATION IS ORGANIZED AND SHALL BE OPERATED EXCLUSIVELY FOR CHARITABLE, SCIENTIFIC, EDUCATIONAL AND RELIGIOUS PURPOSES OF ADVANCING, PROMOTING AND SUPPORTING THE HEALTH CARE MINISTRIES OF THE SPONSORING CONGREGATIONS WHICH OPERATE AND ARE CONTROLLED IN CONFORMITY WITH THE ETHICAL AND MORAL TEACHINGS OF THE ROMAN CATHOLIC CHURCH, AND PROMOTING EFFICIENT GOVERNANCE AND MANAGEMENT, COOPERATIVE PLANNING AND THE SHARING OF RESOURCES AMONG SUCH HEALTH CARE MINISTRIES WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, 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 THE SPONSORING CONGREGATIONS, AND THE ETHICAL AND RELIGIOUS DIRECTORS 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 AS

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 $ 159,728,493 including grants of $ 0) (Revenue $ 183,951,826)

COMMITMENT TO BENEFITING OUR COMMUNITIES - PATIENT CARE SERVICES CHRISTUS HEALTH SOUTHEAST TEXAS 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, THE 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 CHRISTUS HEALTH SOUTHEAST TEXAS RESPONDS TO THE HEALTH CARE NEEDS OF THE COMMUNITY THROUGH SERVICES PROVIDED AT THREE CAMPUSES, THE 431-BED CHRISTUS HOSPITAL - ST ELIZABETH IN BEAUMONT, THE 227-BED CHRISTUS HOSPITAL - ST MARY IN PORT ARTHUR, AND CHRISTUS JASPER MEMORIAL HOSPITAL, A 59-BED HOSPITAL IN JASPER EACH OF THE FACILITIES OF CHRISTUS HEALTH SOUTHEAST TEXAS SHARES ONE OBJECTIVE -- WHICH IS TO LEAD THE WAY TO A HEALTHIER COMMUNITY CHRISTUS HEALTH SOUTHEAST TEXAS IS LOCATED IN FAR SOUTHEAST TEXAS, AND ITS SERVICE AREA EXTENDS TO THE SOUTHEAST COAST OF THE STATE AND NORTHWARD INTO EAST TEXAS, AN AREA WHICH INCLUDES A POPULATION OF MORE THAN 585,000 INDIVIDUALS IN FISCAL YEAR 2014 ALONE, WE SERVED HUNDREDS OF THOUSANDS OF INDIVIDUALS IN VARIOUS WAYS INCLUDING 101,352 VISITS TO OUR EMERGENCY DEPARTMENT, 6,321 INPATIENT SURGERY PROCEDURES, 12,083 OUTPATIENT SURGERY PROCEDURES, 20,193 PATIENTS WHO WERE ADMITTED TO OUR HOSPITALS FOR CARE AND 559,171 PATIENTS WHO RECEIVED OUTPATIENT CARE AT OUR FACILITIES TOUCHING THE LIVES OF THE PEOPLE AROUND US IS WHAT MAKES CHRISTUS HEALTH SOUTHEAST TEXAS STAND APART ALLOWING OTHERS TO TOUCH US GIVES US A VISION FOR THE MEDICALLY NEEDY IN EACH OF THE COMMUNITIES WE SERVE WHETHER IT IS THE LIFE OF A CHILD EXPECTING A FUTURE FILLED WITH MIRACLES, THE LIFE OF A MAN IN NEED OF A CRITICAL HEART SURGERY, OR THE LIFE OF A WOMAN ABOUT TO GIVE BIRTH TO HER FIRST CHILD, CHRISTUS HEALTH SOUTHEAST TEXAS' HEALTH CARE SERVICES WORK TO PROVIDE THE BEST CARE POSSIBLE REGARDLESS OF AN INDIVIDUAL'S ABILITY TO PAY BY COLLABORATING WITH COMMUNITIES, CHURCHES, BUSINESSES, AND OTHER HEALTH CARE ORGANIZATIONS, CHRISTUS HEALTH SOUTHEAST TEXAS' VARIOUS ENTITIES HAVE STRENGTHENED THEIR ROLES AS MAJOR PROVIDERS OF COMPREHENSIVE, ACCESSIBLE HEALTH CARE SERVICES THESE PARTNERSHIPS WITH THE COMMUNITY HAVE BEEN A BLESSING BY HELPING CHRISTUS HEALTH SOUTHEAST TEXAS FURTHER CARE FOR THOSE IN NEED FURTHERMORE, INVESTMENT IN COMMUNITY SERVICES WOULD NOT BE POSSIBLE WITHOUT DEDICATED EMPLOYEES AND VOLUNTEERS THEY HELP TO BUILD STRONG RELATIONSHIPS BETWEEN THE HOSPITALS AND OTHER HEALTH CARE MINISTRIES AND THE COMMUNITIES, NURTURING CHRISTUS' MISSION TO MEET THE NEEDS AND MAKE A DIFFERENCE IN THE LIVES OF OTHERS OUR EMPLOYEES WORK BOTH INSIDE AND OUTSIDE THE WALLS OF OUR HEALTH CARE FACILITIES AND ARE COMMITTED TO REACHING BEYOND THE TRADITIONAL HOSPITAL WALLS TO HELP OUR COMMUNITIES MAINTAIN GOOD HEALTH UNDERSTANDING THE NEED TO PROVIDE ACCESS TO HEALTH CARE TO AS MUCH OF OUR PUBLIC AS POSSIBLE, CHRISTUS HEALTH PARTICIPATES IN GOVERNMENT-SPONSORED HEALTH CARE PROGRAMS, INCLUDING MEDICAID, MEDICARE, CHAMPUS, TRICARE, USFHP AND OTHERS IN ADDITION, WE PROVIDE SPECIFIC PROGRAMS TO PROVIDE DISCOUNTED SERVICES TO THOSE IN NEED WHO DO NOT HAVE MEDICAL INSURANCE OR WHO DO NOT PARTICIPATE IN GOVERNMENT-SPONSORED PROGRAMS CHRISTUS HEALTH SOUTHEAST TEXAS PROVIDES A FULL RANGE OF INPATIENT AND OUTPATIENT SERVICES TO THE PEOPLE FROM THE COMMUNITIES IT SERVES IT CONDUCTS ITS ACTIVITIES AND SERVES ITS HEALTH CARE PURPOSE WITHOUT REGARD TO RACE, COLOR, CREED, RELIGION, GENDER, ORIENTATION, DISABILITY, AGE OR NATIONAL ORIGIN EACH OF THE THREE HOSPITALS OF CHRISTUS SOUTHEAST TEXAS PROVIDES A 24-HOUR EMERGENCY DEPARTMENT THAT IS OPEN TO SERVE ALL THOSE IN NEED OF EMERGENT CARE, REGARDLESS OF THEIR ABILITY TO PAY CHRISTUS HEALTH SOUTHEAST TEXAS ALSO SUPPORTS MANY LOCAL COMMUNITY HEALTH SERVICES, INCLUDING THREE RURAL CLINICS IN JASPER, KIRBYVILLE AND RAYBURN 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 HEALTH SOUTHEAST TEXAS WE 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 PROCESS

4b (Code) (Expenses $ 124,574,215 including grants of $ 0) (Revenue $ 152,197,558)

OTHER GOVERNMENT SPONSORED SERVICES IN ADDITION TO THE PROVISION OF CHARITY CARE AND OTHER COMMUNITY SERVICES, CHRISTUS HEALTH PROVIDES SERVICES TO PERSONS COVERED UNDER GOVERNMENT-SPONSORED PROGRAMS, INCLUDING MEDICARE AND TRICARE THE COSTS NOT REIMBURSED FOR THESE SERVICES ARE REPORTED TO THE STATE OF TEXAS THEY ARE NOT INCLUDED IN REPORTS PREPARED FOLLOWING CATHOLIC HEALTH ASSOCIATION GUIDELINES CHRISTUS HEALTH SOUTHEAST TEXAS PROVIDES SERVICES TO PERSONS COVERED UNDER THE FEDERAL MEDICARE PROGRAM, AND IN FACT, THIS IS THE LARGEST SINGLE PAYOR CLASSIFICATION OF PATIENTS SERVED BY THIS HOSPITAL THE PAYMENT RATE FOR INPATIENT SERVICES IS ON A PER-CASE RATE, CALCULATED BASED ON THE DIAGNOSTIC-RELATED GROUP (DRG) INTO WHICH THE PATIENT IS CATEGORIZED MEDICARE REIMBURSES OUTPATIENT SERVICES BASED ON ITS FEE SCHEDULE

4c (Code) (Expenses $ 40,876,295 including grants of $ 0) (Revenue $ 35,723,248)

COMMUNITY BENEFIT REPORTING CHARITY CARE AND MEDICAID CHRISTUS ADHERES TO THE CATHOLIC HEALTH ASSOCIATION'S A GUIDE FOR PLANNING AND REPORTING COMMUNITY BENEFIT (2012), AND COMPLIES WITH THE STATE OF TEXAS REQUIREMENTS FOR REPORTING COMMUNITY BENEFIT, REPORTED AS UNPAID COSTS, INCLUDES BOTH CHARITY CARE AND COMMUNITY SERVICES TO THE LIMITS OF ITS RESOURCES, CHRISTUS HEALTH IS AN INSTITUTION OF PURELY PUBLIC CHARITY, THUS, THE MOST TANGIBLE EXPRESSION OF CHRISTUS HEALTH'S CHARITABLE PURPOSE IS THE PROVISION OF HEALTH CARE SERVICES TO THOSE PERSONS WHO ARE UNABLE TO PAY THIS FALLS INTO TWO CATEGORIES CHARITY CARE AND UNPAID GOVERNMENT INDIGENT CARE IN KEEPING WITH THE MISSION, VALUES, AND VISION OF CHRISTUS HEALTH, CHRISTUS HEALTH SOUTHEAST TEXAS PROVIDES CHARITY CARE SERVICES IN A MANNER THAT RESPECTS THE DIGNITY OF THE PATIENTS AND THEIR FAMILIES CHARITY CARE IS DEFINED AS SERVICES PROVIDED WITHOUT CHARGE OR AT A CHARGE THAT IS LESS THAN THE USUAL CHARGE FOR SUCH SERVICES THE DETERMINATION AS TO THE AMOUNT TO CHARGE, IF ANY, IS ACCORDING TO A PATIENT'S ABILITY TO PAY AS DETERMINED BY THE ESTABLISHED ELIGIBILITY CRITERIA FOR UNINSURED PATIENTS WHOSE ECONOMIC CIRCUMSTANCES PLACE THEM AT OR UNDER 200 PERCENT OF THE FEDERAL POVERTY GUIDELINES (FPL), SERVICES ARE PROVIDED WITHOUT ANY EXPECTATION OF PAYMENT UNINSURED PATIENTS WHOSE ECONOMIC CIRCUMSTANCES PLACE THEM BETWEEN 200 AND 400 PERCENT OF FPL ARE CHARGED BASED ON A SLIDING SCALE, AND THOSE ABOVE 400 PERCENT RECEIVE DISCOUNTS BASED ON THE UNINSURED FEE SCHEDULE NO PATIENT IS REFUSED NECESSARY MEDICAL CARE DUE TO THEIR INABILITY TO PAY CHRISTUS HEALTH IS AN ACTIVE PARTICIPANT IN THE STATES OF TEXAS AND LOUISIANA MEDICAID PROGRAMS THOSE PROGRAMS SEEK TO PROVIDE PAYMENT FOR HEALTH CARE SERVICES TO INDIVIDUALS WHO MEET CERTAIN FINANCIAL AND OTHER REQUIREMENTS FINANCIAL REQUIREMENTS INCLUDE EVALUATION OF BOTH ASSETS AND INCOME

4d Other program services (Describe in Schedule O)
(Expenses $ 11,431,324 including grants of $ 11,104,701) (Revenue $ 0)

4e **Total program service expenses** ▶ 336,610,327

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	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? *If "Yes," complete Schedule I, Parts I and III*	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	24a		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? *If "Yes," complete Schedule L, Part I*	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

					Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	439			
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	2,445			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			2b	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O*			3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		No
b	If "Yes," enter the name of the foreign country ▶ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?			6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b				
c	Enter the amount of reserves on hand	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*			14b		

Part VI **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . . .	**1a** 18			
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent . . .	**1b** 16			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . .		**2**	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .		**3**		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . .		**4**		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		**5**		No
6	Did the organization have members or stockholders? . . .		**6**	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? . . .		**7a**	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . .		**7b**	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body? . . .		**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body? . . .		**8b**	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O* . . .		**9**		No

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

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

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization

▶NIKKI MARTIN 2830 CALDER STREET
Beaumont, TX 77702 (409) 899-7300

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) Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(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
1b Sub-Total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶								4,561,973	784,558	1,656,326

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 ▶68

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
Aramark Management Services LP, 36382 Network Place CHICAGO IL 606731252	food service	6,266,934
Hospital Housekeeping Systems LTD, 216 EAST 4TH STREET AUSTIN TX 78701	HOUSEKEEPING	4,991,970
DELK CONSTRUCTION INC, 4304 HOWELL DRIVE PORT ARTHUR TX 77642	CONSTRUCTION	1,506,243
ANGELICA TEXTILE SERVICES INC, 1105 LAKEWOOD PARKWAY ALPHARETTA GA 30009	CONSTRUCTION	1,429,005
RENAL CENTER OF WEST BEAUMONT LLC, 1626 COLE BOULEVARD LAKEWOOD CO 80401	MEDICAL SERVICES	1,030,484

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 ▶54

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	81,805				
	e	Government grants (contributions) 1e	342,751				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	0				
	g	Noncash contributions included in lines 1a-1f $	4,525				
	h	**Total.** Add lines 1a-1f . . . . ▶		424,556			
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE REVENUE	621990	362,557,496	361,428,230	1,129,266	
	b	RENT RELATED TO EXEMPT PURPOSE	531120	6,344,583	6,344,583		
	c	WELLNESS CENTER	713940	2,450,175	2,449,175	1,000	
	d	COMMUNITY HEALTH REVENUE	900099	237,615	237,615		
	e	PHYSICIAN INTEREST INCOME	900099	226,912	226,912		
	f	All other program service revenue		55,851	55,580	271	
	g	**Total.** Add lines 2a–2f . . . . ▶		371,872,632			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . ▶		38			38
	4	Income from investment of tax-exempt bond proceeds . . ▶		0			
	5	Royalties . . . . ▶		1,208			1,208
			(i) Real / (ii) Personal				
	6a	Gross rents					
	b	Less rental expenses					
	c	Rental income or (loss)	(i) 0 / (ii) 0				
	d	Net rental income or (loss) . . . . ▶		0			
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory					
	b	Less cost or other basis and sales expenses	(ii) 436,078				
	c	Gain or (loss)	(ii) -436,078				
	d	Net gain or (loss) . . . . ▶		-436,078			-436,078
	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	FOOD SERVICE	722320	1,628,793			1,628,793
	b	PURCHASE DISCOUNTS	900099	257,779			257,779
	c	HOUSEKEEPING AND PRINT CENTER	323100	38,779		22,098	16,681
	d	All other revenue		208,735			208,735
	e	**Total.** Add lines 11a–11d . . . . ▶		2,134,086			
	12	**Total revenue.** See Instructions . . . . . ▶		373,996,442	370,742,095	1,152,635	1,677,156

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	10,973,607	10,973,607		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	131,094	131,094		
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	4,381,552	3,953,159	428,148	245
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	108,136,263	97,563,562	10,566,650	6,051
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	6,501,498	6,496,662	4,836	
9	Other employee benefits	14,642,527	12,744,846	1,897,681	
10	Payroll taxes	8,063,995	7,295,618	761,960	6,417
11	Fees for services (non-employees)				
a	Management	367,745	367,745		
b	Legal	1,186,706	1,374	1,185,332	
c	Accounting	22,992	21,792	1,200	
d	Lobbying	3,780	2,790	990	
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)	36,078,825	21,186,459	14,892,366	
12	Advertising and promotion	1,068,209	106,160	962,049	
13	Office expenses	29,616,219	21,843,295	7,772,924	
14	Information technology	14,920,486	13,737,189	1,183,297	
15	Royalties . .	0			
16	Occupancy	11,054,747	7,100,935	3,953,812	
17	Travel	318,768	147,497	171,271	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	545,642	95,827	449,815	
20	Interest	4,506,801	4,506,801		
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	19,108,788	18,794,958	313,830	
23	Insurance	7,787,914	7,787,914		
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	63,808,265	63,697,771	110,494	
b	PROVISION FOR UNCOLLECTIBLE	37,977,087	37,977,087		
c	MEMBERSHIPS & SUBSCRIPTIONS	385,126	70,296	314,830	
d	INCOME TAX	139,052		139,052	
e	All other expenses	544,396	5,889	538,507	
25	**Total functional expenses.** Add lines 1 through 24e	382,272,084	336,610,327	45,649,044	12,713
26	**Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X **Balance Sheet**

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

					(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			332,773,257	1	289,448,850
	2	Savings and temporary cash investments			0	2	0
	3	Pledges and grants receivable, net			0	3	0
	4	Accounts receivable, net			41,155,966	4	32,980,477
	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			243,666	7	0
	8	Inventories for sale or use			9,337,591	8	10,399,077
	9	Prepaid expenses and deferred charges			784,394	9	836,449
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	614,010,871			
	b	Less accumulated depreciation	10b	451,416,821	157,542,868	10c	162,594,050
	11	Investments—publicly traded securities			0	11	0
	12	Investments—other securities See Part IV, line 11			0	12	0
	13	Investments—program-related See Part IV, line 11			1,891,220	13	1,713,684
	14	Intangible assets			707,070	14	35,558,475
	15	Other assets See Part IV, line 11			7,015	15	7,015
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)			544,443,047	16	533,538,077
Liabilities	17	Accounts payable and accrued expenses			26,144,613	17	27,876,016
	18	Grants payable			0	18	0
	19	Deferred revenue			1,998,073	19	1,865,644
	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			0	23	0
	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			86,522,392	25	79,110,491
	26	**Total liabilities.** Add lines 17 through 25			114,665,078	26	108,852,151
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**					
	27	Unrestricted net assets			429,543,667	27	424,446,784
	28	Temporarily restricted net assets			234,302	28	239,142
	29	Permanently restricted net assets			0	29	0
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			429,777,969	33	424,685,926
	34	Total liabilities and net assets/fund balances			544,443,047	34	533,538,077

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	373,996,442
2	Total expenses (must equal Part IX, column (A), line 25)	2	382,272,084
3	Revenue less expenses Subtract line 2 from line 1	3	-8,275,642
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	429,777,969
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	65,435
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	3,118,164
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	424,685,926

Part XII Financial Statements and Reporting

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

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other ____________ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	Yes	

Additional Data

Software ID:
Software Version:
EIN: 76-0591590
Name: Christus Health Southeast Texas

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(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) Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(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
PARIS BRANSFORD MD DIRECTOR (eff 1/1/14)	1 0 0 0	X								
SR ANN MARGARET SAVANT ccvi DIRECTOR	1 0 0 0	X								
JOSEPH F DOMINO DIRECTOR	1 0 0 0	X								
MARY ANN REID DIRECTOR	1 0 0 0	X								
MARTIN E BROUSSARD DIRECTOR	1 0 0 0	X								
ROY N STEINHAGEN CHAIR	1 0 0 0	X		X						
TAMERLA CHAVIS MD DIRECTOR	1 0 0 0	X						58,881	0	0
S SCOTT KACY MD VICE CHAIR	1 0 0 0	X						300		
KEVIN J ROY DIRECTOR	1 0 0 0	X								
SISTER GUADALUPE RUIZ CCVI DIRECTOR	1 0 0 0	X								
PAMELA A ST AMAND MD DIRECTOR	1 0 0 0	X								
KENNETH J BROOKS DIRECTOR	1 0 0 0	X								
Dr ENRIQUE RVENTA MSBSIE DIRECTOR	1 0 0 0	X								
SABRINA H VROOMAN DIRECTOR	1 0 0 0	X								
GREG THOMPSON DIRECTOR (eff 1/1/14)	1 0 0 0	X								
PAUL TREVINO dir/pres/ceo (eff 1/16/14)	40 0 0 0	X		X				427,419	0	138,806
ELLEN M JONES PRESIDENT/CEO (term 1/16/14)	25 0 15 0	X		X				525,546	315,326	370,891
Pramoda K Mohapatra MD Director (TERM 12/31/13)	1 0 0 0	X								
John A Iceton MD Director (Term 12/31/13)	1 0 0 0	X						37,422		
john hall mD director (eff 1/1/14)	1 0 0 0	X								
JUDGE GUADALUPE R FLORES DIRECTOR	1 0 0 0	X								
Kathryn Bommer MD Director (Term 12/31/13)	1 0 0 0	X						0	0	0
CHERYL LARSON CORPORATE SECRETARY	40 0 0 0			X				52,812		4,796
WILLIAM HECHT CFO (term 6/30/14)	24 0 16 0			X				342,330	228,221	37,379
SHAWN ADAMS CFO (eff 3/1/14)	40 0 0 0			X				172,352	0	34,949

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position: Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(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
D WAYNE MOORE CHRISTUS HOSPITAL COO	40 0 0 0				X			323,649	0	87,039
DEBORAH MECOM HOSPITAL ADMINSTRATOR	40 0 0 0				X			209,497	0	89,463
TOM PERMETTI coo (term 3/1/14)	40 0 0 0				X			431,523	0	174,445
RICHARD L TYLER MD VP MEDICAL AFFAIRS	40 0 0 0				X			398,343	0	167,244
JANE RAWLS CHIEF NURSE (term 5/4/14)	40 0 0 0				X			232,605	0	77,299
RODNEY PAUL GUIDROZ REGIONAL CNE (eff 5/4/14)	40 0 0 0				X			191,315	0	76,354
NIKKI MARTIN FACILITY FINANCIAL OFFICER	40 0 0 0				X			175,484	0	34,793
RACHEL JACQUET RN	40 0 0 0					X		176,863	0	8,200
THOMAS WELCH REG DIR PHARMACY	40 0 0 0					X		150,046	0	9,313
WILLIAM KLAMFOTH REG DIR OUTPT OPS	40 0 0 0					X		141,229	0	6,898
HEATHER D BOLER REG VP, STRATEGY, BUSINESS	24 0 16 0					X		157,479	104,986	145,869
CHARLES FOSTER REGIONAL VP OF HUMAN RESOURCES	16 0 24 0					X		204,036	136,025	121,545
DANIEL FORD FORMER VP MISSION INTEGRATION	40 0 0 0						X	152,842	0	71,043

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SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.
▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Christus Health Southeast Texas

Employer identification number
76-0591590

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

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

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
3 ☑ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state ____
5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)
8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h
a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Non-functionally integrated
e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐
g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	**11g(i)**		
(ii) A family member of a person described in (i) above?	**11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	**11g(iii)**		

h Provide the following information about the supported organization(s)

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

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

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (see instructions) | **12** |

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** . . . . ▶☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) | **14** |

15 Public support percentage for 2012 Schedule A, Part II, line 14 | **15** |

16a **33 1/3% support test—2013.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2012.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2013.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶☐

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

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from **2012** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2013.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶☐

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

Facts And Circumstances Test		
Return Reference	Explanation	

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

If the organization answered "Yes" to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then
- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes" to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then
- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes" to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then
- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization	**Employer identification number**
Christus Health Southeast Texas	76-0591590

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $

3 Volunteer hours

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ **Yes** ☐ **No**

4a Was a correction made? ☐ **Yes** ☐ **No**

b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? ☐ **Yes** ☐ **No**

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	**(b)** Address	**(c)** EIN	**(d)** Amount paid from filing organization's funds If none, enter -0-	**(e)** Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	**(a)** Filing organization's totals	**(b)** Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

	(a)	(b)
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ **Yes** ☐ **No**

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	**(a)** 2010	**(b)** 2011	**(c)** 2012	**(d)** 2013	**(e)** Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?		No	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c Media advertisements?		No	
d Mailings to members, legislators, or the public?		No	
e Publications, or published or broadcast statements?		No	
f Grants to other organizations for lobbying purposes?		No	
g Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		3,780
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i Other activities?		No	
j Total Add lines 1c through 1i			3,780
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Return Reference	Explanation
FORM 990, SCHEDULE C, PART II-B, LINE 1G	LOBBYING DESCRIPTION HEALTHCARE POLICY IS CRITICAL TO ALL AMERICANS CHRISTUS HEALTH SOUTHEAST TEXAS (CHSETX) BELIEVES THAT HEALTH CARE PROVIDERS MUST PARTICIPATE IN FORMING HEALTH CARE POLICY BY INTERACTING WITH NATIONAL, STATE AND LOCAL ELECTED OFFICIALS AND THEIR STAFF MEMBERS TO HELP THEM BETTER UNDERSTAND THE COMPLEXITIES AND RAMIFICATIONS OF KEY HEALTH CARE POLICIES AT THE FEDERAL LEVEL, CHSETX EMPLOYEES PERSONALLY VISITED WITH TEXAS CONGRESSIONAL MEMBERS AND THEIR STAFF TO DISCUSS HEALTH CARE REFORM, FEDERAL BUDGET, SEQUESTRATION, MEDICAID, MEDICARE, LONG-TERM CARE, HEALTH INFORMATION TECHNOLOGY, DRUG SHORTAGES, 340B, PHYSICIAN REIMBURSEMENT, QUALITY, CHSETX, DSH, DSH HOSPITAL SPECIFIC LIMIT, GME, AND PEDIATRIC MEDICAL/PHYSICIAN ISSUES CHSETX EMPLOYEES MET WITH CMS REPRESENTATIVES TO DISCUSS DSH, MEDICAID EXPANSION E-MAIL, LETTER AND PHONE COMMUNICATIONS WERE USED WITH CONGRESSIONAL MEMBERS AND/OR STAFF ON PHYSICIAN PAYMENT, CHSETX FUNDING, DSH, MEDICAID, 340B, DRUG SHORTAGES, AND HEALTH CARE REFORM ISSUES FEDERAL BILLS 1 THE BUDGET CONTROL ACT OF 2012 -PROVISIONS RELATING TO SEQUESTRATION 2 THE MEDICARE AUDIT IMPROVEMENT ACT-HR1250, S1012 3 THE PATIENT PROTECTION AND AFFORDABLE CARE ACT, PROVISIONS RELATED TO THE EXPANSION OF HEALTH INSURANCE COVERAGE AND $155 BILLION IN CUTS TO HOSPITAL PAYMENTS-HR1920 AT THE STATE LEVEL, CHSETX BOARD MEMBERS AND EMPLOYEES MADE PERSONAL VISITS WITH TEXAS LEGISLATIVE MEMBERS AND STAFF, TEXAS LEADERSHIP AND STAFF, AND THE TEXAS HEALTH AND HUMAN SERVICES COMMISSION LEADERSHIP AND STAFF LETTERS, EMAILS AND PHONE COMMUNICATIONS WERE ALSO USED WITH SAME AUDIENCE TOPICS DISCUSSED APPROPRIATIONS, 1115 WAIVER, DSH, MEDICAID, EXPANSION OF MEDICAID, CHSETX, UNCOMPENSATED CARE, APR-DRG'S, QUALITY, TEXAS BUDGET, STAR KIDS, GME, TEXTING, OBESITY, HUMAN TRAFFICKING, IMMUNIZATIONS, NEWBORN SCREENINGS, NICU, DRIVER RESPONSIBILITY, TRAUMA, HEALTH CARE, WORKFORCE, ADVANCE DIRECTIVES, FREE-STANDING EC'S, WOMEN'S HEALTH, MENTAL HEALTH, SEXUAL ASSAULT VICTIMS, AND MEDCARES LISTING OF BILLS STATE-HB 10, 15, 63, 91, 104, 158, 245, 303, 453, 581, 790, 914, 997, 1025, 1055, 1085, 1294, 1389, 1444, 1539,1605, 1633, 1656, 1689, 1704, 1745, 1803,1856, 2070, 2072, 2128, 2186, 2295, 2296, 2359, 2360, 2364, 2550, 2559, 2560, 2700, 2816, 2838, 2843, 2880, 3020, 3158, 3238, 3285, 3376, 3426, 3427, 3534, 3680, 3692, 3715, 3731, 3791, SB 1, 7, 8, 28, 57, 61, 62, 63, 64, 143, 303, 317, 406, 675, 679, 682, 746, 830, 872, 937, 938, 944, 993, 1150, 1177, 1191, 1192, 1193, 1198, 1455, 1463, 1464, 1470, 1471, 1535, 1542, 1591, 1752, 1765, 1795, 1829, 1842, 1889

Part IV **Supplemental Information *(continued)***

Return Reference	Explanation

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SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Christus Health Southeast Texas

Employer identification number
76-0591590

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or education)
☐ Preservation of an historically important land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶________

4 Number of states where property subject to conservation easement is located ▶________

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶________

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ ________

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ ________

(ii) Assets included in Form 990, Part X ▶ $ ________

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ ________

b Assets included in Form 990, Part X ▶ $ ________

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a Board designated or quasi-endowment ▶

b Permanent endowment ▶

c Temporarily restricted endowment ▶

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

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

		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		18,107,523		18,107,523
b Buildings		345,837,156	233,163,216	112,673,940
c Leasehold improvements		1,912,860	1,065,084	847,776
d Equipment		246,834,577	216,840,844	29,993,733
e Other		1,318,755	347,677	971,078
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				162,594,050

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	159,583
CHRISTUS BOND FUND PAYABLE	67,990,093
INTERCOMPANY PAYABLE	10,920,426
STATE SALES TAX PAYABLE	40,389
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	79,110,491

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
CASH - NON-INTEREST BEARING	FORM 990, SCHEDULE D, 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 UNCERTAIN TAX POSITIONS UNDER ASC 740 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

Part XIII Supplemental Information ***(continued)***

Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493127004385

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Christus Health Southeast Texas

Employer identification number
76-0591590

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☐ 100% ☐ 150% ☑ 200% ☐ Other ______ %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b	Yes	
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other ______ %			
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			28,901,618		28,901,618	8 390 %
b Medicaid (from Worksheet 3, column a)			38,960,892	35,723,248	3,237,644	0 940 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			67,862,510	35,723,248	32,139,262	9 330 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	8	16,635	118,076		118,076	0 030 %
f Health professions education (from Worksheet 5)	4	2,214	465,523		465,523	0 140 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)	7	1,433	16,910,488	6,102,851	10,807,637	3 140 %
j **Total.** Other Benefits	19	20,282	17,494,087	6,102,851	11,391,236	3 310 %
k **Total.** Add lines 7d and 7j	19	20,282	85,356,597	41,826,099	43,530,498	12 640 %

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	12	7,808		7,808	
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy	3		32,280		32,280	0 010 %
8 Workforce development						
9 Other						
10 **Total**	5	12	40,088		40,088	0 010 %

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?			1 Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	37,977,087		
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	1,416,545		
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	81,491,538
6	Enter Medicare allowable costs of care relating to payments on line 5	6	89,149,669
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-7,658,131

8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

			Yes	No
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 SETX PAIN MNGMT CTR	PAIN MANAGEMENT	51 000 %	49 000 %	49 000 %
2 ST ELZBTH REHAB PTNR	REHABILITATION SERVICES	51 000 %		31 380 %
3 SETX CANCER CENTERS	CANCER TREATMENT	49 000 %		51 000 %
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year?
3

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group CHRISTUS ST ELIZABETH HOSPITAL

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

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years begining on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	1	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☑ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	5	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) SEE PART V, SECTION C			
b	☐ Other website (list url)			
c	☐ Available upon request from the hospital facility			
d	☑ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☑ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		**Yes**	**No**
9 Did the hospital facility have in place during the tax year a written financial assistance policy that			
Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 % If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 % If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply) **a** ☑ Income level **b** ☐ Asset level **c** ☑ Medical indigency **d** ☑ Insurance status **e** ☑ Uninsured discount **f** ☑ Medicaid/Medicare **g** ☐ State regulation **h** ☐ Residency **i** ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply) **a** ☑ The policy was posted on the hospital facility's website **b** ☐ The policy was attached to billing invoices **c** ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms **d** ☐ The policy was posted in the hospital facility's admissions offices **e** ☐ The policy was provided, in writing, to patients on admission to the hospital facility **f** ☑ The policy was available upon request **g** ☑ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**		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** ☐ Reporting to credit agency **b** ☐ Lawsuits **c** ☐ Liens on residences **d** ☐ Body attachments **e** ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged **a** ☐ Reporting to credit agency **b** ☐ Lawsuits **c** ☐ Liens on residences **d** ☐ Body attachments **e** ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☑ Notified individuals of the financial assistance policy on admission
- **b** ☐ Notified individuals of the financial assistance policy prior to discharge
- **c** ☐ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- **d** ☐ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**19**	Yes	

If "No," indicate why

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

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

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

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

		Yes	No
21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group CHRISTUS ST MARY HOSPITAL

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 2

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years begining on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	1	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☑ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	5	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) SEE PART V, SECTION C			
b	☐ Other website (list url)			
c	☐ Available upon request from the hospital facility			
d	☑ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☑ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that			
Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 % If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 % If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☐ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**		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 ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

a [x] Notified individuals of the financial assistance policy on admission

b [ ] Notified individuals of the financial assistance policy prior to discharge

c [ ] Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills

d [ ] Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy

e [ ] Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	19	Yes	

If "No," indicate why

a [ ] The hospital facility did not provide care for any emergency medical conditions

b [ ] The hospital facility's policy was not in writing

c [ ] The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)

d [ ] Other (describe in Part VI)

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

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

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

b [ ] The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged

c [ ] The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged

d [x] Other (describe in Part VI)

		Yes	No
21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	21		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	22		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group CHRISTUS JASPER MEMORIAL HOSPITAL

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 3

			Yes	No
	Community Health Needs Assessment (Lines 1 through 8c are optional for tax years begining on or before March 23, 2012)			
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	1	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☑ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	5	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) SEE PART V, SECTION C			
b	☐ Other website (list url)			
c	☐ Available upon request from the hospital facility			
d	☑ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☑ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy

			Yes	No
9	Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for free care 200 % If "No," explain in Part VI the criteria the hospital facility used			
11	Used FPG to determine eligibility for providing *discounted* care?	11	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 % If "No," explain in Part VI the criteria the hospital facility used			
12	Explained the basis for calculating amounts charged to patients?	12	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a	☑ Income level			
b	☐ Asset level			
c	☑ Medical indigency			
d	☑ Insurance status			
e	☑ Uninsured discount			
f	☑ Medicaid/Medicare			
g	☐ State regulation			
h	☐ Residency			
i	☐ Other (describe in Part VI)			
13	Explained the method for applying for financial assistance?	13	Yes	
14	Included measures to publicize the policy within the community served by the hospital facility?	14	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a	☑ The policy was posted on the hospital facility's website			
b	☐ The policy was attached to billing invoices			
c	☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d	☐ The policy was posted in the hospital facility's admissions offices			
e	☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f	☑ The policy was available upon request			
g	☑ Other (describe in Part VI)			

Billing and Collections

			Yes	No
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15		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	☐ Reporting to credit agency			
b	☐ Lawsuits			
c	☐ Liens on residences			
d	☐ Body attachments			
e	☐ Other similar actions (describe in Section C)			
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	17		No
	If "Yes," check all actions in which the hospital facility or a third party engaged			
a	☐ Reporting to credit agency			
b	☐ Lawsuits			
c	☐ Liens on residences			
d	☐ Body attachments			
e	☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

a [x] Notified individuals of the financial assistance policy on admission

b [ ] Notified individuals of the financial assistance policy prior to discharge

c [ ] Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills

d [ ] Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy

e [ ] Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	19	Yes	

If "No," indicate why

a [ ] The hospital facility did not provide care for any emergency medical conditions

b [ ] The hospital facility's policy was not in writing

c [ ] The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)

d [ ] Other (describe in Part VI)

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

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

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

b [ ] The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged

c [ ] The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged

d [x] Other (describe in Part VI)

		Yes	No
21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	21		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	22		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

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

Form and Line Reference	Explanation
See Additional Data Table	

Part V **Facility Information** *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? **4**

	Name and address	Type of Facility (describe)
1	Southeast Texas Cancer Centers LP 10101 Woodloch Forest THE WOODLANDS, TX 77380	Cancer Treatment Facility
2	Southeast Texas Pain Management LLC PO Box 5405 BEAUMONT, TX 77726	Pain Management Clinic
3	Port Arthur Day Surgery LTD 2927 Park Plaza Lane PORT ARTHUR, TX 77642	Surgery Center
4	Kate Dishman Rehabilitation Hospital 2830 Calder Street BEAUMONT, TX 77702	Rehabilitation Hospital
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
SCHEDULE H, 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
SCHEDULE H, 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
SCHEDULE H, PART I, LINE 7B	UNREIMBURSED MEDICAID Christus Health Southeast Texas 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
SCHEDULE H, PART I, LINE 7, COLUMN (F)	PERCENT OF TOTAL EXPENSE TOTAL EXPENSE FROM FORM 990, PART IX, LINE 25, COLUMN (A) IS $382,272,084 THE BAD DEBT EXPENSE INCLUDED IN THIS AMOUNT IS $37,977,087 THIS LEAVES A TOTAL EXPENSE OF $344,294,997 FOR PURPOSES OF CALCULATING LINE 7, COLUMN (F)

Form and Line Reference	Explanation
SCHEDULE H, 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 24 79%, 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
SCHEDULE H, PART I, LINE 7I	CASH AND IN-KIND CONTRIBUTIONS CHRISTUS HEALTH SOUTHEAST TEXAS MADE OVER $10,807,637 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 CHRISTUS HEALTH ESTABLISHED THE CHRISTUS FUND, A GRANT FUND TO PROVIDE RESOURCES TO NONPROFIT AGENCIES AND GROUPS WHOSE VISION, MISSION, AND GOALS ARE CONSISTENT WITH CHRISTUS HEALTH'S MISSION, VALUES AND PHILOSOPHY OF A HEALTHY COMMUNITY CHRISTUS FUND GRANTS TOTALED $85,000 AWARDED AND $99,500 DISTRIBUTED BY CHRISTUS HEALTH TO NONPROFIT ORGANIZATIONS LOCATED IN THE COMMUNITY SERVED BY CHRISTUS HEALTH SOUTHEAST TEXAS THE GRANT DOLLARS WERE USED TO SUPPORT PROGRAMS THAT PROMOTE THE HEALTH OF THE COMMUNITY THAT CHRISTUS HEALTH SOUTHEAST TEXAS SERVES, INCLUDING SUPPORT TO PROGRAMS THAT PROVIDE HEALTH CARE SERVICES TO THE UNINSURED ALL GRANTS MADE TO OUTSIDE ORGANIZATIONS THROUGH THE CHRISTUS FUND ARE MADE TO NONPROFIT ORGANIZATIONS THAT SUPPORT THE HEALTH OF THE COMMUNITY THESE GRANT DOLLARS ARE NOT INCLUDED ON SCHEDULE H, PART I, LINE 7(I) INDIGENT CARE OF $10,807,637 IS INCLUDED IN SCHEDULE H, PART I, LINE 7(I)

Form and Line Reference	Explanation
SCHEDULE H, 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
SCHEDULE H, PART II	Community Building Activities THE CHRISTUS HEALTH BOARD OF DIRECTORS APPROVED FUNDING OF A COMMUNITY DIRECT INVESTMENT (CDI) LOAN PROGRAM TO ENSURE THAT THE WORK OF SOCIAL ACCOUNTABILITY AND MORAL AND ETHICAL STEWARDSHIP CONTINUES IN SPITE OF CHALLENGING FISCAL CONDITIONS FACED BY LOCAL OPERATING ENTITIES THE PURPOSE OF THE CDI PROGRAM IS TO SUPPORT COMMUNITY DRIVEN INITIATIVES, PRIMARILY FOR AFFORDABLE HOUSING AND ECONOMIC DEVELOPMENT BY PROVIDING FINANCING AT BELOW MARKET INTEREST RATES TO NONPROFIT ORGANIZATIONS AT TERMS NOT EXCEEDING MORE THAN FIVE YEARS THE INCOME EARNED AT THE MARKET RATE LESS OUR LOAN RATE (FOREGONE INCOME) IS CONSIDERED A COMMUNITY BENEFIT FOR REPORTING PURPOSES THOUGH OUTSTANDING LOAN BALANCES VARY THROUGHOUT THE YEAR, THE OUTSTANDING LOAN BALANCE AT THE END OF FISCAL YEAR 2014 WAS $161,174 THE FOREGONE INTEREST FOR CHRISTUS SOUTHEAST TEXAS IN FISCAL YEAR ENDING JUNE 30, 2014 WAS $896 DURING FY2014, CHRISTUS HEALTH ADVOCATED FOR IMPROVING PUBLIC POLICIES, WORKED TO ESTABLISH, AND IN SOME INSTANCES AUGMENT, GRASSROOTS ADVOCACY AND GREATER ACCESS TO HEALTH CARE SERVICES FOR THE COMMUNITIES WE SERVE

Form and Line Reference	Explanation
SCHEDULE H, 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
SCHEDULE H, 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
SCHEDULE H, PART III, SECTION A, LINE 3	Estimate of Bad Debt Expense Attributable to Patients Eligible Under Organization's Charity Care Policy The filing organization recognizes that some patients are unable or unwilling to seek financial assistance due to barriers such as educational level, literacy, documentation requirements, or being intimidated by the application process In order to estimate the amount of the organization's bad debt expense attributable to patients who may be eligible for financial assistance but have not submitted an application, the organization engaged PARO Decision Support, LLC PARO Charity Score is designed to identify patients that likely qualify for financial assistance based on a predictive model and other financial and asset estimates for the patient derived from public record sources In order to assess the bad debt accounts that would likely qualify for charity care, the following criteria were established based on an analysis of historical data of Christus Health and its related organizations 1 PARO Score of less than or equal to 586, which is a predictor defining the likely socioeconomic conditions for the patient, 2 Estimated Federal Poverty Level of less than or equal to 226%, which is based on estimated household size and household estimated income, and 3 Third party data available on patient accounts which indicate that the patient is not a homeowner or a probable homeowner For the fiscal year ending June 30, 2011, the organization reported that 30% of bad debt expenses were attributable to patients who may have been eligible for financial assistance but were not responsive to the application process existing at that time This figure was based on the PARO analysis and estimates of patients' financial needs that examined whether patients were characteristic of others who historically qualified for assistance under the traditional application process The presumptive charity care analysis performed for the prior fiscal year determined a benchmark of bad debt accounts in the Christus Health System that lacked the information to qualify for charity care under the filing organization's customary process but would have likely qualified for assistance During the fiscal year ending June 30, 2013, the organization utilized the PARO score to identify the accounts of individual patients that were likely eligible for financial assistance despite having not completed an application, and such analysis determined that 27 12% of such accounts were likely eligible for financial assistance The organization granted presumptive eligibility for these accounts and they were reclassified under our financial assistance policy These amounts were not reported as bad debt The amount reported on Schedule H, Part III, Line 3 is the difference between the presumptive charity care benchmark established in the fiscal year ending June 30, 2011 and the aggregate of individual accounts for which the organization granted presumptive eligibility in the fiscal year ending June 30, 2014 Thus, the organization estimates that only 3 73% of the bad debt expenses in fiscal year ending June 30, 2014 are attributable to patients who would likely have qualified for financial assistance It is important to note that the figure calculated for fiscal year ending June 30, 2014 was estimated and not exact, and therefore the difference between the amounts qualified as presumptive charity care in any fiscal year may vary from the benchmark established in fiscal year ending June 30, 2011

Form and Line Reference	Explanation
SCHEDULE H, 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 judgments and estimates Actual results could differ materially from these estimates "

Form and Line Reference	Explanation
schedule h, part ııı, sEctıon b, lıne 8	EXTENT TO WHICH SHORTFALL SHOULD BE TREATED AS COMMUNITY BENEFIT Costıng Methodology The shortfall on Part III, Lıne 7 ıs not counted as a communıty benefit The amount on Schedule H, Part III, Lıne 6 ıs determıned by calculatıng Medıcare Allowable Costs usıng worksheet A of the Medıcare Cost Report Worksheet A of the Medıcare Cost Report requıres the organızatıon to remove non-allowable expenses from total expenses vıa the adjustments to expenses worksheets wıthın the Medıcare Cost Report The amount reported on Schedule H, Part III, Lıne 6 does not take ınto account all costs ıncurred by the fılıng organızatıon assocıated wıth the fılıng organızatıon's provısıons of servıces to Medıcare patıents Schedule H, Part III, Lıne 7 would equal a shortfall of $7,658,131 ıf total expenses allocable to Medıcare servıces were substıtuted on Schedule H, Part III, Lıne 6

Form and Line Reference	Explanation
SCHEDULE H, PART III, SECTION C, LINE 9B	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

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 2	NEEDS ASSESSMENT CHRISTUS HEALTH SOUTHEAST TEXAS HAS DEVELOPED THE 2014 COMMUNITY HEALTH IMPLEMENTATION PLAN BASED UPON PRIORITIZATION OF THE COMMUNITY HEALTH NEEDS ASSESSMENT CHRISTUS HEALTH SOUTHEAST TEXAS' FACILITIES HAVE THE COMMON GOAL OF STRIVING TOWARD ENSURING THAT BEST PRACTICES AND STANDARDS OF CARE ARE PRACTICAL AS WELL AS REALISTIC THE OBJECTIVES FOR FY 2014 ARE PROPOSED TO MEET THE IDENTIFIED NEEDS IN THE COMMUNITIES WE SERVE BY DEVELOPING AND IMPLEMENTING PROGRAMS TO PROVIDE CARE IN CLINICALLY APPROPRIATE SETTINGS, THUS REDUCING EMERGENCY DEPARTMENT VISITS AND PREVENTABLE HOSPITALIZATIONS THE COMMUNITY HEALTH PRIORITIES OF CHRISTUS HEALTH SOUTHEAST TEXAS ARE TO RESPOND TO THE HEALTH CARE NEEDS THROUGH ITS THREE-CAMPUS HOSPITAL SYSTEM, HEALTH CARE CLINICS, PHYSICIAN PRACTICES, OUTPATIENT SERVICES AND COMMUNITY BASED PROGRAMS COUNTIES LOCATED IN SOUTHEAST TEXAS WERE CONSIDERED TO BE MEDICALLY UNDERSERVED ACCORDING TO COUNTY HEALTH STATISTICS IN OUR PUBLISHED 2012 COMMUNITY HEALTH NEEDS ASSESSMENT, COUNTIES IN SOUTHEAST TEXAS HAVE HIGHER THAN STATE AVERAGES FOR PERSONS WITH CARDIOVASCULAR DISEASE, CHRONIC LOWER RESPIRATORY DISEASE, AND DIABETES ALL DATA IS AVAILABLE TO THE PUBLIC AND POSTED ON OUR HOSPITAL WEBSITE IN OUR COMMUNITY HEALTH NEEDS ASSESSMENT DONE IN 2012 WITH COMMUNITY COLLABORATION, AND OUR COMMUNITY HEALTH IMPLEMENTATION PLAN ALSO DONE IN PARTNERSHIP WITH COMMUNITY MEMBERS COMMUNITY DELIVERY WILL CONTINUE TO FOCUS ON THE UNINSURED WITH ADDED EMPHASIS ON CHRONIC ILLNESSES SERVICES ARE BASED ON BEST PRACTICES DEVELOPMENT AND IMPLEMENTATION OF EVIDENCE-BASED COMMUNITY HEALTH SERVICES OUR 2014 PLAN REFLECTS THIS FOCUS

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 3	PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE CHRISTUS Health Southeast Texas 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 registration, pre registration (for scheduled tests and surgeries), post registration (during their hospitalization) and following discharge (telephone or written inquiry) in languages appropriate for the population being served Patients are given information and forms by a financial counselor who helps them complete the forms during their inpatient and outpatient visits Patients are asked to bring or mail supporting documentation to determine income, assets and household expenses The Business Office reviews the application based on the information provided by the patient If the patient qualifies for charity care or a discount, a new bill is generated Patients who do not provide the required documentation are considered ineligible and are billed accordingly If the documentation is provided at a later time, the patient may then be determined to be eligible for charity care or a discount Documentation is retained by the billing office for seven years A public notice regarding the charity care policy is posted in prominent places throughout the hospitals, including but not limited to the emergency room waiting areas and the admissions office waiting areas, as required by both the State of Texas Community Benefit Standard (which addresses the duties and responsibilities of nonprofit hospitals) and CHRISTUS Health Community Benefit Guidelines #050 In addition, a public notice regarding the charity care policy and information on financial assistance are also posted on the CHRISTUS HEALTH website The information on financial assistance includes explanations on the availability of financial assistance, who qualifies, and how to apply for financial assistance

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 4	Community Information CHRISTUS HEALTH SOUTHEAST TEXAS IS LOCATED IN FAR SOUTHEAST TEXAS, AND ITS NINE COUNTY SERVICE AREA EXTENDS TO THE SOUTHEAST COAST OF THE STATE INTO SOUTHWESTERN LOUISIANA AND NORTHWARD INTO EAST TEXAS THE NINE COUNTY SERVICE AREA INCLUDES THE FOLLOWING COUNTIES CHAMBERS, HARDIN, JASPER, JEFFERSON, LIBERTY, NEWTON, ORANGE, SABINE AND TYLER THE SERVICE AREA IS COMPRISED OF A POPULATION OF MORE THAN 585,000 INDIVIDUALS CHRISTUS HEALTH SOUTHEAST TEXAS HAS A HIGHER PERCENTAGE OF SENIOR CITIZENS COMPARED TO STATE AND NATIONAL BENCHMARKS THE LARGEST POPULATION GROWTH IS ANTICIPATED IN THE AGE 65 AND OLDER POPULATION IN THE NINE COUNTY SERVICE AREAS, 18 PERCENT OF HOUSEHOLDS ARE AT OR BELOW POVERTY THE POPULATION CONSISTS OF 62 PERCENT CAUCASIAN, 21 PERCENT AFRICAN AMERICAN, AND 13 PERCENT HISPANIC THE HEALTH CARE PAYOR MIX IS 13 PERCENT MEDICAID AND 43 PERCENT MEDICARE OTHER HEALTH SYSTEMS IN THE NINE COUNTY AREA INCLUDE BAPTIST HOSPITAL OF SOUTHEAST TEXAS, MEMORIAL HEALTH SYSTEM OF EAST TEXAS, MEMORIAL HERMANN BAPTIST ORANGE, THE MEDICAL CENTER OF SOUTHEAST TEXAS, VICTORY MEDICAL CENTER AND THE WOODLAND HEIGHTS MEDICAL CENTER

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 5	Promotion of Community Health THE CHRISTUS SOUTHEAST TEXAS REGION PROVIDES HEALTH CARE SER VICES AT THREE CAMPUSES, INCLUDING THE 431-BED CHRISTUS HOSPITAL ST ELIZABETH IN BEAUMONT , TEXAS, THE 227-BED CHRISTUS HOSPITAL ST MARY IN PORT ARTHUR TEXAS, AND CHRISTUS JASPER MEMORIAL HOSPITAL, A 59-BED HOSPITAL IN JASPER, TEXAS EACH OF THE THREE HOSPITALS IN THE CHRISTUS SOUTHEAST TEXAS REGION PROVIDES A 24 HOUR EMERGENCY DEPARTMENT THAT IS OPEN TO SE RVE THOSE IN NEED OF EMERGENCY CARE, REGARDLESS OF THEIR ABILITY TO PAY CHRISTUS HEALTH S OUTHEAST TEXAS PROVIDES A FULL RANGE OF INPATIENT AND OUTPATIENT SERVICES TO THE PEOPLE IN THE COMMUNITIES IT SERVES IT CONDUCTS ITS ACTIVITIES AND SERVES ITS HEALTH CARE PURPOSE WITHOUT REGARD TO RACE, COLOR, CREED, RELIGION, GENDER, ORIENTATION, DISABILITY, AGE OR NA TIONAL ORIGIN CHRISTUS HEALTH SOUTHEAST TEXAS ALSO SUPPORTS MANY LOCAL COMMUNITY HEALTH S ERVICES, INCLUDING THREE RURAL CLINICS IN JASPER, TEXAS, KIRBYVILLE, TEXAS AND RAYBURN, TE XAS AND A NEW FEDERALLY QUALIFIED HEALTH CARE CENTER IN BEAUMONT, TX CHRISTUS HEALTH SOUT HEAST TEXAS IS A PARTNER IN JEFFERSON COUNTY CLINICAL SERVICES, INC WHICH PROVIDES PHYSIC IAN HEALTH CARE SERVICES TO MEDICAID PATIENTS IN ADDITION, THE ORGANIZATION HAS PARTIAL O WNERSHIP IN SOUTHEAST TEXAS PAIN MANAGEMENT, L L C , A PAIN MANAGEMENT FACILITY, ST ELIZ ABETH REHABILITATION PARTNERS, LLP, A REHABILITATION CENTER, AND SOUTHEAST TEXAS CANCER CE NTERS, LP, A CANCER TREATMENT ORGANIZATION THE FACILITIES OF CHRISTUS HEALTH SOUTHEAST TE XAS SHARE ONE OBJECTIVE, WHICH IS TO LEAD THE WAY TO A HEALTHIER COMMUNITY CHRISTUS HEALT H SOUTHEAST TEXAS COLLABORATES WITH COMMUNITIES, CHURCHES, BUSINESSES, AND OTHER HEALTH CA RE ORGANIZATIONS TO FACILITATE AND STRENGTHEN ACCESSIBILITY OF QUALITY COMPREHENSIVE HEALT H CARE SERVICES FOR ALL, INCLUDING THE MOST VULNERABLE AND UNDERSERVED POPULATIONS IN AN EFFORT TO MEET AND ADDRESS THE IDENTIFIED HEALTH CARE NEEDS IN THE COMMUNITIES WE SERVE, C HRISTUS HEALTH SOUTHEAST TEXAS PROVIDES ACCESS TO HEALTH CARE SERVICES THROUGH PROGRAMS AN D LOCAL COMMUNITY PARTNERS AND SERVICE ORGANIZATIONS CHRISTUS HEALTH SOUTHEAST TEXAS ALSO PROVIDES SERVICES FOR THE BROADER COMMUNITY AS A PART OF THE OVERALL COMMUNITY BENEFIT A LARGE SHARE OF THESE EXPENSES IS FOR EDUCATING HEALTH PROFESSIONALS INCLUDING NURSING STU DENTS AND OTHER ALLIED HEALTH PROFESSIONALS HELPING TO PREPARE FUTURE HEALTH CARE PROFESS IONALS IS A DISTINGUISHING CHARACTERISTIC OF NONPROFIT HEALTH CARE AND CONSTITUTES A SIGNI FICANT COMMUNITY BENEFIT THE THREE FACILITIES OF CHRISTUS SOUTHEAST TEXAS (CHRISTUS HOSPI TAL - ST ELIZABETH, CHRISTUS HOSPITAL-ST MARY AND JASPER MEMORIAL HOSPITAL) PROVIDE A NU MBER OF SERVICES FOR THE BENEFIT OF THE COMMUNITY INCLUDING LEADERSHIP ACTIVITIES UNDERST ANDING THE NEED TO PROVIDE ACCESS TO HEALTH CARE TO AS MUCH OF THE PUBLIC AS POSSIBLE, CHR ISTUS HEALTH PARTICIPATES IN GOVERNMENT SPONSORED HEALTH CARE PROGRAMS, INCLUDING MEDICAID , MEDICARE, CHAMPUS, TRICARE, USFHP AND OTHER GOVERNMENT PROGRAMS IN ADDITION, CHRISTUS H EALTH SOUTHEAST TEXAS PROVIDES SPECIFIC PROGRAMS TO PROVIDE DISCOUNTED SERVICES TO THOSE I N NEED WHO LACK MEDICAL INSURANCE OR WHO DO NOT PARTICIPATE IN GOVERNMENT SPONSORED PROGRA MS CHRISTUS HEALTH SOUTHEAST TEXAS BELIEVES THAT BY WORKING TOGETHER, WE CAN MAKE A PROFO UND DIFFERENCE IN THE QUALITY OF PEOPLES' LIVES AND CREATE SUSTAINABLE HEALTH IN OUR COMMU NITIES BY COLLABORATING WITH COMMUNITIES, CHURCHES, BUSINESSES, AND OTHER HEALTH CARE ORG ANIZATIONS, CHRISTUS HEALTH SOUTHEAST TEXAS' VARIOUS ENTITIES HAVE STRENGTHENED THEIR ROLE S AS MAJOR PROVIDERS OF COMPREHENSIVE, ACCESSIBLE HEALTH CARE SERVICES CHRISTUS HEALTH SO UTHEAST TEXAS ALSO USED CASH DONATIONS AS A VEHICLE TO HELP OUR COMMUNITIES WE MADE CASH DONATIONS IN ADDITION TO GRANTS AWARDED THROUGH THE CHRISTUS FUND, TO HELP SUCH CAUSES LIK E THE FIGHT AGAINST CANCER, DIABETES, HEART DISEASE, AND THE PROVISION OF A CONTINUUM OF C ARE FOR OUR ELDERLY AND THOSE SUFFERING FROM HIV/AIDS AS A NONPROFIT ORGANIZATION AND AS A PART OF CHRISTUS HEALTH, A REGIONAL GOVERNING BOARD COMPRISED LARGELY OF INDEPENDENT COM MUNITY MEMBERS REPRESENTING THE MAKE-UP OF THE AREA WE SERVE GUIDES CHRISTUS HEALTH SOUTHE AST TEXAS WE ARE PRIVILEGED TO HAVE AN OPEN MEDICAL STAFF COMPRISED OF QUALIFIED PHYSICIA NS WHO WORK WITH US TO PROVIDE CARE TO OUR COMMUNITIES ALL QUALIFIED PHYSICIANS WHO ARE G RANTED PRIVILEGES TO SERVE WITH US IN OUR HOSPITALS MUST UNDERGO A THOROUGH AND COMPREHENS IVE CREDENTIALING AND ORIENTATION PROCESS ALL PERSONS EMPLOYED AND AFFILIATED WITH CHRIST US HEALTH SOUTHEAST TEXAS ARE REQUIRED TO COMPLETE ANNUAL CONFLICT OF INTEREST STATEMENTS CHRISTUS HEALTH REINVESTS ALL SURPLUS FUNDS BACK INTO THE COMMUNITIES IT SERVES THROUGH E XPANDED 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

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 5	ACCESS TO HEALTH CARE SERVICES FOR ALL

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 6	AFFILIATED HEALTH CARE SYSTEM CHRISTUS Health Southeast Texas 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 Health Southeast Texas, 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 Health Southeast Texas, 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

Form and Line Reference	Explanation
SCHEDULE H, 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 2012 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: 76-0591590
Name: Christus Health Southeast Texas

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
SUPPLEMENTAL INFORMATION FOR HOSPITAL FACILITY GROUPS 1-3	SCHEDULE H, PART V, SECTION B, LINE 1J OTHER ITEMS DESCRIBED BY CHNA REPORT OUR MISSION AND VISION STATEMENTS WERE INCLUDED TO GIVE THE PUBLIC AN AWARENESS OF OUR COMMUNITY FOCUS AND CHRISTIAN MINISTRY DEDICATION TO SERVE THE UNDERSERVED

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

Form and Line Reference	Explanation
SCHEDULE H, PART V, SECTION B, LINE 3	INPUT FROM PERSONS WHO REPRESENT THE COMMUNITY CHRISTUS Health Southeast Texas carefully considers how to identify and prioritize various community benefit initiatives using data provided BY the Jefferson County Health Department and Texas Department of Health and Human Services, Southeast Texas Regional Planning Commission, Texas County Health Rankings, United Way agencies, and SETX hospital data In 2012, CHRISTUS Health Southeast Texas benefited from participation in the Texas Medicaid 1115 Demonstration Waiver Region 2 Partnership This provided both quantitative and qualitative information for the CHNA and was done in a collaborative way Together with a total of 16 counties in the assigned Region 2 and the Anchor, University of Texas Medical Branch (UTMB), a CHNA was done in June, 2012 for each of the 16 participating counties The quantitative health assessment was prepared by the University of Texas School of Public Health in Houston and the UTMB Center for the Elimination of Health Disparities with a wide range of existing data sources The qualitative community health assessment was designed and conducted by the Texas Area Health Education Center (AHEC) East Program, having worked in the 16 counties of Region 2 for 20 years SCHEDULE H, PART V, SECTION B, LINE 4 HOSPITAL FACILITIES INCLUDED IN THE CHNA ALTHOUGH WE HAD MANY PARTNERS IN OUR 16 COUNTY REGIONAL HEALTH PARTNERSHIP ANCHORED BY UNIVERSITY OF TEXAS MEDICAL BRANCH, THE LOCAL HOSPITALS MOST INVOLVED IN OUR AREA ARE THE BAPTIST HOSPITALS OF BEAUMONT AND ORANGE, THE SOUTHEAST TEXAS MEDICAL CENTER AND THE SPINDLETOP MENTAL HEALTH FACILITY

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

Form and Line Reference	Explanation
SCHEDULE H, PART V, SECTION B, LINE 5A	CHNA WEBSITE THE CHNA CAN BE FOUND AT HTTP //WWW CHRISTUSHOSPITAL ORG/WORKFILES/CHNASETX2012REPORT PDF SCHEDULE H, PART V, SECTION B, LINE 5D AVAILABILITY OF CHNA REPORT IN ADDITION TO MAKING OUR CHNA AVAILABLE TO THE PUBLIC ON OUR WEBSITE, IT IS ALSO AVAILABLE ON THE WEBSITE OF OUR ANCHOR (UTMB) FOR THE 1115 TEXAS MEDICAID WAIVER http //www utmb edu/1115/ AND COMMUNITY SESSIONS WERE HELD AVAILABLE TO THE PUBLIC AT THE LOCAL COLLEGE, LAMAR UNIVERSITY, TO DISCUSS THE FINDINGS

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

Form and Line Reference	Explanation
SCHEDULE H, PART V, SECTION B, LINE 6I	HOW NEEDS IDENTIFIED BY THE CHNA WERE ADDRESSED WE ALSO LISTED MANY AWARDS AND CERTIFICATIONS THAT OUR HOSPITALS HAVE RECEIVED AS PART OF OUR SERVICE TO THE COMMUNITY THE PURPOSE FOR THAT IS TO EMPHASIZE NOT ONLY MEETING THE NEEDS BUT TO DO SO IN A QUALITY WAY

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

Form and Line Reference	Explanation
SCHEDULE H, PART V, SECTION B, LINE 7	NEEDS THAT HAVE NOT BEEN ADDRESSED CHRISTUS Hospital seeks to meet the needs of the community whenever possible It does not focus on mental health, behavioral health, or substance abuse due to limited resources Alternatively, our organization works collaboratively with other not for profit healthcare organizations in the community that focus in these areas such as Baptist Hospitals of Southeast Texas and Texas MHMR where specialized mental health services exist In the event of urgent needs, we have made arrangements to have mental health consultations available to stabilize patients in crisis to allow for appropriate transfers to more suitable facilities CHRISTUS continually evaluates potential gaps and works within the community to either provide services directly or arrange for services in the best interest of the patients and community

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

Form and Line Reference	Explanation
SCHEDULE H, PART V, SECTION B, LINE 11	DETERMINATION OF ELIGIBILITY FOR DISCOUNTED CARE The hospital facility provides discounted care to all uninsured patients In order to determine discounts for uninsured patients, the facility utilizes a sliding scale based on federal poverty guidelines and other criteria applied to a uniform fee schedule The facility has implemented a 3 tier uninsured fee schedule wherein individuals between 201-300% of the Federal Poverty Level receive a specific discount percentage off of the uninsured discounted price, individuals between 301%-400% of the Federal Poverty Level receive a specific discount percentage off of the uninsured discounted price, and individuals above 401% of the Federal Poverty Level receive no additional discount off of the uninsured discounted price There is no Federal Poverty Limit for the uninsured population to receive discounted care because all charges by the facility are based on the uninsured discounted price The uninsured discounted price is based on the FY 2009 managed care average reimbursement rate, excluding implant and drug contribution dollars SCHEDULE H, Part V, Section B, Lines 14 & 14g How the hospital facility publicizes the financial assistance policy The hospital facility's complete financial assistance policy is not posted in the facility's emergency rooms, waiting rooms or admissions offices, however, a notice that the financial assistance policy is available at the business office and online is posted in the facility's emergency rooms, waiting rooms and admission offices SCHEDULE H, Part V, Section B, Line 15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained the action the hospital facility may take upon non-payment? The organization does not have a policy that addresses actions in the event of non-payment The organization does not pursue any of the listed actions at lines 16 or 17 in pursuit of collections from individuals prior to making a reasonable effort to determine the patient's eligibility for financial assistance under CHRISTUS Health Management Directive 11 SCHEDULE H, Part V, Section B, Line 20d Determine the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care The hospital facility used the average managed care reimbursement rate from the fiscal year ending 6-30-09 in order to determine the maximum amounts that can be charged to FAP-eligible patients The average managed care rate is the average reimbursement received for specific categories of services from the collective group of private insurers that reimburse all hospital facilities within the Christus Health System except St Vincent Hospital and Christus Continuing Care

Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990
▶ Information about Schedule I (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Christus Health Southeast Texas

Employer identification number
76-0591590

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . ☑ **Yes** ☐ **No**

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

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
See Additional Data Table							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . ▶ 8

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

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

(a) Type of grant or assistance	**(b)** Number of recipients	**(c)** Amount of cash grant	**(d)** Amount of non-cash assistance	**(e)** Method of valuation (book, FMV, appraisal, other)	**(f)** Description of non-cash assistance
(1) Equip/Svcs/Supplies for indigent patients	128		131,094	Cost	see part iv

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 THE FILING ORGANIZATION PROVIDES INDIGENT FUNDING GRANTS TO THE COUNTIES IN WHICH CHRISTUS HEALTH AFFILIATED HOSPITALS SERVE VIA GRANTS PAID TO OTHER HOSPITALS AND HEALTHCARE ORGANIZATIONS LOCATED WITHIN SUCH COUNTIES THIS CHARITABLE DONATION HELPS RELIEVE THE ADDITIONAL EXPENSE OF HEALTHCARE FOR THE INDIGENT POPULATION WITHIN CHRISTUS HEALTH'S COMMUNITIES THAT THE FILING ORGANIZATION MAY NOT DIRECTLY SERVE IN ONE OF ITS HOSPITALS THIS IS A RESULT OF OUR MISSION TO EXTEND THE HEALING MINISTRY OF JESUS CHRIST, ESPECIALLY TO THE POOR AND UNDERSERVED FORM 990, SCHEDULE I, PART III, COLUMN (F) DESCRIPTION OF NON-CASH ASSISTANCE MEDICAL EQUIPMENT RENTALS, NURSING HOME/REHAB CARE, PHARMACEUTICALS, CAB RIDES, HOME HEALTH CARE, UNINSURED CLINIC VOUCHERS FOR INDIGENT PATIENTS PATIENTS

Additional Data

Software ID:
Software Version:
EIN: 76-0591590
Name: Christus Health Southeast Texas

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
GALVESTON COUNTY CLINICAL SERVICES INC 2801 VIA FORTUNA STE 500 AUSTIN,TX 78746	27-1056537	501(C)(3)	724,017				Indigent Funding

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Jefferson County Clinical Services Inc 2801 Via Fortuna Ste 500 Austin,TX 78746	26-4368737	501(C)(3)	9,485,000				Indigent Funding

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
American Heart Association 7272 Greenville Ave Dallas,TX 75231	13-5613797	501(c)(3)	21,000				MISSION SUPPORT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
CHRISTUS Health Foundation of SETX 2830 Calder Beaumont,TX 77662	76-0132674	501(c)(3)	32,000				Program support

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Burke Center 2001 South Medford Drive Lufkin,TX 75901	75-1442393	501(c)(3)	16,128				PSYCHIATRIC EMERGENCY SVCS

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Catholic Charities of Southeast Texas PO Box 829 Beaumont,TX 77704	74-1900345	501(C)(3)	5,500				PROGRAM SUPPORT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Legacy Community Health Services PO Box 66308 Houston,TX 77266	76-0009637	501(C)(3)	125,000				PROGRAM SUPPORT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
GREATER BEaUMONT CHAmBER OF COMMERCE PO BOX 3150 Beaumont,TX 77701	76-0504300	501(c)(6)	8,920				PROGRAM SUPPORT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
ANAYAT HOUSE 2675 MCFADDIN ST BEAUMONT,TX 77702	76-0441913	501(C)(3)	15,600				MISSION SUPPORT

Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Christus Health Southeast Texas

Employer identification number
76-0591590

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☑ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III ☐ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☐ Compensation survey or study ☐ Form 990 of other organizations ☐ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	**4c**		No
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization? If "Yes," to line 5a or 5b, describe in Part III	**5b**		No
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization? If "Yes," to line 6a or 6b, describe in Part III	**6b**		No
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
FORM 990, PART VII SECTION A AND SCHEDULE J, PART II	SUPPLEMENTAL COMPENSATION INFORMATION 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 SISTERS' COMPENSATION IS PAID TO THE RELIGIOUS CONGREGATION AND NOT THE INDIVIDUAL OFFICERS, KEY EMPLOYEES AND HIGHEST PAID EMPLOYEES ARE FULL-TIME EMPLOYEES BOARD MEMBERS SPEND TIME AS NEEDED FOR BOARD MEETINGS AND FUNCTIONS TAMERLA CHAVIS, MD RECEIVED COMPENSATION OF $58,881 FOR TELE DOC SERVICES SHE RECEIVED NO COMPENSATION FOR SERVING AS A DIRECTOR JOHN ICETON RECEIVED COMPENSATION OF $37,422 FOR MEDICAL DIRECTOR AND PHYSICIAN ON CALL SERVICES HE RECEIVED NO COMPENSATION FOR SERVING AS A DIRECTOR FORM 990, PART VII AND SCHEDULE J, PART II SUPPLEMENTAL COMPENSATION INFORMATION SISTER ANN MARGARET SAVANT, WHO IS LISTED AS A DIRECTOR ON PART VII, RECEIVES COMPENSATION FROM A RELATED ORGANIZATION, BUT HER COMPENSATION IS PAID DIRECTLY TO THE RELIGIOUS CONGREGATION AND NOT TO HER INDIVIDUALLY SINCE THIS COMPENSATION GOES TO THE CONGREGATION, NO FORM W-2 IS ISSUED, AND THUS NO AMOUNTS ARE LISTED ON PART VII, SECTION A OR SCHEDULE J FOR INFORMATIONAL PURPOSES, COMPENSATION PAID FROM CHRISTUS HEALTH SOUTHWESTERN LOUISIANA ON BEHALF OF SISTER ANN MARGARET SAVANT WAS $33,287 FOR SERVICES AS AN ADMITTING REPRESENTATIVE Form 990, Schedule J, Part I, Line 1a Companion Travel TAXABLE COMPENSATION WAS REPORTED TO VARIOUS OFFICERS AND BOARD MEMBERS RELATED TO COMPANION TRAVEL TO CHRISTUS MEETINGS FORM 990, SCHEDULE J, PART I, LINE 3 EXPLANATION OF RELATED ORGANIZATION DETERMINING CEO COMPENSATION 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 FORM 990, SCHEDULE J, PART I, LINE 4B SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN 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 PAYMENT Form 990, schedule J, part I, Line 4b and Form 990, Schedule J, Part II, Column (F) Compensation reported as deferred in Prior Year ELLEN JONES RECEIVED $43,461 DURING CALENDAR YEAR 2013 UNDER A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN WILLIAM HECHT RECEIVED $95,253 DURING CALENDAR YEAR 2013 UNDER A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN THOMAS PERMETTI RECEIVED $34,189 DURING CALENDAR YEAR 2013 UNDER A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN PAUL TREVINO RECEIVED $34,780 DURING CALENDAR YEAR 2013 UNDER A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN RICHARD TYLER RECEIVED $26,270 DURING CALENDAR YEAR 2013 UNDER A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN JANE RAWLS RECEIVED $10,471 DURING CALENDAR YEAR 2013 UNDER A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN D WAYNE MOORE RECEIVED $20,172 DURING CALENDAR YEAR 2013 UNDER A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN DEBORAH MECOM RECEIVED $11,715 DURING CALENDAR YEAR 2013 UNDER A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN FORM 990, SCHEDULE J, PART II, COLUMN B(II) SUPPLEMENTAL COMPENSATION INFORMATION BONUS AND INCENTIVE COMPENSATION MAY INCLUDE AMOUNTS THAT WERE DEFERRED IN A PRIOR YEAR BUT PAID OUT IN CALENDAR YEAR 2013 FORM 990, PART VII, SECTION A AND SCHEDULE J, PART II SUPPLEMENTAL COMPENSATION INFORMATION 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 ELLEN JONES, WILLIAM HECHT, HEATHER BOLER, TOM PERMETTI AND CHARLES FOSTER FORM 990, SCHEDULE J, PART II, COLUMN C DEFERRED COMPENSATION 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 FORM 990, SCHEDULE J, PART II SUPPLEMENTAL COMPENSATION INFORMATION 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

Additional Data

Software ID:
Software Version:
EIN: 76-0591590
Name: Christus Health Southeast Texas

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 (i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other 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
WILLIAM HECHT CFO (term 6/30/14)	(i)	197,483	28,497	116,350	10,284	12,143	364,757	57,152
	(ii)	131,656	18,998	77,567	6,856	8,096	243,173	38,101
PAUL TREVINO dir/pres/ceo (eff 1/16/14)	(i)	338,742	19,137	69,540	100,266	38,540	566,225	34,780
	(ii)	0	0	0	0	0	0	0
D WAYNE MOORE CHRISTUS HOSPITAL COO	(i)	233,653	13,214	76,782	82,574	4,465	410,688	20,172
	(ii)	0	0	0	0	0	0	0
DEBORAH MECOM HOSPITAL ADMINSTRATOR	(i)	163,927	9,524	36,046	66,230	23,233	298,960	11,715
	(ii)	0	0	0	0	0	0	0
TOM PERMETTI coo (term 3/1/14)	(i)	334,648	62,686	34,189	142,764	31,681	605,968	34,189
	(ii)	0	0	0	0	0	0	0
RICHARD L TYLER MD VP MEDICAL AFFAIRS	(i)	330,818	18,589	48,936	136,155	31,089	565,587	26,270
	(ii)	0	0	0	0	0	0	0
ELLEN M JONES PRESIDENT/CEO (term 1/16/14)	(i)	344,721	75,906	104,919	210,317	21,489	757,352	29,038
	(ii)	206,832	45,543	62,951	126,191	12,894	454,411	17,423
JANE RAWLS CHIEF NURSE (term 5/4/14)	(i)	195,128	10,688	26,789	67,506	9,793	309,904	10,471
	(ii)	0	0	0	0	0	0	0
SHAWN ADAMS CFO (eff 3/1/14)	(i)	150,815	5,339	16,198	6,060	28,889	207,301	0
	(ii)	0	0	0	0	0	0	0
RODNEY PAUL GUIDROZ REGIONAL CNE (eff 5/4/14)	(i)	145,663	6,840	38,812	57,142	19,212	267,669	0
	(ii)	0	0	0	0	0	0	0
RACHEL JACQUET RN	(i)	176,863	0	0	5,636	2,564	185,063	0
	(ii)	0	0	0	0	0	0	0
THOMAS WELCH REG DIR PHARMACY	(i)	150,046	0	0	7,138	2,175	159,359	0
	(ii)	0	0	0	0	0	0	0
HEATHER D BOLER REG VP, STRATEGY, BUSINESS	(i)	134,221	16,231	7,027	61,336	26,186	245,001	0
	(ii)	89,481	10,821	4,684	40,890	17,457	163,333	0
CHARLES FOSTER REGIONAL VP OF HUMAN RESOURCES	(i)	143,606	16,660	43,770	58,048	14,879	276,963	0
	(ii)	95,738	11,107	29,180	38,698	9,920	184,643	0
NIKKI MARTIN FACILITY FINANCIAL OFFICER	(i)	135,542	5,063	34,879	24,123	10,670	210,277	0
	(ii)	0	0	0	0	0	0	0
DANIEL FORD FORMER VP MISSION INTEGRATION	(i)	137,994	7,752	7,096	40,208	30,835	223,885	0
	(ii)	0	0	0	0	0	0	0

Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Christus Health Southeast Texas

Employer identification number
76-0591590

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

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

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

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

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

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	No
(1) CHRISTUS SOUTHEAST TEXAS PHO INC	WILLIAM HECHT,OFC,BRD MBR	230,683	SEE PART V		No
(2) CHRISTUS SOUTHEAST TEXAS PHO INC	D W MOORE,KEY EMP,BRD MBR	230,683	SEE PART V		No
(3) SOUTHEAST TEXAS PAIN MANAGEMENT LL	WILLIAM HECHT,OFC,BRD MBR	48,492	SEE PART V		No
(4) SOUTHEAST TEXAS PAIN MANAGEMENT LL	WILLIAM HECHT,OFC,BRD MBR	161,791	SEE PART V		No

Part V Supplemental Information

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

Return Reference	Explanation
BUSINESS TRANSACTIONS WITH INTERESTED PERSONS	SCHEDULE L, PART IV 1) DESCRIPTION OF SERVICES REIMBURSEMENT FOR RENT, SALARIES AND BENEFITS PAID BY CHRISTUS SOUTHEAST TEXAS PHO, INC WILLIAM HECHT IS AN OFFICER OF CHRISTUS HEALTH SOUTHEAST TEXAS AND A BOARD MEMBER OF CHRISTUS SOUTHEAST TEXAS PHO, INC 2) DESCRIPTION OF SERVICES REIMBURSEMENT FOR RENT, SALARIES AND BENEFITS PAID BY CHRISTUS SOUTHEAST TEXAS PHO, INC D WAYNE MOORE IS A KEY EMPLOYEE OF CHRISTUS HEALTH SOUTHEAST TEXAS AND A BOARD MEMBER OF CHRISTUS SOUTHEAST TEXAS PHO, INC 3) DESCRIPTION OF SERVICES PHYSICIAN FEES PAID TO SOUTHEAST TEXAS PAIN MANAGEMENT, LLC WILLIAM HECHT IS AN OFFICER OF CHRISTUS HEALTH SOUTHEAST TEXAS AND A MANAGING BOARD MEMBER OF SOUTHEAST TEXAS PAIN MANAGEMENT, LLC 4) THE AMOUNT LISTED IN COLUMN C IS THE ENDING CAPITAL ACCOUNT PER CHRISTUS HEALTH SOUTHEAST TEXAS' SCHEDULE K-1 FOR YEAR ENDING 6/30/2014 THIS AMOUNT REPRESENTS CHRISTUS HEALTH SOUTHEAST TEXAS' CUMULATIVE INVESTMENT SINCE SOUTHEAST TEXAS PAIN MANAGEMENT, LLC'S INCEPTION WILLIAM HECHT IS AN OFFICER OF CHRISTUS HEALTH SOUTHEAST TEXAS AND A MANAGING BOARD MEMBER OF SOUTHEAST TEXAS PAIN MANAGEMENT, LLC

SCHEDULE O (Form 990 or 990-EZ) Department of the Treasury Internal Revenue Service	Supplemental Information to Form 990 or 990-EZ Complete to provide information for responses to specific questions on Form 990 or to provide any additional information. ▶ Attach to Form 990 or 990-EZ. ▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.	OMB No 1545-0047 2013 Open to Public Inspection

Name of the organization	Employer identification number
Christus Health Southeast Texas	76-0591590

Return Reference	Explanation	
	FORM 990, PAGE 1, ITEM C	DOING BUSINESS AS CHRISTUS HEALTH SOUTHEAST TEXAS OPERATES UNDER THE FOLLOWING NAMES CHRISTUS Hospital CHRISTUS Hospital-St Elizabeth CHRISTUS Hospital-St Mary Healthy Options Cafe CHRISTUS Care Advantage Southeast Texas CHRISTUS Outpatient Center CHRISTUS Jasper Memorial Hospital CHRISTUS Spine and Orthopedic Specialty Center CHRISTUS Orthopedic Specialty Center St Mary CHRISTUS Orthopedic Specialty Center CHRISTUS Jasper Memorial Center for Rehabilitation Medicine CHRISTUS Vein Specialists CHRISTUS Pain Management Center St Elizabeth PROGRAM SERVICE ACCOMPLISHMENTS FORM 990, PART III, LINE 4D COMMUNITY SERVICES FOR THE POOR AND UNDERSERVED ROOTED IN OUR MISSION AND TRADITION, THE FOUNDERS AND SPONSORS OF CHRISTUS HEALTH AND THOSE WHO CO-MINISTER WITH THEM SEEK NEW AND INNOVATIVE WAYS OF DELIVERING QUALITY HEALTH CARE THAT ARE BOTH AFFORDABLE AND ACCESSIBLE TO ALL TODAY, MORE THAN EVER, WE MUST AIM TO IMPROVE THE TOTAL HEALTH STATUS OF THE COMMUNITY THROUGH PROGRAMS THAT PLACE OUR SERVICES WHERE THEY ARE NEEDED MOST, WITH SPECIAL ATTENTION AND PREFERENCE GIVEN TO PROGRAMS THAT SUPPORT AND BENEFIT THE HEALTH AND WELFARE OF THE POOR AND UNDERSERVED COMMUNITY SERVICES FOR THE POOR AND UNDERSERVED REPRESENT 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 INITIATIVES THAT REACH OUT TO THOSE IN NEED THROUGH COMMUNITY HEALTH AND SOCIAL PROGRAMS THESE PROGRAMS SEEK JUSTICE FOR THE VULNERABLE AND WORK TO BRING ABOUT CHANGES IN OUR POLITICAL AND ECONOMIC SYSTEMS THE PROGRAMS COVER A BROAD SPECTRUM OF SERVICES FROM COMMUNITY CLINICS TO IMMUNIZATIONS FOR CHILDREN AND SENIORS, MEALS ON WHEELS, TRANSPORTATION SERVICES, HOME REPAIR PROJECTS AND A VARIETY OF OTHER SOCIAL SERVICES ONE EXAMPLE OF CHRISTUS HEALTH COMMUNITY BENEFITS ACCOUNTED FOR UNDER COMMUNITY SERVICES FOR THE POOR AND UNDERSERVED INCLUDE THE CHRISTUS COMMUNITY DIRECT INVESTMENT PROGRAM (CDI) THE CHRISTUS BOARD OF DIRECTORS APPROVED THE FUNDING OF A CDI LOAN PROGRAM TO ENSURE THAT THE WORK OF SOCIAL ACCOUNTABILITY AND MORAL AND ETHICAL STEWARDSHIP CONTINUES IN SPITE OF CHALLENGING FISCAL CONDITIONS FACED BY THE LOCAL OPERATING ENTITIES THE PURPOSE OF THE CDI PROGRAM IS TO SUPPORT COMMUNITY- DRIVEN INITIATIVES PRIMARILY FOR AFFORDABLE HOUSING AND ECONOMIC DEVELOPMENT BY PROVIDING FINANCING AT BELOW-MARKET INTEREST RATES TO NONPROFIT ORGANIZATIONS AT TERMS NOT EXCEEDING MORE THAN FIVE YEARS THE INCOME THAT IS LOST FROM THE MARKET RATE LESS OUR LOAN RATE (FOREGONE INCOME) IS CONSIDERED A COMMUNITY BENEFIT FOR REPORTING PURPOSES THE COST OF THIS PROGRAM IS NOT INCLUDED IN THE PROGRAM SERVICE EXPENSES FOR CHRISTUS HEALTH SOUTHEAST TEXAS THOUGH OUTSTANDING LOAN BALANCES VARY THROUGHOUT THE YEAR, THE OUTSTANDING LOAN BALANCE AT THE END OF FISCAL YEAR 2014 WAS $161,174 THE FOREGONE INTEREST FOR CHRISTUS HEALTH SOUTHEAST TEXAS IN FY 2014 WAS $896 CHRISTUS HEALTH HAS ESTABLISHED THE CHRISTUS FUND TO PROVIDE RESOURCES TO NONPROFIT AGENCIES AND GROUPS WHOSE VISION, MISSION AND GOALS ARE CONSISTENT WITH CHRISTUS HEALTH'S MISSION, VALUES AND PHILOSOPHY OF A HEALTHY COMMUNITY WE BELIEVE THAT BY WORKING TOGETHER, WE CAN MAKE A PROFOUND DIFFERENCE IN THE QUALITY OF PEOPLES ' LIVES AND CREATE SUSTAINABLE HEALTH IN OUR COMMUNITIES DURING FY2014, THE TOTAL GRANT MONEY DISTRIBUTED BY CHRISTUS HEALTH TO THE SOUTHEAST TEXAS REGION WAS $99,500 THE COST OF THESE GRANTS IS NOT INCLUDED IN THE PROGRAM SERVICE EXPENSES FOR CHRISTUS HEALTH SOUTHEAST TEXAS SEVERAL CHRISTUS REGIONS PROVIDE INDIGENT FUNDING DONATIONS OR "GRANTS" TO AID THE COUNTIES IN WHICH THEY, OR ANOTHER CHRISTUS REGION, SERVE. SUCH GRANTS MAY BE PAID TO THE COUNTY DIRECTLY OR VIA ANOTHER HOSPITAL OR HEALTHCARE ORGANIZATION IN THE AREA THIS CHARITABLE DONATION HELPS RELIEVE THE ADDITIONAL EXPENSE OF HEALTHCARE FOR THE INDIGENT POPULATION WITHIN THE COMMUNITIES THAT CHRISTUS MAY NOT DIRECTLY SERVE IN ONE OF OUR HOSPITALS THIS IS A RESULT OF OUR MISSION TO EXTEND THE HEALING MINISTRY OF JESUS CHRIST, ESPECIALLY TO THE POOR AND UNDERSERVED PROGRAM SERVICE EXPENSE = $10,859,053 GRANTS = $10,793,522 PROGRAM SERVICE REVENUE = $0 PROGRAM SERVICE ACCOMPLISHMENTS FORM 990, PART III, LINE 4D COMMUNITY SERVICES FOR THE BROADER COMMUNITY THE GREATEST SHARE OF THESE EXPENSES IS SPENT EDUCATING HEALTH PROFESSIONALS HELPING TO PREPARE FUTURE HEALTH CARE PROFESSIONALS IS A DISTINGUISHING CHARACTERISTIC OF NONPROFIT HEALTH CARE AND CONSTITUTES A SIGNIFICANT COMMUNITY BENEFIT THE THREE FACILITIES (CHRISTUS HOSPITAL - ST ELIZABETH, CHRISTUS HOSPITAL - ST MARY AND CHRISTUS JASPER MEMORIAL HOSPITAL) PROVIDE A NUMBER OF SERVICES FOR THE BENEFIT OF THE COMMUNITY -- INCLUDING LEADERSHIP ACTIVITIES CHRISTUS HEALTH ALSO USED CASH DONATIONS AS A VEHICLE TO HELP OUR COMMUNITIES WE MADE CASH DONATIONS, IN ADDITION TO GRANTS AWARDED THROUGH THE CHRISTUS FUND, TO SUPPORT CAU

Return Reference	Explanation	
	FORM 990, PAGE 1, ITEM C	SES LIKE THE FIGHT AGAINST CANCER, PROVISION OF A CONTINUUM OF CARE FOR OUR ELDERLY, HIV/AIDS, AND FOR MANY OTHER EQUALLY WORTHY PURPOSES DURING FY 2014, CHRISTUS HEALTH ADVOCATED FOR IMPROVING PUBLIC POLICIES, WORKING TO ESTABLISH, AND IN SOME INSTANCES AUGMENT, GRASS ROOTS ADVOCACY AND GREATER ACCESS TO HEALTH CARE SERVICES FOR THE CONSTITUENTS WE SERVE P ROGRAM SERVICE EXPENSE = $572,271 GRANTS = $311,179 PROGRAM SERVICE REVENUE = $0

Return Reference	Explanation	
	FORM 990, PART VI, SECTION A, LINE 2	DESCRIPTION OF RELATIONSHIPS WILLIAM HECHT, D WAYNE MOORE AND PAUL TREVINO HAVE A BUSINES S RELATIONSHIP BECAUSE EACH PERSON IS AN OFFICER OR BOARD MEMBER OF HEALTH VENTURES OF SOU THEAST TEXAS WILLIAM HECHT AND D WAYNE MOORE HAVE A BUSINESS RELATIONSHIP BECAUSE EACH P ERSON SERVES AS AN OFFICER OR BOARD MEMBER OF CHRISTUS SOUTHEAST TEXAS PHO, INC FORM 990, PART VI, SECTION A, LINE 6 DESCRIPTION OF CLASSES OF MEMBERS OR STOCKHOLDERS CHRISTUS HEA LTH IS THE SOLE CORPORATE MEMBER OF THE FILING ORGANIZATION FORM 990, PART VI, SECTION A, LINE 7A DESCRIPTIONS OF CLASSES OF PERSONS AND THE NATURE OF THEIR RIGHTS CHRISTUS HEALTH , THE SOLE CORPORATE MEMBER OF THE FILING ORGANIZATION, HAS THE POWER TO APPOINT ALL MEMBE RS OF THE FILING ORGANIZATION'S GOVERNING BODY FORM 990, PART VI, SECTION A, LINE 7B DESC R CLASSES OF PERSONS, DECISIONS REQUIRING APPR & TYPE OF VOTING RIGHTS CHRISTUS HEALTH'S B OARD OF DIRECTORS HAS THE FOLLOWING POWERS APPROVE, CHANGE AND/OR INTERPRET THE FILING OR GANIZATION'S PHILOSOPHY, MISSION AND VISION, APPROVE THE ADOPTION OR AMENDMENT OF THE FILI NG ORGANIZATION'S ARTICLES OF INCORPORATION AND BYLAWS, APPOINT AND REMOVE MEMBERS OF THE FILING ORGANIZATION'S BOARD OF DIRECTORS, APPOINT AND REMOVE THE FILING ORGANIZATION'S CHA IR OF THE BOARD OF DIRECTORS AND VICE CHAIRPERSON OF BOARD OF DIRECTORS, APPROVE INCURRENC E OF DEBT THAT EXCEEDS $5 MILLION PER INCURRENCE OR $25 MILLION ANNUALLY, APPROVE ANY MERG ER, CONSOLIDATION, ACQUISITION, DISSOLUTION OR LIQUIDATION BY THE FILING ORGANIZATION, APP ROVE THE IMPLEMENTATION OF SYSTEM-WIDE POLICIES FOR THE FILING ORGANIZATION, APPROVE SYSTE M-WIDE CONSOLIDATED BUDGET AND PERFORMANCE INDICATORS FOR THE FILING ORGANIZATION, APPROVE THE INDEPENDENT AUDIT REPORTS OF THE FILING ORGANIZATION, APPROVE CAPITAL PROJECTS GREATE R THAN $10 MILLION FOR THE FILING ORGANIZATION, APPROVE ANY TRANSACTION BY THE FILING ORGA NIZATION THE EFFECT OF WHICH IS TO CREATE A NEW LEGAL ENTITY OR JOINT VENTURE, ANY TRANSAC TION INVOLVING A SYSTEM PARTICIPANT OR LOCAL ENTITY WHICH CREATES A NEW LEGAL ENTITY OR JO INT VENTURE, OR CHANGES IN BUSINESS PURPOSE OR RELATIONSHIP OF ANY LOCAL ENTITY, AND APPRO VE AND AUTHORIZE ACTIONS RESERVED IN ORGANIZATION DOCUMENTS OR SIMILAR GOVERNANCE DOCUMENT S THE CHRISTUS HEALTH CEO HAS THE FOLLOWING POWERS POWER TO APPOINT AND REMOVE THE PRESI DENT OF THE FILING ORGANIZATION, APPROVE THE SALE, LEASE, MORTGAGE, TRANSFER, EASEMENT OR ENCUMBRANCE OF THE FILING ORGANIZATION'S REAL PROPERTY DESIGNATED AS NON-DESIGNATED MINIST RY PROPERTY UNDER $5 MILLION BUT MORE THAN $1 MILLION, APPROVE THE INCURRENCE OF DEBT UP T O A $5 MILLION CAP OR $25 MILLION ANNUALLY BY THE FILING ORGANIZATION, APPROVE STRATEGIC P LANS OF THE FILING ORGANIZATION, APPROVE THE FILING ORGANIZATION'S BUDGET, SET THE THRESHO LD OF CAPITAL PROJECTS LESS THAN $10 MILLION BY THE FILING ORGANIZATION, AND APPROVE MANAG EMENT DIRECTIVES FOR THE FILING ORGANIZATION THE CHRISTUS HEALTH MEMBERS ARE THE CONGREGA TION OF SISTERS OF CHARITY OF THE INCARNATE WORD, HOUSTON, TEXAS AND THE CONGREGATION OF S ISTERS OF CHARITY OF THE INCARNATE WORD (OF SAN ANTONIO) THE CHRISTUS HEALTH MEMBERS HAVE THE FOLLOWING POWERS APPROVE THE ADOPTION AND AMENDMENT OF ARTICLES OF INCORPORATION AND BYLAWS OF THE FILING ORGANIZATION IF THE CHANGE IS RELATED TO RESERVED POWERS OF MEMBERS, APPROVE THE SALE, LEASE, MORTGAGE, TRANSFER, EASEMENT OR ENCUMBRANCE OF REAL PROPERTY IN EXCESS OF A $5 MILLION THRESHOLD DOLLAR AMOUNT REQUIRED BY CANON LAW FOR THE FILING ORGANI ZATION, APPROVE THE SALE, LEASE, MORTGAGE, TRANSFER, EASEMENT, OR ENCUMBRANCE OF REAL PROP ERTY DESIGNATED AS DESIGNATED MINISTRY PROPERTY BY THE FILING ORGANIZATION, BUT NOT IN EXC ESS OF $5 MILLION, APPROVE THE CHANGE OF OWNERSHIP, MANAGEMENT OR CONTROL, (EXCEPT IN THE ORDINARY COURSE OF BUSINESS OFFICE AND SPACE LEASES) THE FUNDAMENTAL USE BY CHANGE IN LICE NSE THAT WOULD SIGNIFICANTLY CHANGE A FACILITY, OR THE ELIMINATION OF OB, PED, PSYCH OR EM ERGENCY SERVICES ON REAL PROPERTY PROVIDED IN CONNECTION WITH DESIGNATED MINISTRY PROPERTY OWNED BY THE FILING ORGANIZATION, AND APPROVE THE MERGER, CONSOLIDATION, ACQUISITION, DIS SOLUTION OR LIQUIDATION OF THE FILING ORGANIZATION IF IT OWNS DESIGNATED MINISTRY PROPERTY FORM 990, PART VI, SECTION B, LINE 11B PROCESS USED TO REVIEW FORM 990 THE FORM 990 IS P REPARED AND REVIEWED BY THE ORGANIZATION'S EXTERNAL INDEPENDENT ACCOUNTANTS THE CHRISTUS HEALTH ACCOUNTING DEPARTMENT WORKS WITH AN EXTERNAL ACCOUNTING FIRM IN PREPARATION AND REV IEW OF THE FORM 990 THE FILING ORGANIZATION'S CFO, OR OTHER DESIGNEE, REVIEWS THE FORM 99 0 THE FINAL FORM 990 THAT WILL BE FILED WITH THE IRS IS POSTED TO A SECURE INTERNET PORTA L FOR ALL MEMBERS OF THE BOARD OF DIRECTORS TO VIEW REVIEW OF THE FINAL FORM 990 OCCURS P RIOR TO FILING WITH THE IRS IN THE SPRING OF 2015 VIA EITHER MEETING, CONFERENCE CALL, OR WEB PORTAL POLLING TOOL BY THE RESPECTIVE CHRISTUS ORGANIZATION'S BOARD, BASED ON A SET OF SUGGESTED REVIEW PROCESSES DEVELOPED BY CHRISTUS

Return Reference	Explanation	
	FORM 990, PART VI, SECTION A, LINE 2	HEALTH FORM 990, PART VI, SECTION B, LINE 12C DESCRIPTION OF PROCESS TO MONITOR TRANSACTI ONS FOR CONFLICT OF INTEREST AT THE END OF EACH CALENDAR YEAR, THE CHRISTUS HEALTH CORPORA TE 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 DI SCLOSED OR EXISTS THE ORGANIZATION'S BOARD OF DIRECTORS IS RESPONSIBLE FOR ENFORCEMENT OF THE CONFLICT OF INTEREST POLICY OF THE ORGANIZATION

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINES 15A & 15B	COMPENSATION DETERMINATION PROCESS 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 KEY EMPLOYEES OF RELATED ORGANIZATIONS, including CHRISTUS Health Southeast Texas 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 THE FILING ORGANIZATION DETERMINES THE COMPENSATION OF THE 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 THE COMPENSATION RATES ARE APPROVED BY THE FILING ORGANIZATION BASED ON THE AFOREMENTIONED PROCEDURE, THE SECRETARY'S COMPENSATION IS NOT REVIEWED BY A COMPENSATION COMMITTEE FORM 990, PART VI, SECTION C, LINE 18 PUBLIC DISCLOSURE OF 1023 AND FORMS 990 & 990-T 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 ORGANIZATIONS 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 FORM 990, PART VI, SECTION C, LINE 19 AVAIL OF GOVERNING DOCS, CONFLICT OF INTEREST POLICY AND FIN STMTS 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

Return Reference	Explanation
form 990, part xi, line 9	OTHER CHANGES IN NET ASSETS OR FUND BALANCE PENSION LIABILITY/EXPENSE $6,437,583 PENSION FUNDING ($3,209,000) OTHER ($110,428) INTERCOMPANY GRANTS ($86,742) RESTRICTED FUNDS RELEASED $50,000 TRANSFER OF RESTRICTED DONATIONS $34,462 TRANSFER FROM CIP TO BUILDING $2,280 TRANSFERS TO OTHER REVENUE-VOLUNTEER FUND $9 ------------------- TOTAL $3,118,164

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule R (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047
2013
Open to Public Inspection

Name of the organization
Christus Health Southeast Texas

Employer identification number
76-0591590

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

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

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) ST ELIZABETH REHAB PARTNERS LLP 2830 CALDER BEAUMONT, TX 777021809 20-5657181	HEALTHCARE SRVCS	TX	HLTH VT OF SETX	N/A				No	0		No	
(2) SOUTHEAST TEXAS PAIN MNGMNT LLC PO BOX 5405 BEAUMONT, TX 77726 26-1678856	PAIN MGMT HLTH SV	TX	SETX	RELATED	21,366	161,791		No	0	Yes		51 000 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) CHRISTUS SOUTHEAST TX PHYS HOSP ORG 3010 HARRISON STREET SUITE 202 BEAUMONT, TX 77702 76-0429902	MEDICAL Svcs	TX	SETX	C Corp	200,262	476,887	100 000 %	Yes	
(2) HEALTH VENTURES OF SOUTHEAST TEXAS INC 1700 WEST LOOP SOUTH SUITE 400A HOUSTON, TX 77027 76-0397263	BUILDING RENT	TX	SETX	C Corp	212,098	749,868	100 000 %	Yes	
(3) CHRISTUS Muguerza SAPI de CV Hidalgo PTE 2525 COL Obispado, Monterrey, N L 64060 MX	HEALTHCARE Sv	MX	CH	C Corp					
(4) Emerald Assurance Cayman LTD PO Box 1051 GRAND CAYMAN KY1-1102 CJ 98-0407545	INSURANCE	CJ	CH	C CORP					

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule			
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a	Yes	
b Gift, grant, or capital contribution to related organization(s)	1b	Yes	
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h	Yes	
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j	Yes	
k Lease of facilities, equipment, or other assets from related organization(s)	1k		No
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	Yes	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	Yes	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o Sharing of paid employees with related organization(s)	1o	Yes	
p Reimbursement paid to related organization(s) for expenses	1p	Yes	
q Reimbursement paid by related organization(s) for expenses	1q	Yes	
r Other transfer of cash or property to related organization(s)	1r		No
s Other transfer of cash or property from related organization(s)	1s	Yes	

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

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

Part VI **Unrelated Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V?UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Part VII Supplemental Information

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

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 76-0591590
Name: Christus Health Southeast Texas

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 SVC	TX	501(C)(3)	3	CH	Yes	
(1) CHRISTUS HEALTH CENTRAL LOUISIANA 3330 MASONIC DRIVE ALEXANDRIA, LA 71301 72-0408984	HLTHCARE SVC	LA	501(C)(3)	3	CH	Yes	
(2) CHRISTUS HEALTH GULF COAST PO BOX 922037 HOUSTON, TX 77292 76-0591592	HLTHCARE SVC	TX	501(C)(3)	3	CH	Yes	
(3) CHRISTUS HEALTH NORTHERN LOUISIANA ONE SAINT MARY PLACE SHREVEPORT, LA 71101 72-0408982	HLTHCARE SVC	LA	501(C)(3)	3	CH	Yes	
(4) CHRISTUS SPOHN HEALTH SYSTEM CORPORATION 600 ELIZABETH STREET CORPUS CHRISTI, TX 78404 74-1109836	HLTHCARE SVC	TX	501(C)(3)	3	CH	Yes	
(5) CHRISTUS Health 919 Hidden Ridge Drive HOUSTON, TX 75038 76-0590551	SUPT HLTH SVC	TX	501(C)(3)	9	NA		No
(6) CHRISTUS HEALTH SOUTHWESTERN LOUISIANA 524 DR MICHAEL DEBAKEY DRIVE LAKE CHARLES, LA 70601 72-0411322	HLTHCARE SVC	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 SVC	TX	501(C)(3)	3	CH	Yes	
(8) CHRISTUS Continuing Care 1700 West Loop South Ste 1100 HOUSTON, TX 77027 74-2898615	HLTHCARE SVC	TX	501(C)(3)	3	CH	Yes	
(9) CH WILKINSON PHYSICIAN NETWORK 1700 WEST LOOP SOUTH STE 400B HOUSTON, TX 77027 76-0422435	HLTHCARE SVC	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 SVC	TX	501(C)(3)	3	CH	Yes	
(12) CHRISTUS HEALTH FOUNDATION 919 Hidden Ridge Drive HOUSTON, TX 75038 61-1500100	SUPT HLTH SVC	TX	501(C)(3)	11 - TYPE I	CH	Yes	
(13) CHRISTUS HEALTH FND OF SETX 2830 CALDER BEAUMONT, TX 77702 76-0136274	SUPT HLTH SVC	TX	501(C)(3)	11 - TYPE I	SETX	Yes	
(14) Christus Health Liability Retention TRST 919 Hidden Ridge Drive Houston, TX 75038 76-0259623	Insurance	TX	501(C)(3)	11 - TYPE I	CH	Yes	
(15) 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	
(16) CHRISTUS HEALTH PLAN LOUISIANA 919 HIDDEN RIDGE DRIVE IRVING, TX 75038 46-4617988	MEDICAID HMO	LA	501(C)(3)	9	CH	Yes	
(17) CHRISTUS HEALTH PLAN NEW MEXICO 919 HIDDEN RIDGE DRIVE IRVING, TX 75038 46-4487295	MEDICAID HMO	NM	501(C)(3)	9	CH	Yes	
(18) 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
CH WILKINSON PHYSICIAN NETWORK	M	978,580	ACCRUAL
CH WILKINSON PHYSICIAN NETWORK	J	562,275	ACCRUAL
CHRISTUS CONTINUING CARE	L	12,939,096	ACCRUAL
CHRISTUS CONTINUING CARE	M	11,206,901	ACCRUAL
CHRISTUS CONTINUING CARE	J	1,028,448	ACCRUAL
CHRISTUS Health Gulf Coast	O	355,441	ACCRUAL
CHRISTUS Health Gulf Coast	L	69,020	ACCRUAL
CHRISTUS Health Gulf Coast	P	280,692	ACCRUAL
CHRISTUS Health Liability Retention Trust	P	579,312	ACCRUAL
Southeast Texas Pain Management Center LLC	M	59,052	ACCRUAL
St Elizabeth Rehab Partners LLP	L	2,400,842	ACCRUAL
St Elizabeth Rehab Partners LLP	M	1,876,140	ACCRUAL
St Elizabeth Rehab Partners LLP	A(IV)	259,160	ACCRUAL
St Elizabeth Rehab Partners LLP	Q	53,142	ACCRUAL
CH SETX PHYSICIAN HOSPITAL ORGANIZATION	O	176,444	ACCRUAL
CH SETX PHYSICIAN HOSPITAL ORGANIZATION	M	59,500	ACCRUAL
CH SETX PHYSICIAN HOSPITAL ORGANIZATION	A(IV)	19,728	ACCRUAL
CHRISTUS HEALTH FOUNDATION OF SOUTHEAST TEXAS	C	50,000	ACCRUAL
CHRISTUS HEALTH FOUNDATION OF SOUTHEAST TEXAS	O	178,546	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

Contents

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	June 30 2013
	(In Thousands)	
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

1407-1279284

	June 30 2014	June 30 2013
	(In Thousands)	
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
	(In Thousands)	
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
	(In Thousands)	
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 *(Note 16)*	**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
	(In Thousands)	
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 payor 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	**547,232**	(188.955)
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 *(Note 18)*	**(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	**(153,368)**	204.406

CHRISTUS Health

Consolidated Statements of Cash Flows (continued)

	Year Ended June 30 2014	2013
	(In Thousands)	
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

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

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

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

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

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

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

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)

	2014	2013
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	**$ 124,545**	$ 89,730

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

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

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

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

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

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

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

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

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 Service Revenue	% of Total	2013 Patient Service 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

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

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

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)

	2014	2013
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
	$ 1,929,205	$ 2,102,654

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

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

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)

	2014	2013
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	**$ 621,444**	$ 761,095

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

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			
	Level 1	**Level 2**	**Level 3**	**Total**
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	818,753	635,194	71,064	1,525,011
Total assets at fair value	$ 818,753	$ 635,194	$ 71,064	$ 1,525,011
Liabilities				
Interest rate swap agreements	$ –	$ 91,810	$ –	$ 91,810
Total liabilities at fair value	$ –	$ 91,810	$ –	$ 91,810

6. Fair Value Measurements (continued)

	2013			
	Level 1	**Level 2**	**Level 3**	**Total**
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	$ 736,384	$ 926,082	$ 64,934	$ 1,727,400
Total assets at fair value	$ 736,384	$ 926,082	$ 64,934	$ 1,727,400
Liabilities				
Interest rate swap agreements	$ –	$ 92,624	$ –	$ 92,264
Total liabilities at fair value	$ –	$ 92,624	$ –	$ 92,264

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 marked 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

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

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

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 Pontifica 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 Immobiliaria 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

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

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 Mugerza		**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 Mugerza, S A de C V , CHRISTUS Health Strategic Growth and related entities, and various philanthropic foundations

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

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	$ 905,453

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

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)

					Fair Value		Change in Fair Value		(Paid)/Received	
Counterparty	Description	Termination Date	Interest Rate Agreements	Notional Amount	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 Payor	2031	1 2	197,075 204,925	**(23,311)**	(23,991)	**680**	11,116	**(6,085)**	(6,267)
* Citigroup	Fixed Payor	2047	2	166,100	**(39,222)**	(38,490)	**(732)**	17,605	**(5,515)**	(5,467)
* Citigroup	Fixed Payor	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

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

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	**$ 10,868**	$ 33,559	**$ 107**	$ 678	**$ (61)**	$ (481)	**$ 469**	$ 577

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	**$ (24,468)**	$ (95,141)

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	**$ 897,510**	$ 851.106	**$ 13,860**	$ 16.481	**$ 4,673**	$ 4.734	**$ 2,616**	$ 3.916
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	**$ 868,509**	$ 782.464	**$ –**	$ –	**$ –**	$ –	**$ –**	$ –
Funded status of the plans	**$ (29,001)**	$ (68.642)	**$ (13,860)**	$ (16.481)	**$** (4.673)	$ (4.734)	**$ (2,616)**	$ (3.916)
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)
	$ 102,493	$ 123.002	**$ (10,399)**	$ (8.497)	**$** –	$ –	**$ 943**	$ 1.003

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

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	
	2014	**2013**
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
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

	Postretirement	
	1% Point Increase	**1% Point Decrease**
	(In Thousands)	
Effect on total of service cost and interest cost components	$ 75	$ (66)
Effect on postretirement benefit obligation	1,085	(977)

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

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

	2014	2013
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	**100.0%**	100 0%

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)

	Level 1	Level 2	Level 3	Total
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	**189,680**	**250,583**	**428,246**	**868,509**
Total assets at fair value	**$ 189,680**	**$ 250,583**	**$ 428,246**	**$ 868,509**

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**

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

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

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

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

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

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

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**

18. International Operations

CHRISTUS Muguerza

The System owns a 77 2% interest in CHRISTUS Muguerza, S A de C V (CHRISTUS Muguerza), headquartered in Monterrey, Mexico CHRISTUS Muguerza 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 Muguerza are presented in accordance with accounting principles generally accepted in the United States and are consolidated in the CHRISTUS consolidated financial statements CHRISTUS Muguerza 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 Muguerza 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 Muguerza 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

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 Servicos Clinicos San Carlos Apoquindo S A and Inmobilaria Clinicos San Carlos Apoquindo S A (collectively referred to as "San Carlos")

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 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

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) operates as a long-term care facility HMCH will lease the St Catherine facility from HMSCRE Real Property Company

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

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*©, 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
	(Unaudited)	
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

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	$ 2,777,184	$ 2,241,172	$ 536,012

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 Chain 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	624,986	275,716	349,270	46,873	48,413	(3,023)	1,366	117
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	1,816,513	383,121	1,433,392	112,833	99,901	11,405	1,410	117
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	2,629,473	474,796	2,154,677	424,247	413,093	22,926	(11,655)	–
Temporarily restricted	136,241	52,997	83,244	238	227	4	7	–
Permanently restricted	11,470	8,219	3,251	–	–	–	–	–
Total net assets	2,777,184	536,012	2,241,172	424,485	413,320	22,930	(11,648)	–
Total liabilities and net 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 Welness 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 Chain 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 Mary 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**

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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

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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 Chain 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	241,914	125,025	116,889
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	25,314	24,445	869
Permanently restricted net assets			
Net change in beneficial interest	(141)	(141)	–
Other	(6,000)	(6,253)	253
Changes in permanently restricted net assets	(6,141)	(6,394)	253
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	$ 2,607,366	$ 2,178,894	$ 428,472

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)

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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)

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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	679,918	231,924	447,994	40,421	33,046	4,758	2,500	117
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	2,089,533	353,922	1,735,611	117,913	93,412	21,884	2,500	117
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	2,476,623	370,044	2,106,579	429,312	408,688	31,138	(10,397)	–
Temporarily restricted	114,858	49,079	65,779	238	227	4	7	–
Permanently restricted	15,885	9,349	6,536	–	–	–	–	–
Total net assets	2,607,366	428,472	2,178,894	429,550	408,915	31,142	(10,390)	–
Total liabilities and net assets	$ 4,696,899	$ 782,394	$ 3,914,505	$ 547,463	$ 502,327	$ 53,026	$ (7,890)	$ 117

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 Cabrini 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 Chain 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)

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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 Cabrini 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 Chain 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 Pain 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

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

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**

June 30, 2014
(In Thousands)

	Schumpert Health System	Schumpert Highland Hospital	Northern Louisiana MSO	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

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 Cabrini Hospital	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
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 Chain 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 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)
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 Pain 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

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

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 MSO	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**

June 30, 2014
(In Thousands)

	St Frances Cabrini Hospital	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
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 Chain 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

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**	$ –

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

June 30, 2014
(In Thousands)

	Health Ventures of Southeast Texas	Southeast Texas Pain 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 MSO	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 Cabrini Hospital	Coushatta Health Care	St Joseph Nursing Home	St Frances Cabrini 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	$ –	$ –	$ –

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 Chain 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	Stehlin 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)

June 30, 2014
(In Thousands)

	Clinical 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

June 30, 2013
(In Thousands)

	Health Ventures of Southeast Texas	Southeast Texas Pain 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)**

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CHRISTUS Health

Consolidating Financial Statements (continued)

June 30, 2013
(In Thousands)

	Corporate and Eliminations	CHRISTUS Strategic Growth	Amatista	TLRA	Revenue Cycle Business Services	Supply Chain Management	Corporate office	Stehlin 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**	$ –

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 Pain 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

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	**55,267**	(220,156)	(56,728)	156,080	14,106	919	57,568	(99,301)
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	**270,773**	(135,864)	4,774	207,396	19,817	10,635	57,568	(96,343)
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	**671,923**	596,679	(31,207)	23,584	72,425	20,326	(26,314)	9,693
Temporarily restricted	**6,367**	16	–	–	–	–	–	29
Permanently restricted	**2,012**	–	–	–	–	–	–	–
Total net assets	**680,302**	596,695	(31,207)	23,584	72,425	20,326	(26,314)	9,722
Total liabilities and net 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 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	–	–
Payable 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 MSO	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**

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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	–	–	–	–	–	–	–
Payable 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 Cabrini Hospital	Coushatta Health Care	St Joseph Nursing Home	St Frances Cabrini 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 Louisisna Non-Obligated Eliminations	**Physician Group**	**Corporate and Eliminations**	CHRISTUS Strategic Growth	Amatista	TLRA	Revenue Cycle Business Services	Supply Chain 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	Stehlin 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)

	Clinical 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 Dubuis 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**
Payable 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 (Mexica)
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 Pain 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

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)	$ –

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 MSO	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	$ –	$ –

June 30, 2013
(In Thousands)

	Central Louisiana Region	St Frances Cabrini Hospital	Coushatta Health Care	St Joseph Nursing Home	St Frances Cabrini 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 Chain 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	Stehlin 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)

	Clinical 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 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)	$ –	$ 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