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Part IIISTatement of Program Service Accomplishments

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

1Briefly describe the organization’s mission

ST VINCENT HOSPITAL IS ORGANIZED TO PROVIDE COMPREHENSIVE HEALTH SERVICES, PROVIDE MEDICAL, NURSING AND HEALTH EDUCATION PROGRAMS, ENCOURAGE RESEARCH AND WAYS TO SAVE HUMAN LIFE, MINIMIZE HUMAN SUFFERING AND IMPROVE HEALTH SERVICES, AND MOBILIZE ALL COMMUNITY SUPPORT AND RESOURCES TO SERVE THE COMPREHENSIVE NEEDS OF THE CORPORATION'S COMMUNITY AND THE STATE OF NEW MEXICO

2Did 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

3Did 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

4Describe 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

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   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| 4a | (Code ) (Expenses \$ 164,406,335 including grants of \$ 0 ) (Revenue \$ 214,804,636 )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             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|    | COMMITMENT TO BENEFITING OUR COMMUNITIES - PATIENT CARE SERVICES ST VINCENT HOSPITAL, LOCATED IN SANTA FE, NEW MEXICO, IS A COMMUNITY-BASED, PRIVATE, NONPROFIT HOSPITAL SERVING MORE THAN 300,000 PEOPLE IN SEVEN COUNTIES IN A 19,000-SQUARE-MILE AREA, ENCOMPASSING NORTH CENTRAL AND NORTHEASTERN NEW MEXICO AND SOUTHERN COLORADO ST VINCENT WAS FOUNDED IN 1865 BY THE SISTERS OF CHARITY AND IS NEW MEXICO'S FIRST HOSPITAL AND THE LARGEST PRIVATE EMPLOYER IN THE CITY OF SANTA FE ST VINCENT'S MISSION IS AS FOLLOWS OUR HEALING MINISTRY IS TO IMPROVE LIVES BY PROVIDING EXCELLENT, COMPASSIONATE HEALTHCARE TO THE PATIENTS AND FAMILIES WE SERVE WE CARE FOR ALL THE PEOPLE OF SANTA FE, NORTHERN NEW MEXICO AND SOUTHERN COLORADO, REGARDLESS OF THEIR ABILITY TO PAY OUR VISION IS EXCEPTIONAL MEDICINE, EXTRAORDINARY CARE, EVERY PERSON, EVERY DAY IN APRIL 2008, CHRISTUS HEALTH AND ST VINCENT REGIONAL MEDICAL CENTER FINALIZED THE FORMATION OF A PARTNERSHIP THAT ALLOWED ST VINCENT TO BENEFIT FROM THE RESOURCES OF CHRISTUS HEALTH'S INTERNATIONAL 60-HOSPITAL SYSTEM ST VINCENT IS DESIGNATED AS A "SOLE COMMUNITY PROVIDER" BY THE CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS) AND IS ACCREDITED BY THE JOINT COMMISSION ON THE ACCREDITATION OF HEALTHCARE ORGANIZATIONS (JCAHO) ST VINCENT HOSPITAL IS THE ONLY TRAUMA CENTER (LEVEL III) IN NORTH CENTRAL/NORTHEASTERN NEW MEXICO AS THE LARGEST HOSPITAL FACILITY NORTH OF ALBUQUERQUE, NEW MEXICO AND SOUTH OF PUEBLO, COLORADO, ST VINCENT HAS 268 LICENSED BEDS, 24 PHYSICIAN AND OUTPATIENT LOCATIONS, AND 380 MEDICAL STAFF REPRESENTING 54 MEDICAL SPECIALTIES (85 EMPLOYED PHYSICIANS) IN FISCAL YEAR 2014, ST VINCENT HOSPITAL SERVED NEARLY HALF A MILLION INDIVIDUALS, INCLUDING 49,824 VISITS TO OUR EMERGENCY DEPARTMENT, 9,645 SURGERY PROCEDURES, 11,150 INPATIENT ADMISSIONS, 1,250 DELIVERIES AND 138,953 OUTPATIENT VISITS THROUGH THE OUTPATIENT MEDICAL PRACTICES ST VINCENT HOSPITAL PROVIDES DIRECT CARE SERVICES, INCLUDING THOSE PROVIDED BY EMPLOYED PHYSICIAN PRACTICES, TO INPATIENTS AND OUTPATIENTS, INCLUDING INDIGENT, MEDICAID, OTHER PAYOR CLASSES AND UNINSURED PATIENTS ST VINCENT'S COMMUNITY BENEFIT INCLUDES THE COST OF PROVIDING UNCOMPENSATED CARE AND SERVICES FOR PATIENTS WITH LIMITED OR NO MEANS TO PAY, GOVERNMENT PROGRAMS WHERE EXPENSES EXCEED PAYMENTS, AND NON-BILLED SERVICES DIRECTED TO IMPROVING THE HEALTH AND WELL-BEING OF ALL MEMBERS OF THE COMMUNITY WE SERVE ST VINCENT HOSPITAL PROVIDES A FULL RANGE OF INPATIENT AND OUTPATIENT SERVICES TO THE PEOPLE FROM THE COMMUNITIES IT SERVES IT CONDUCTS ITS ACTIVITIES AND SERVES ALL PATIENTS WITHOUT REGARD TO RACE, COLOR, CREED, RELIGION, GENDER, ORIENTATION, DISABILITY, AGE OR NATIONAL ORIGIN BY COLLABORATING WITH COMMUNITIES, SCHOOLS, CHURCHES, BUSINESSES AND OTHER HEALTHCARE ORGANIZATIONS, ST VINCENT HOSPITAL HAS STRENGTHENED ITS ROLE AS A MAJOR PROVIDER OF COMPREHENSIVE, ACCESSIBLE HEALTHCARE SERVICES THESE PARTNERSHIPS WITHIN THE COMMUNITY HAVE BEEN A BLESSING BY HELPING ST VINCENT BETTER SERVE THOSE IN NEED THESE PARTNERSHIPS HELP TO INSURE THAT THE PEOPLE OF OUR COMMUNITY RECEIVE INTEGRATED HEALTH CARE AND HAVE ACCESS TO AN ARRAY OF SERVICES THAT ADDRESSES THE SOCIAL DETERMINANTS OF GOOD HEALTH ADDITIONALLY, OUR DEDICATED ASSOCIATES AND VOLUNTEERS PLAY A SIGNIFICANT ROLE IN CONTRIBUTING TO IMPROVING THE HEALTH AND WELL-BEING OF THE COMMUNITY BY DEDICATING THEIR TIME TO SUPPORT COMMUNITY HEALTH ACTIVITY THEY HELP TO BUILD STRONG RELATIONSHIPS BETWEEN ST VINCENT AND OTHER HEALTHCARE ORGANIZATIONS AND THE COMMUNITY, NURTURING CHRISTUS' MISSION TO MEET HEALTHCARE NEEDS AND MAKE A DIFFERENCE IN THE LIVES OF OTHERS OUR EMPLOYEES WORK BOTH INSIDE AND OUTSIDE THE WALLS OF OUR HEALTHCARE FACILITY AND ARE COMMITTED TO REACHING BEYOND THE TRADITIONAL HOSPITAL STRUCTURE TO HELP OUR COMMUNITIES MAINTAIN GOOD HEALTH AMONG THE GENERAL MEDICAL/SURGERY SERVICES OFFERED AT ST VINCENT HOSPITAL AND ITS EMPLOYED PHYSICIAN PRACTICES ARE DAY SURGERY, ORTHOPAEDICS, NEUROSURGERY, INTERVENTIONAL CARDIOLOGY AND VASCULAR SURGERY, CANCER TREATMENT CENTER, CARDIOPULMONARY INPATIENT AND OUTPATIENT REHABILITATION, SPORTS MEDICINE, DIAGNOSTIC IMAGING SERVICES, WELLNESS PROGRAMS, OCCUPATIONAL AND SPEECH THERAPY, RESPIRATORY CARE, INPATIENT BEHAVIORAL HEALTH SERVICES, WOMEN'S SERVICES AND PEDIATRICS, INPATIENT AND OUTPATIENT LABORATORY SERVICES, DIABETES CARE, SLEEP CENTER, WOUND AND HYPERBARIC CARE, SPECIALIZED CARE TO VICTIMS OF DOMESTIC VIOLENCE, AND NUTRITION AND DIETARY SERVICES ST VINCENT HOSPITAL PROVIDES A 24-HOUR EMERGENCY ROOM THAT IS OPEN TO SERVE ALL THOSE IN NEED OF EMERGENT CARE, REGARDLESS OF THEIR ABILITY TO PAY AS A NONPROFIT ORGANIZATION THE GOVERNING BOARD IS COMPRISED PRIMARILY OF COMMUNITY MEMBERS REPRESENTING THE AREA WE SERVE AND GUIDES ST VINCENT HOSPITAL IN ACHIEVING ITS MISSION ST VINCENT HOSPITAL IS PRIVILEGED TO HAVE AN OPEN MEDICAL STAFF COMPRISED OF QUALIFIED PHYSICIANS WHO WORK WITH US TO PROVIDE CARE TO OUR COMMUNITIES ALL QUALIFIED PHYSICIANS WHO ARE GRANTED PRIVILEGES TO SERVE WITH US IN OUR FACILITY AND OUTPATIENT LOCATIONS MUST UNDERGO A THOROUGH AND COMPREHENSIVE CREDENTIALING PROCESS |
| 4b | (Code ) (Expenses \$ 107,321,078 including grants of \$ 0 ) (Revenue \$ 108,893,475 )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             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|    | OTHER GOVERNMENT SPONSORED SERVICES IN ADDITION TO THE PROVISION OF CHARITY CARE AND OTHER COMMUNITY SERVICES, ST VINCENT HOSPITAL PROVIDES SERVICES TO PERSONS COVERED UNDER GOVERNMENT-SPONSORED PROGRAMS, INCLUDING MEDICARE AND TRICARE THE UNREIMBURSED COSTS OF THESE SERVICES ARE REPORTED TO THE STATE OF NEW MEXICO BUT ARE NOT INCLUDED IN REPORTS PREPARED FOLLOWING CATHOLIC HEALTH ASSOCIATION GUIDELINES CHRISTUS HEALTH, A MEMBER ORGANIZATION, PROVIDES SERVICES TO PERSONS COVERED UNDER THE FEDERAL MEDICARE PROGRAM, AND IN FACT, THIS IS THE LARGEST SINGLE PAYOR CLASSIFICATION OF PATIENTS SERVED BY THE HEALTH SYSTEM 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                                                                                                                                                        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| 4c | (Code ) (Expenses \$ 31,676,563 including grants of \$ 0 ) (Revenue \$ 35,627,852 )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               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|    | COMMUNITY BENEFIT REPORTING - CHARITY CARE AND MEDICAID CHRISTUS HEALTH, A MEMBER ORGANIZATION, ADHERES TO THE CATHOLIC HEALTH ASSOCIATION'S A GUIDE FOR PLANNING AND REPORTING COMMUNITY BENEFIT (2012) 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, ST VINCENT HOSPITAL PROVIDES CHARITY CARE SERVICES IN A MANNER THAT RESPECTS THE DIGNITY OF THE PATIENTS AND THEIR FAMILIES CHARITY CARE IS PROVIDED WITHOUT CHARGE OR AT A CHARGE THAT IS LESS THAN THE USUAL CHARGE FOR SUCH SERVICES THE DETERMINATION AS TO THE AMOUNT TO BE CHARGED, IF ANY, IS MADE ACCORDING TO A PATIENT'S ABILITY TO PAY AS DETERMINED BY ESTABLISHED ELIGIBILITY CRITERIA FOR UNINSURED PATIENTS WHOSE ECONOMIC CIRCUMSTANCES PLACE THEM AT OR UNDER 200 PERCENT OF THE FEDERAL POVERTY LEVEL (FPL), SERVICES ARE PROVIDED WITHOUT ANY EXPECTATION OF PAYMENT NO PATIENT IS REFUSED NECESSARY MEDICAL CARE BASED ON HIS OR HER ABILITY TO PAY ST VINCENT HOSPITAL PROVIDES DIRECT CARE SERVICES, INCLUDING THOSE PROVIDED BY EMPLOYED PHYSICIAN PRACTICES, TO INPATIENTS AND OUTPATIENTS, INCLUDING INDIGENT, MEDICAID, OTHER PAYOR CLASSES AND UNINSURED PATIENTS, TOTALING APPROXIMATELY 185,440 ENCOUNTERS ST VINCENT HOSPITAL'S COMMUNITY BENEFIT INCLUDES THE COST OF PROVIDING UNCOMPENSATED CARE AND SERVICES FOR PATIENTS WITH LIMITED OR NO MEANS TO PAY, GOVERNMENT PROGRAMS WHERE EXPENSES EXCEED PAYMENTS, AND NON-BILLED SERVICES DIRECTED AT IMPROVING THE HEALTH AND WELL-BEING OF ALL MEMBERS OF THE COMMUNITY WE SERVE ST VINCENT HOSPITAL IS AN ACTIVE PARTICIPANT IN NEW MEXICO'S MEDICAID PROGRAMS THOSE PROGRAMS SEEK TO PROVIDE PAYMENT FOR HEALTH CARE SERVICES TO INDIVIDUALS WHO MEET CERTAIN FINANCIAL AND OTHER REQUIREMENTS, WHICH INCLUDE EVALUATION OF BOTH ASSETS AND INCOME NEW MEXICO HAS ACCEPTED THE OPPORTUNITY TO EXPAND MEDICAID ELIGIBILITY THROUGH THE HEALTH CARE REFORM ACT THIS WILL HAVE A POSITIVE IMPACT IN PROMOTING THE ABILITY OF ST VINCENT TO PROVIDE CARE TO THIS LARGER POPULATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         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4dOther program services (Describe in Schedule O )

(Expenses \$ 4,801,484 including grants of \$ 1,354,306 ) (Revenue \$ 0 )

4eTotal program service expenses 308,205,460

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 <b>Section 501(c)(3) organizations.</b> 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 Yes |    |
| 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 Yes |    |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV                                                                                                              | 15      | No |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV                                                                                                      | 16      | No |
| 17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)                                                                                                                                                                                  | 17      | No |
| 18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II                                                                                                                                                                                                                 | 18      | No |
| 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III                                                                                                                                                                                                                                           | 19      | No |
| 20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H                                                                                                                                                                                                              | 20a Yes |    |
| b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?                                                                                                                                                                                               | 20b Yes |    |



Part IV

Checklist of Required Schedules (continued)

|     |                                                                                                                                                                                                                                                                                                                            |     |     |    |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|----|
| 21  | Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .                                                                                                      | 21  | Yes |    |
| 22  | Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .                                                                                                            | 22  | Yes |    |
| 23  | Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .                                                      | 23  | Yes |    |
| 24a | Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> . . . . .                            | 24a |     | No |
| b   | Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .                                                                                                                                                                                                                  | 24b |     |    |
| c   | Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .                                                                                                                                                                       | 24c |     |    |
| d   | Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .                                                                                                                                                                                                            | 24d |     |    |
| 25a | <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .                                                                                                      | 25a |     | No |
| b   | Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .                                       | 25b |     | No |
| 26  | Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i> . . . . .                                    | 26  |     | No |
| 27  | Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> . . . . . | 27  |     | No |
| 28  | Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)                                                                                                                               |     |     |    |
| a   | A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .                                                                                                                                                                                                   | 28a | Yes |    |
| b   | A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .                                                                                                                                                                                | 28b |     | No |
| c   | An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .                                                                                    | 28c | Yes |    |
| 29  | Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .                                                                                                                                                                                                  | 29  | Yes |    |
| 30  | Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .                                                                                                                                  | 30  |     | No |
| 31  | Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .                                                                                                                                                                                        | 31  |     | No |
| 32  | Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .                                                                                                                                                                      | 32  |     | No |
| 33  | Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .                                                                                                                      | 33  |     | No |
| 34  | Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> . . . . .                                                                                                                                                                  | 34  | Yes |    |
| 35a | Did the organization have a controlled entity within the meaning of section 512(b)(13)?                                                                                                                                                                                                                                    | 35a | Yes |    |
| b   | If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .                                                                                         | 35b | Yes |    |
| 36  | <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .                                                                                                                           | 36  |     | No |
| 37  | Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .                                                                             | 37  |     | No |
| 38  | Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> 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.                                                                                                                                                                                                | 231   |    |
| 1b  | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.                                                                                                                                                                                             | 0     |    |
| 1c  | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?                                                                                                                     | Yes   |    |
| 2a  | Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.                                                                                               | 2,310 |    |
| 2b  | If at least one is reported on line 2a, did the organization file all required federal employment tax returns?<br><b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).                                          | Yes   |    |
| 3a  | Did the organization have unrelated business gross income of \$1,000 or more during the year?                                                                                                                                                                                | Yes   |    |
| 3b  | If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.                                                                                                                                                                 | Yes   |    |
| 4a  | At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?                                   |       | No |
| b   | If "Yes," enter the name of the foreign country: _____<br>See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.                                                                                                     |       |    |
| 5a  | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?                                                                                                                                                                        |       | No |
| 5b  | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?                                                                                                                                                             |       | No |
| 5c  | If "Yes," to line 5a or 5b, did the organization file Form 8886-T?                                                                                                                                                                                                           |       |    |
| 6a  | Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?                                                                      |       | No |
| 6b  | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?                                                                                                                                |       |    |
| 7   | <b>Organizations that may receive deductible contributions under section 170(c).</b>                                                                                                                                                                                         |       |    |
| 7a  | Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?                                                                                                                              |       | No |
| 7b  | If "Yes," did the organization notify the donor of the value of the goods or services provided?                                                                                                                                                                              |       |    |
| 7c  | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?                                                                                                                                         |       | No |
| 7d  | If "Yes," indicate the number of Forms 8282 filed during the year.                                                                                                                                                                                                           |       |    |
| 7e  | Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?                                                                                                                                                              |       | No |
| 7f  | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?                                                                                                                                                                 |       | No |
| 7g  | If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?                                                                                                                                             |       |    |
| 7h  | If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?                                                                                                                                           |       |    |
| 8   | <b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? |       |    |
| 9   | <b>Sponsoring organizations maintaining donor advised funds.</b>                                                                                                                                                                                                             |       |    |
| 9a  | Did the organization make any taxable distributions under section 4966?                                                                                                                                                                                                      |       |    |
| 9b  | Did the organization make a distribution to a donor, donor advisor, or related person?                                                                                                                                                                                       |       |    |
| 10  | <b>Section 501(c)(7) organizations.</b> Enter                                                                                                                                                                                                                                |       |    |
| 10a | Initiation fees and capital contributions included on Part VIII, line 12.                                                                                                                                                                                                    |       |    |
| 10b | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.                                                                                                                                                                                 |       |    |
| 11  | <b>Section 501(c)(12) organizations.</b> Enter                                                                                                                                                                                                                               |       |    |
| 11a | Gross income from members or shareholders.                                                                                                                                                                                                                                   |       |    |
| 11b | Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).                                                                                                                                                 |       |    |
| 12a | <b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?                                                                                                                                                            |       |    |
| 12b | If "Yes," enter the amount of tax-exempt interest received or accrued during the year.                                                                                                                                                                                       |       |    |
| 13  | <b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>                                                                                                                                                                                                      |       |    |
| 13a | Is the organization licensed to issue qualified health plans in more than one state?<br><b>Note.</b> See the instructions for additional information the organization must report on Schedule O.                                                                             |       |    |
| 13b | Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.                                                                                                                   |       |    |
| 13c | Enter the amount of reserves on hand.                                                                                                                                                                                                                                        |       |    |
| 14a | Did the organization receive any payments for indoor tanning services during the tax year?                                                                                                                                                                                   |       | No |
| 14b | If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.                                                                                                                                                                   |       |    |

Part VI

Governance, Management, and Disclosure

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

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

Section A. Governing Body and Management

|                                                                                                                                                                                                                  |                                                                                                                                                                                                                               |     |     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|
|                                                                                                                                                                                                                  |                                                                                                                                                                                                                               | Yes | No  |
| 1a                                                                                                                                                                                                               | Enter the number of voting members of the governing body at the end of the tax year . . . . .                                                                                                                                 | 17  |     |
| If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O |                                                                                                                                                                                                                               |     |     |
| 1b                                                                                                                                                                                                               | Enter the number of voting members included in line 1a, above, who are independent . . . . .                                                                                                                                  | 13  |     |
| 2                                                                                                                                                                                                                | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .                                               | 2   | Yes |
| 3                                                                                                                                                                                                                | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . . | 3   | No  |
| 4                                                                                                                                                                                                                | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .                                                                                                    | 4   | No  |
| 5                                                                                                                                                                                                                | Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .                                                                                                          | 5   | No  |
| 6                                                                                                                                                                                                                | Did the organization have members or stockholders? . . . . .                                                                                                                                                                  | 6   | Yes |
| 7a                                                                                                                                                                                                               | Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? . . . . .                                                                  | 7a  | Yes |
| 7b                                                                                                                                                                                                               | Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . .                                                           | 7b  | Yes |
| 8                                                                                                                                                                                                                | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following                                                                                              |     |     |
| 8a                                                                                                                                                                                                               | The governing body? . . . . .                                                                                                                                                                                                 | 8a  | Yes |
| 8b                                                                                                                                                                                                               | Each committee with authority to act on behalf of the governing body? . . . . .                                                                                                                                               | 8b  | Yes |
| 9                                                                                                                                                                                                                | Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .        | 9   | No  |

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

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

Section C. Disclosure

|    |                                                                                                                                                                                                                                                                                                                                                                                                                |    |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| 17 | List the States with which a copy of this Form 990 is required to be filed                                                                                                                                                                                                                                                                                                                                     | NM |
| 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.<br><input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O) |    |
| 19 | Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year                                                                                                                                                                                                               |    |
| 20 | State the name, physical address, and telephone number of the person who possesses the books and records of the organization<br>MARY BEVIER 455 ST MICHAELS DRIVE<br>Santa Fe, NM 87505 (505) 913-5203                                                                                                                                                                                                         |    |

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

**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 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

[illegible]

## Part VII

|           |                                                                        |   |           |           |           |
|-----------|------------------------------------------------------------------------|---|-----------|-----------|-----------|
| <b>1b</b> | <b>Sub-Total . . . . .</b>                                             | ▼ |           |           |           |
| <b>c</b>  | <b>Total from continuation sheets to Part VII, Section A . . . . .</b> | ▼ |           |           |           |
| <b>d</b>  | <b>Total (add lines 1b and 1c) . . . . .</b>                           | ▼ | 9,330,753 | 1,332,299 | 1,566,210 |

**2** Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization. 215

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

## **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)<br>Name and business address                                         | (B)<br>Description of services | (C)<br>Compensation |
|--------------------------------------------------------------------------|--------------------------------|---------------------|
| New Mexico Cancer Care, 490A West Zia Road SANTA FE NM 87505             | ADMIN&PHYSICIAN FEES           | 3,830,300           |
| Aegis Business Services, 10700 E Geddes Ave Suite 100 ENGLEWOOD CO 80112 | MANAGEMENT SERVICES            | 2,759,466           |
| Mayo Medical Labs, PO Box 9146 MINNEAPOLIS MN 55480                      | MEDICAL TESTING                | 1,681,824           |
| Aramark Management Services, 25271 Network Place CHICAGO IL 60673        | HEALTHCARE MGMT SVCS           | 1,235,958           |
| New Mexico Heart Institute, 502 Elm Street NE ALBUQUERQUE NM 87102       | MEDICAL CONSULTATION           | 1,159,319           |

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 ►53

Part VIII

Statement of Revenue

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

|                                                           |                       |                                                                                                                                              | (A)           | (B)                                         | (C)                              | (D)                                                          |
|-----------------------------------------------------------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------------------------------------|----------------------------------|--------------------------------------------------------------|
|                                                           |                       |                                                                                                                                              | Total revenue | Related or<br>exempt<br>function<br>revenue | Unrelated<br>business<br>revenue | Revenue<br>excluded from<br>tax under<br>sections<br>512-514 |
| Contributions, Gifts, Grants<br>and Other Similar Amounts | 1a                    | Federated campaigns . . . . . 1a                                                                                                             |               |                                             |                                  |                                                              |
|                                                           | b                     | Membership dues . . . . . 1b                                                                                                                 |               |                                             |                                  |                                                              |
|                                                           | c                     | Fundraising events . . . . . 1c                                                                                                              |               |                                             |                                  |                                                              |
|                                                           | d                     | Related organizations . . . . . 1d                                                                                                           | 1,368,231     |                                             |                                  |                                                              |
|                                                           | e                     | Government grants (contributions) 1e                                                                                                         |               |                                             |                                  |                                                              |
|                                                           | f                     | All other contributions, gifts, grants, and<br>similar amounts not included above 1f                                                         | 803,599       |                                             |                                  |                                                              |
|                                                           | g                     | Noncash contributions included in lines<br>1a-1f \$ 174,451                                                                                  |               |                                             |                                  |                                                              |
|                                                           | h                     | Total. Add lines 1a-1f . . . . .                                                                                                             | 2,171,830     |                                             |                                  |                                                              |
| Program Service Revenue                                   | Business Code         |                                                                                                                                              |               |                                             |                                  |                                                              |
|                                                           | 2a                    | NET PATIENT SERVICE REVENUE 621990                                                                                                           | 356,465,230   | 356,465,230                                 |                                  |                                                              |
|                                                           | b                     | PROGRAM RELATED INVESTMENT<br>INCOME 900099                                                                                                  | 2,079,427     | 2,108,269                                   | -28,842                          |                                                              |
|                                                           | c                     | SANTA FE MEDICAL PROPERTIES 900099                                                                                                           | 503,257       | 503,257                                     |                                  |                                                              |
|                                                           | d                     | RENT RELATED TO EXEMPT PURPOSE 531120                                                                                                        | 206,643       | 206,643                                     |                                  |                                                              |
|                                                           | e                     | EQUITY IN UNCONSOL SUB-SANTA FE<br>IMAGING 900099                                                                                            | 71,406        | 71,406                                      |                                  |                                                              |
|                                                           | f                     | All other program service revenue                                                                                                            |               |                                             |                                  |                                                              |
|                                                           | g                     | Total. Add lines 2a-2f . . . . .                                                                                                             | 359,325,963   |                                             |                                  |                                                              |
| Other Revenue                                             | 3                     | Investment income (including dividends, interest,<br>and other similar amounts) . . . . .                                                    | 309,741       |                                             |                                  | 309,741                                                      |
|                                                           | 4                     | Income from investment of tax-exempt bond proceeds . . . . .                                                                                 | 0             |                                             |                                  |                                                              |
|                                                           | 5                     | Royalties . . . . .                                                                                                                          | 0             |                                             |                                  |                                                              |
|                                                           | 6a                    | (i) Real                                                                                                                                     |               |                                             |                                  |                                                              |
|                                                           |                       | (ii) Personal                                                                                                                                |               |                                             |                                  |                                                              |
|                                                           |                       |                                                                                                                                              |               |                                             |                                  |                                                              |
|                                                           |                       |                                                                                                                                              |               |                                             |                                  |                                                              |
|                                                           | b                     | Less rental expenses                                                                                                                         |               |                                             |                                  |                                                              |
|                                                           | c                     | Rental income or (loss) 0 0                                                                                                                  |               |                                             |                                  |                                                              |
|                                                           | d                     | Net rental income or (loss) . . . . .                                                                                                        | 0             |                                             |                                  |                                                              |
|                                                           | 7a                    | (i) Securities                                                                                                                               |               |                                             |                                  |                                                              |
|                                                           |                       | (ii) Other                                                                                                                                   |               |                                             |                                  |                                                              |
|                                                           |                       |                                                                                                                                              |               |                                             |                                  |                                                              |
|                                                           |                       |                                                                                                                                              |               |                                             |                                  |                                                              |
|                                                           | b                     | Less cost or other basis and sales expenses                                                                                                  |               |                                             |                                  |                                                              |
|                                                           | c                     | Gain or (loss)                                                                                                                               |               |                                             |                                  |                                                              |
|                                                           | d                     | Net gain or (loss) . . . . .                                                                                                                 | 0             |                                             |                                  |                                                              |
|                                                           | 8a                    | Gross income from fundraising events (not including<br>\$ _____<br>of contributions reported on line 1c)<br>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<br>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<br>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 722210                                                                                                                          | 1,378,981     |                                             |                                  | 1,378,981                                                    |
|                                                           | b                     | OTHER OPERATING REVENUE 900099                                                                                                               | 1,093,438     |                                             |                                  | 1,093,438                                                    |
|                                                           | c                     | MEDICAL<br>RECORDS/MEANINGFUL USE<br>REVENUE 900099                                                                                          | 942,636       |                                             |                                  | 942,636                                                      |
|                                                           | d                     | All other revenue . . . . .                                                                                                                  | 1,355         |                                             |                                  | 1,355                                                        |
|                                                           | e                     | Total. Add lines 11a-11d . . . . .                                                                                                           | 3,416,410     |                                             |                                  |                                                              |
|                                                           | 12                    | Total revenue. See Instructions . . . . .                                                                                                    | 365,223,944   | 359,354,805                                 | -28,842                          | 3,726,151                                                    |

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)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>Fundraising expenses |
|--------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------|----------------------------------------|-----------------------------|
| 1                                                                              | Grants and other assistance to governments and organizations in the United States. See Part IV, line 21.                                                                                                                                | 1,185,379             | 1,185,379                       |                                        |                             |
| 2                                                                              | Grants and other assistance to individuals in the United States. See Part IV, line 22.                                                                                                                                                  | 168,927               | 168,927                         |                                        |                             |
| 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.                                                                                                                                                               | 4,144,087             | 3,708,481                       | 421,894                                | 13,712                      |
| 6                                                                              | Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).                                                                                          | 827,984               | 740,950                         | 84,294                                 | 2,740                       |
| 7                                                                              | Other salaries and wages.                                                                                                                                                                                                               | 130,253,857           | 116,562,211                     | 13,260,650                             | 430,996                     |
| 8                                                                              | Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).                                                                                                                                     | 3,594,449             | 3,236,106                       | 340,054                                | 18,289                      |
| 9                                                                              | Other employee benefits.                                                                                                                                                                                                                | 20,440,877            | 18,056,973                      | 2,324,507                              | 59,397                      |
| 10                                                                             | Payroll taxes.                                                                                                                                                                                                                          | 8,202,849             | 7,086,281                       | 1,087,583                              | 28,985                      |
| 11                                                                             | Fees for services (non-employees):                                                                                                                                                                                                      |                       |                                 |                                        |                             |
| a                                                                              | Management.                                                                                                                                                                                                                             | 4,724,786             | 3,879,111                       | 845,675                                |                             |
| b                                                                              | Legal.                                                                                                                                                                                                                                  | -1,761,361            | -2,882,000                      | 1,120,639                              |                             |
| c                                                                              | Accounting.                                                                                                                                                                                                                             | 108,297               |                                 | 108,297                                |                             |
| d                                                                              | Lobbying.                                                                                                                                                                                                                               | 20,713                |                                 | 20,713                                 |                             |
| 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).                                                                                                                             | 60,259,376            | 40,268,658                      | 19,929,599                             | 61,119                      |
| 12                                                                             | Advertising and promotion.                                                                                                                                                                                                              | 1,898,421             | 101,196                         | 1,797,225                              |                             |
| 13                                                                             | Office expenses.                                                                                                                                                                                                                        | 8,825,732             | 7,487,323                       | 1,297,703                              | 40,706                      |
| 14                                                                             | Information technology.                                                                                                                                                                                                                 | 0                     |                                 |                                        |                             |
| 15                                                                             | Royalties.                                                                                                                                                                                                                              | 0                     |                                 |                                        |                             |
| 16                                                                             | Occupancy.                                                                                                                                                                                                                              | 12,487,276            | 8,021,395                       | 4,308,101                              | 157,780                     |
| 17                                                                             | Travel.                                                                                                                                                                                                                                 | 592,750               | 366,884                         | 223,319                                | 2,547                       |
| 18                                                                             | Payments of travel or entertainment expenses for any federal, state, or local public officials.                                                                                                                                         | 0                     |                                 |                                        |                             |
| 19                                                                             | Conferences, conventions, and meetings.                                                                                                                                                                                                 | 251,678               | 203,089                         | 47,990                                 | 599                         |
| 20                                                                             | Interest.                                                                                                                                                                                                                               | 59,024                | 6,307                           | 52,717                                 |                             |
| 21                                                                             | Payments to affiliates.                                                                                                                                                                                                                 | 0                     |                                 |                                        |                             |
| 22                                                                             | Depreciation, depletion, and amortization.                                                                                                                                                                                              | 14,171,441            | 12,726,515                      | 1,407,097                              | 37,829                      |
| 23                                                                             | Insurance.                                                                                                                                                                                                                              | 5,712,853             | 5,613,643                       | 99,210                                 |                             |
| 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                                                                                                                                                                                                                        | 53,658,736            | 53,130,163                      | 522,173                                | 6,400                       |
| b                                                                              | PROVISION FOR UNCOLLECT ACCT                                                                                                                                                                                                            | 27,806,230            | 27,806,230                      |                                        |                             |
| c                                                                              | DUES, SUBSCRIPTIONS & MBRSHPS                                                                                                                                                                                                           | 612,558               | 384,124                         | 228,434                                |                             |
| d                                                                              | RECRUITMENT/PLACEMENT FEES                                                                                                                                                                                                              | 453,481               | 334,441                         | 119,040                                |                             |
| e                                                                              | All other expenses                                                                                                                                                                                                                      | 232,823               | 13,073                          | 219,750                                |                             |
| 25                                                                             | Total functional expenses. Add lines 1 through 24e.                                                                                                                                                                                     | 358,933,223           | 308,205,460                     | 49,866,664                             | 861,099                     |
| 26                                                                             | Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). |                       |                                 |                                        |                             |

Part X

Balance Sheet

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

|                             |                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                              |                | (A)               |     | (B)         |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------|-----|-------------|
|                             |                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                              |                | Beginning of year |     | End of year |
| Assets                      | 1                                                                                                                                                   | Cash—non-interest-bearing                                                                                                                                                                                                                                                                                                    |                | 2,159,251         | 1   | 25,324,039  |
|                             | 2                                                                                                                                                   | Savings and temporary cash investments                                                                                                                                                                                                                                                                                       |                | 0                 | 2   | 0           |
|                             | 3                                                                                                                                                   | Pledges and grants receivable, net                                                                                                                                                                                                                                                                                           |                | 0                 | 3   | 0           |
|                             | 4                                                                                                                                                   | Accounts receivable, net                                                                                                                                                                                                                                                                                                     |                | 46,252,061        | 4   | 44,391,915  |
|                             | 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                                                                                                                                                                                                                                                                                              |                | 96,960            | 7   | 106,867     |
|                             | 8                                                                                                                                                   | Inventories for sale or use                                                                                                                                                                                                                                                                                                  |                | 5,155,510         | 8   | 5,539,525   |
|                             | 9                                                                                                                                                   | Prepaid expenses and deferred charges                                                                                                                                                                                                                                                                                        |                | 2,361,892         | 9   | 2,702,202   |
|                             | 10a                                                                                                                                                 | Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D                                                                                                                                                                                                                                            | 10a268,225,655 |                   |     |             |
|                             | b                                                                                                                                                   | Less accumulated depreciation                                                                                                                                                                                                                                                                                                | 10b167,918,230 | 103,094,228       | 10c | 100,307,425 |
|                             | 11                                                                                                                                                  | Investments—publicly traded securities                                                                                                                                                                                                                                                                                       |                | 16,285,389        | 11  | 5,301,524   |
|                             | 12                                                                                                                                                  | Investments—other securities See Part IV, line 11                                                                                                                                                                                                                                                                            |                | 51,095,475        | 12  | 49,752,280  |
|                             | 13                                                                                                                                                  | Investments—program-related See Part IV, line 11                                                                                                                                                                                                                                                                             |                | 3,625,086         | 13  | 3,806,970   |
|                             | 14                                                                                                                                                  | Intangible assets                                                                                                                                                                                                                                                                                                            |                | 11,556,884        | 14  | 11,011,465  |
|                             | 15                                                                                                                                                  | Other assets See Part IV, line 11                                                                                                                                                                                                                                                                                            |                | 163,706           | 15  | 7,709,667   |
|                             | 16                                                                                                                                                  | Total assets. Add lines 1 through 15 (must equal line 34)                                                                                                                                                                                                                                                                    |                | 241,846,442       | 16  | 255,953,879 |
| Liabilities                 | 17                                                                                                                                                  | Accounts payable and accrued expenses                                                                                                                                                                                                                                                                                        |                | 46,473,275        | 17  | 48,535,489  |
|                             | 18                                                                                                                                                  | Grants payable                                                                                                                                                                                                                                                                                                               |                | 0                 | 18  | 0           |
|                             | 19                                                                                                                                                  | Deferred revenue                                                                                                                                                                                                                                                                                                             |                | 0                 | 19  | 0           |
|                             | 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                                                                                                                                                                                                                                                               |                | 62,172            | 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                                                                                                                                                         |                | 1,447,277         | 25  | 1,607,670   |
|                             | 26                                                                                                                                                  | Total liabilities. Add lines 17 through 25                                                                                                                                                                                                                                                                                   |                | 47,982,724        | 26  | 50,143,159  |
| Net Assets or Fund Balances | Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. |                                                                                                                                                                                                                                                                                                                              |                |                   |     |             |
|                             | 27                                                                                                                                                  | Unrestricted net assets                                                                                                                                                                                                                                                                                                      |                | 188,482,339       | 27  | 198,250,155 |
|                             | 28                                                                                                                                                  | Temporarily restricted net assets                                                                                                                                                                                                                                                                                            |                | 5,381,379         | 28  | 7,560,565   |
|                             | 29                                                                                                                                                  | Permanently restricted net assets                                                                                                                                                                                                                                                                                            |                | 0                 | 29  | 0           |
|                             | Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.                          |                                                                                                                                                                                                                                                                                                                              |                |                   |     |             |
|                             | 30                                                                                                                                                  | Capital stock or trust principal, or current funds                                                                                                                                                                                                                                                                           |                |                   | 30  |             |
|                             | 31                                                                                                                                                  | Paid-in or capital surplus, or land, building or equipment fund                                                                                                                                                                                                                                                              |                |                   | 31  |             |
|                             | 32                                                                                                                                                  | Retained earnings, endowment, accumulated income, or other funds                                                                                                                                                                                                                                                             |                |                   | 32  |             |
|                             | 33                                                                                                                                                  | Total net assets or fund balances                                                                                                                                                                                                                                                                                            |                | 193,863,718       | 33  | 205,810,720 |
|                             | 34                                                                                                                                                  | Total liabilities and net assets/fund balances                                                                                                                                                                                                                                                                               |                | 241,846,442       | 34  | 255,953,879 |



Part XI Reconciliation of Net Assets

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

|    |                                                                                                               |    |             |
|----|---------------------------------------------------------------------------------------------------------------|----|-------------|
| 1  | Total revenue (must equal Part VIII, column (A), line 12) . . . . .                                           | 1  | 365,223,944 |
| 2  | Total expenses (must equal Part IX, column (A), line 25) . . . . .                                            | 2  | 358,933,223 |
| 3  | Revenue less expenses Subtract line 2 from line 1 . . . . .                                                   | 3  | 6,290,721   |
| 4  | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . . . .           | 4  | 193,863,718 |
| 5  | Net unrealized gains (losses) on investments . . . . .                                                        | 5  | 4,501,393   |
| 6  | Donated services and use of facilities . . . . .                                                              | 6  |             |
| 7  | Investment expenses . . . . .                                                                                 | 7  |             |
| 8  | Prior period adjustments . . . . .                                                                            | 8  |             |
| 9  | Other changes in net assets or fund balances (explain in Schedule O) . . . . .                                | 9  | 1,154,888   |
| 10 | Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 205,810,720 |

Part XII Financial Statements and Reporting

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

|    |                                                                                                                                                                                                                                                                                                                                                                                                                          | Yes | No |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| 1  | Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____<br>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?<br>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<br><input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis |     | No |
| 2b | Were the organization's financial statements audited by an independent accountant?<br>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<br><input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis                | Yes |    |
| 2c | If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?<br>If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O                                                                    | Yes |    |
| 3a | As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?                                                                                                                                                                                                                                                                 | Yes |    |
| 3b | If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits                                                                                                                                                                                                     | Yes |    |



| Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors |                                                                                            |                                                                                                           |                       |         |              |                              |        |                                                                      |                                                                           |                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------|---------|--------------|------------------------------|--------|----------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| (A)<br>Name and Title                                                                                                                         | (B)<br>Average hours per week (list any hours for related organizations below dotted line) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|                                                                                                                                               |                                                                                            | Individual trustee or director                                                                            | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former |                                                                      |                                                                           |                                                                                               |
| Christine Kipp<br>CNO                                                                                                                         | 40 0<br>0 0                                                                                |                                                                                                           |                       |         | X            |                              |        | 269,505                                                              | 0                                                                         | 90,561                                                                                        |
| John Beeson<br>CMO (EFFECTIVE 6/1/14)                                                                                                         | 40 0<br>0 0                                                                                |                                                                                                           |                       |         | X            |                              |        |                                                                      |                                                                           |                                                                                               |
| Pearl Mohnkern<br>VP Human Resources                                                                                                          | 40 0<br>0 0                                                                                |                                                                                                           |                       |         | X            |                              |        | 279,123                                                              | 0                                                                         | 46,982                                                                                        |
| Samuel Chun MD<br>PHYSICIAN                                                                                                                   | 40 0<br>0 0                                                                                |                                                                                                           |                       |         |              | X                            |        | 956,593                                                              | 0                                                                         | 31,126                                                                                        |
| Donald Shina MD<br>PHYSICIAN                                                                                                                  | 40 0<br>0 0                                                                                |                                                                                                           |                       |         |              | X                            |        | 991,268                                                              | 0                                                                         | 28,924                                                                                        |
| Jan V Bear MD<br>NEUROSURGEON                                                                                                                 | 40 0<br>0 0                                                                                |                                                                                                           |                       |         |              | X                            |        | 744,802                                                              | 0                                                                         | 40,232                                                                                        |
| Philip Shields MD<br>PHYSICIAN                                                                                                                | 40 0<br>0 0                                                                                |                                                                                                           |                       |         |              | X                            |        | 776,915                                                              | 0                                                                         | 43,221                                                                                        |
| Phillip Smucker<br>PHYSICIAN                                                                                                                  | 40 0<br>0 0                                                                                |                                                                                                           |                       |         |              | X                            |        | 767,936                                                              | 0                                                                         | 38,991                                                                                        |
| Michael Palestine MD<br>FORMER DIRECTOR                                                                                                       | 40 0<br>0 0                                                                                |                                                                                                           |                       |         |              |                              | X      | 22,000                                                               |                                                                           |                                                                                               |
| Todd Mason<br>FORMER INTERIM CFO                                                                                                              | 40 0<br>0 0                                                                                |                                                                                                           |                       |         |              |                              | X      | 144,401                                                              | 0                                                                         | 19,135                                                                                        |
| ALEX VALDEZ<br>FORMER PRESIDENT/CEO                                                                                                           | 40 0<br>0 0                                                                                |                                                                                                           |                       |         |              |                              | X      | 578,105                                                              | 0                                                                         | 203,982                                                                                       |
| DENNIS EMPEY<br>FORMER CFO                                                                                                                    | 40 0<br>0 0                                                                                |                                                                                                           |                       |         |              |                              | X      | 362,480                                                              | 0                                                                         | 4,132                                                                                         |
| Katherine Armijo<br>FORMER VP COMMUNITY HEALTH                                                                                                | 40 0<br>0 0                                                                                |                                                                                                           |                       |         |              |                              | X      | 115,339                                                              | 0                                                                         | 42,899                                                                                        |
| Cleveland Pardue<br>Former Director                                                                                                           | 40 0<br>0 0                                                                                |                                                                                                           |                       |         |              |                              | X      | 173,043                                                              | 0                                                                         | 566                                                                                           |
| Daniel Kovnat<br>Former Director                                                                                                              | 40 0<br>0 0                                                                                |                                                                                                           |                       |         |              |                              | X      | 341,995                                                              | 0                                                                         | 25,368                                                                                        |

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

|                                                        |                                                     |
|--------------------------------------------------------|-----------------------------------------------------|
| <b>Name of the organization</b><br>St Vincent Hospital | <b>Employer identification number</b><br>85-0106941 |
|--------------------------------------------------------|-----------------------------------------------------|

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

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

|    |                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | <input type="checkbox"/>            | A church, convention of churches, or association of churches described in <b>section 170(b)(1)(A)(i).</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 2  | <input type="checkbox"/>            | A school described in <b>section 170(b)(1)(A)(ii).</b> (Attach Schedule E )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 3  | <input checked="" type="checkbox"/> | A hospital or a cooperative hospital service organization described in <b>section 170(b)(1)(A)(iii).</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 4  | <input type="checkbox"/>            | A medical research organization operated in conjunction with a hospital described in <b>section 170(b)(1)(A)(iii).</b> Enter the hospital's name, city, and state _____                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 5  | <input type="checkbox"/>            | An organization operated for the benefit of a college or university owned or operated by a governmental unit described in <b>section 170(b)(1)(A)(iv).</b> (Complete Part II )                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 6  | <input type="checkbox"/>            | A federal, state, or local government or governmental unit described in <b>section 170(b)(1)(A)(v).</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 7  | <input type="checkbox"/>            | An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in <b>section 170(b)(1)(A)(vi).</b> (Complete Part II )                                                                                                                                                                                                                                                                                                                                                                                                             |
| 8  | <input type="checkbox"/>            | A community trust described in <b>section 170(b)(1)(A)(vi)</b> (Complete Part II )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 9  | <input type="checkbox"/>            | An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See <b>section 509(a)(2).</b> (Complete Part III )                                                                                                                               |
| 10 | <input type="checkbox"/>            | An organization organized and operated exclusively to test for public safety See <b>section 509(a)(4).</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 11 | <input type="checkbox"/>            | An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See <b>section 509(a)(3).</b> Check the box that describes the type of supporting organization and complete lines 11e through 11h<br><b>a</b> <input type="checkbox"/> Type I <b>b</b> <input type="checkbox"/> Type II <b>c</b> <input type="checkbox"/> Type III - Functionally integrated <b>d</b> <input type="checkbox"/> Type III - Non-functionally integrated |
| e  | <input type="checkbox"/>            | By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)                                                                                                                                                                                                                                                                                                                          |
| f  | <input type="checkbox"/>            | If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| g  | <input type="checkbox"/>            | Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?<br><b>(i)</b> 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?<br><b>(ii)</b> A family member of a person described in (i) above?<br><b>(iii)</b> A 35% controlled entity of a person described in (i) or (ii) above?                                                                                                                                             |
| h  | <input type="checkbox"/>            | Provide the following information about the supported organization(s)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

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

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

Part II

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

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

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

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

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

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

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

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

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

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

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

|                              |
|------------------------------|
| Facts And Circumstances Test |
|                              |

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

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<br>St Vincent Hospital | Employer identification number<br><br>85-0106941 |
|-------------------------------------------------|--------------------------------------------------|

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

|   |                                                                                                          |      |
|---|----------------------------------------------------------------------------------------------------------|------|
| 1 | Provide a description of the organization's direct and indirect political campaign activities in Part IV |      |
| 2 | Political expenditures                                                                                   | ▶ \$ |
| 3 | Volunteer hours                                                                                          |      |

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

|    |                                                                                         |                                                          |
|----|-----------------------------------------------------------------------------------------|----------------------------------------------------------|
| 1  | Enter the amount of any excise tax incurred by the organization under section 4955      | ▶ \$                                                     |
| 2  | Enter the amount of any excise tax incurred by organization managers under section 4955 | ▶ \$                                                     |
| 3  | If the organization incurred a section 4955 tax, did it file Form 4720 for this year?   | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 4a | Was a correction made?                                                                  | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| b  | If "Yes," describe in Part IV                                                           |                                                          |

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

|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                          |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| 1 | Enter the amount directly expended by the filing organization for section 527 exempt function activities                                                                                                                                                                                                                                                                                                                                                                                                                                | ▶ \$                                                     |
| 2 | Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities                                                                                                                                                                                                                                                                                                                                                                                                       | ▶ \$                                                     |
| 3 | Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b                                                                                                                                                                                                                                                                                                                                                                                                                                          | ▶ \$                                                     |
| 4 | Did the filing organization file <b>Form 1120-POL</b> for this year?                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 5 | Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV |                                                          |

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



Part II-A

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

- A
- Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B
- Check ☐ if the filing organization checked box A and "limited control" provisions apply

| Limits on Lobbying Expenditures<br>(The term "expenditures" means amounts paid or incurred.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                   | (a) Filing organization's totals                         | (b) Affiliated group totals        |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|----------------------------------------------------------|------------------------------------|--------------------|------------------------------|-----------------------------------------|-------------------------------------------------|-------------------------------------------|---------------------------------------------------|--------------------------------------------|--------------------------------------------------|-------------------|-------------|--|--|
| 1a Total lobbying expenditures to influence public opinion (grass roots lobbying)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                   |                                                          |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| b Total lobbying expenditures to influence a legislative body (direct lobbying)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                   |                                                          |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| c Total lobbying expenditures (add lines 1a and 1b)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                   |                                                          |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| d Other exempt purpose expenditures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                   |                                                          |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| e Total exempt purpose expenditures (add lines 1c and 1d)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                   |                                                          |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| f Lobbying nontaxable amount Enter the amount from the following table in both columns                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                   |                                                          |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| <table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table> |                                                   | If the amount on line 1e, column (a) or (b) is:          | The lobbying nontaxable amount is: | Not over \$500,000 | 20% of the amount on line 1e | Over \$500,000 but not over \$1,000,000 | \$100,000 plus 15% of the excess over \$500,000 | Over \$1,000,000 but not over \$1,500,000 | \$175,000 plus 10% of the excess over \$1,000,000 | Over \$1,500,000 but not over \$17,000,000 | \$225,000 plus 5% of the excess over \$1,500,000 | Over \$17,000,000 | \$1,000,000 |  |  |
| If the amount on line 1e, column (a) or (b) is:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | The lobbying nontaxable amount is:                |                                                          |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| Not over \$500,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 20% of the amount on line 1e                      |                                                          |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| Over \$500,000 but not over \$1,000,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | \$100,000 plus 15% of the excess over \$500,000   |                                                          |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| Over \$1,000,000 but not over \$1,500,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | \$175,000 plus 10% of the excess over \$1,000,000 |                                                          |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| Over \$1,500,000 but not over \$17,000,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | \$225,000 plus 5% of the excess over \$1,500,000  |                                                          |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| Over \$17,000,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | \$1,000,000                                       |                                                          |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| g Grassroots nontaxable amount (enter 25% of line 1f)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                   |                                                          |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| h Subtract line 1g from line 1a If zero or less, enter -0-                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                   |                                                          |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| i Subtract line 1f from line 1c If zero or less, enter -0-                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                   |                                                          |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                   | <input type="checkbox"/> Yes <input type="checkbox"/> No |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |

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

| Lobbying Expenditures During 4-Year Averaging Period         |          |          |          |          |           |
|--------------------------------------------------------------|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in)                  | (a) 2010 | (b) 2011 | (c) 2012 | (d) 2013 | (e) Total |
| 2a Lobbying nontaxable amount                                |          |          |          |          |           |
| b Lobbying ceiling amount<br>(150% of line 2a, column(e))    |          |          |          |          |           |
| c Total lobbying expenditures                                |          |          |          |          |           |
| d Grassroots nontaxable amount                               |          |          |          |          |           |
| e Grassroots ceiling amount<br>(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.

| For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |     | (a)    |        | (b)    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|--------|--------|--------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     | Yes    | No     | Amount |
| <b>1</b> 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<br><b>a</b> Volunteers?<br><b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?<br><b>c</b> Media advertisements?<br><b>d</b> Mailings to members, legislators, or the public?<br><b>e</b> Publications, or published or broadcast statements?<br><b>f</b> Grants to other organizations for lobbying purposes?<br><b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?<br><b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?<br><b>i</b> Other activities?<br><b>j</b> Total Add lines 1c through 1i |     | No     |        |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     | No     |        |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     | No     |        |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     | No     |        |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     | No     |        |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     | No     |        |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     | No     |        |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Yes |        | 14,641 |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     | No     |        |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Yes |        | 6,072  |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     | 20,713 |        |        |
| <b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |     | No     |        |        |
| <b>b</b> If "Yes," enter the amount of any tax incurred under section 4912                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |     |        |        |        |
| <b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |     |        |        |        |
| <b>d</b> 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| LOBBYING DESCRIPTION | FORM 990, SCHEDULE C, PART II-B, LINE 1G ST VINCENT HOSPITAL HAD DIRECT CONTACT WITH MEMBERS AND STAFF OF THE NEW MEXICO STATE LEGISLATURE, DEPARTMENT OF HEALTH, NEW MEXICO GOVERNOR MARTINEZ STAFF THROUGH EMAILS, PHONE CALLS AND MEETINGS ON ISSUES SUCH AS MEDICAID EXPANSION, SOLE COMMUNITY PROVIDER FUNDING, STAFFING LEVEL MANDATES, AND 340B ST VINCENT HOSPITAL HAD DIRECT CONTACT WITH MEMBERS AND STAFF OF THE SANTA FE CITY COUNCIL AND SANTA FE COUNTY COMMISSION THROUGH EMAILS, PHONE CALLS AND MEETINGS ON ISSUES SUCH AS SOLE COMMUNITY PROVIDER FUNDING, REDUCTION IN FORCE ISSUE, MEDICAID EXPANSION, HOSPITAL AND HEALTH CARE STUDY GROUPS, AND STAFFING MANDATE RESOLUTIONS ST VINCENT HOSPITAL HAD DIRECT CONTACT WITH MEMBERS AND STAFF OF THE NEW MEXICO CONGRESSIONAL DELEGATION THROUGH EMAILS, PHONE CALLS AND MEETINGS ON ISSUES SUCH AS CSV REDUCTIONS IN FORCE, 340B FUNDING, SOLE COMMUNITY PROVIDER FUNDING, AND UNION NEGOTIATIONS FORM 990, SCHEDULE C, PART II-B, LINE 1I OTHER ACTIVITIES ALSO INCLUDES THE PORTION OF FY 2014 PROFESSIONAL AND MEMBERSHIP ASSOCIATION DUES ALLOCATED TO LOBBYING EFFORTS BY THE RESPECTIVE ASSOCIATIONS TOTALING \$6,072 ST VINCENT HOSPITAL DID NOT SUBSTANTIALLY LOBBY DURING THE FISCAL YEAR 6-30-2014 |
|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

[illegible]

SCHEDULE D  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2013

Open to Public Inspection

|                                                 |                                              |
|-------------------------------------------------|----------------------------------------------|
| Name of the organization<br>St Vincent Hospital | Employer identification number<br>85-0106941 |
|-------------------------------------------------|----------------------------------------------|

Part I

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

|   |                                                                                                                                                                                                                                                                                                                                         |                              |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|   | (a) Donor advised funds                                                                                                                                                                                                                                                                                                                 | (b) Funds and other accounts |
| 1 | Total number at end of year                                                                                                                                                                                                                                                                                                             |                              |
| 2 | Aggregate contributions to (during year)                                                                                                                                                                                                                                                                                                |                              |
| 3 | Aggregate grants from (during year)                                                                                                                                                                                                                                                                                                     |                              |
| 4 | Aggregate value at end of year                                                                                                                                                                                                                                                                                                          |                              |
| 5 | Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>                                                            |                              |
| 6 | Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div> |                              |

Part II

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

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area  
☐ Protection of natural habitat ☐ Preservation of a certified historic structure  
☐ Preservation of open space

2

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

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

3

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

4

Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

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

7

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

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

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

Part III

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

1a

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

b

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

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

▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X

▶ \$ \_\_\_\_\_

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ \_\_\_\_\_

b

Assets included in Form 990, Part X

▶ \$ \_\_\_\_\_

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

Cat No 52283D

Schedule D (Form 990) 2013

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

- 3

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

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other
- 4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

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

- 1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No
- b

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

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance
- |    |        |
|----|--------|
|    | Amount |
| 1c |        |
| 1d |        |
| 1e |        |
| 1f |        |
- 2a

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

☐ Yes

☐ No
- b

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

☐

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

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

- 2

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

Board designated or quasi-endowment
- b

Permanent endowment
- c

Temporarily restricted endowment

The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a

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

3a(i)

Yes

No

(ii) related organizations . . . . .

3a(ii)

b

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

3b
- 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 . . . . .                                                                                |                                      | 2,896,708                      |                              | 2,896,708      |
| b Buildings . . . . .                                                                            |                                      | 47,842,784                     | 26,512,173                   | 21,330,611     |
| c Leasehold improvements . . . . .                                                               |                                      | 9,670,847                      | 2,918,583                    | 6,752,264      |
| d Equipment . . . . .                                                                            |                                      | 149,142,811                    | 107,142,424                  | 42,000,387     |
| e Other . . . . .                                                                                |                                      | 58,672,505                     | 31,345,050                   | 27,327,455     |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) |                                      |                                |                              | 100,307,425    |
- Schedule D (Form 990) 2013



Part XI

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

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

Part XII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

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

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

Part XIII

Supplemental Information

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

| Return Reference                      | Explanation                                                                                                                                                       |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Uncertain Tax Positions Under ASC 740 | 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 |
|                                       |                                                                                                                                                                   |
|                                       |                                                                                                                                                                   |
|                                       |                                                                                                                                                                   |
|                                       |                                                                                                                                                                   |
|                                       |                                                                                                                                                                   |
|                                       |                                                                                                                                                                   |

[illegible]



SCHEDULE F  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Statement of Activities Outside the United States

► Complete if the organization answered "Yes" to Form 990,  
Part IV, line 14b, 15, or 16.  
► Attach to Form 990. ► See separate instructions.  
► Information about Schedule F (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
St Vincent Hospital

Employer identification number  
85-0106941

Part I

General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

- 1 For grantmakers. Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☐ Yes ☐ No
- 2 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.
- 3 Activites per Region (The following Part I, line 3 table can be duplicated if additional space is needed )

| (a) Region                                 | (b) Number of offices in the region | (c) Number of employees, agents, and independent contractors in region | (d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region) | (e) If activity listed in (d) is a program service, describe specific type of service(s) in region | (f) Total expenditures for and investments in region |
|--------------------------------------------|-------------------------------------|------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|------------------------------------------------------|
| ( 1 ) Central America and the Caribbean    |                                     |                                                                        | Investments                                                                                                                                 |                                                                                                    | 27,675,393                                           |
| ( 2 )                                      |                                     |                                                                        |                                                                                                                                             |                                                                                                    |                                                      |
| ( 3 )                                      |                                     |                                                                        |                                                                                                                                             |                                                                                                    |                                                      |
| ( 4 )                                      |                                     |                                                                        |                                                                                                                                             |                                                                                                    |                                                      |
| ( 5 )                                      |                                     |                                                                        |                                                                                                                                             |                                                                                                    |                                                      |
| 3a Sub-total                               |                                     |                                                                        |                                                                                                                                             |                                                                                                    | 27,675,393                                           |
| b Total from continuation sheets to Part I |                                     |                                                                        |                                                                                                                                             |                                                                                                    |                                                      |
| c Totals (add lines 3a and 3b)             |                                     |                                                                        |                                                                                                                                             |                                                                                                    | 27,675,393                                           |

Part II

Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

| 1     | (a) Name of organization | (b) IRS code section and EIN (if applicable) | (c) Region | (d) Purpose of grant | (e) Amount of cash grant | (f) Manner of cash disbursement | (g) Amount of non-cash assistance | (h) Description of non-cash assistance | (i) Method of valuation (book, FMV, appraisal, other) |
|-------|--------------------------|----------------------------------------------|------------|----------------------|--------------------------|---------------------------------|-----------------------------------|----------------------------------------|-------------------------------------------------------|
| ( 1 ) |                          |                                              |            |                      |                          |                                 |                                   |                                        |                                                       |
| ( 2 ) |                          |                                              |            |                      |                          |                                 |                                   |                                        |                                                       |
| ( 3 ) |                          |                                              |            |                      |                          |                                 |                                   |                                        |                                                       |
| ( 4 ) |                          |                                              |            |                      |                          |                                 |                                   |                                        |                                                       |

- 2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . ▶
- 3 Enter total number of other organizations or entities . . . . . ▶

Part III

Grants and Other Assistance to Individuals Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 16.  
Part III can be duplicated if additional space is needed.

| (a) Type of grant or assistance | (b) Region | (c) Number of recipients | (d) Amount of cash grant | (e) Manner of cash disbursement | (f) Amount of non-cash assistance | (g) Description of non-cash assistance | (h) Method of valuation (book, FMV, appraisal, other) |
|---------------------------------|------------|--------------------------|--------------------------|---------------------------------|-----------------------------------|----------------------------------------|-------------------------------------------------------|
| ( 1 )                           |            |                          |                          |                                 |                                   |                                        |                                                       |
| ( 2 )                           |            |                          |                          |                                 |                                   |                                        |                                                       |
| ( 3 )                           |            |                          |                          |                                 |                                   |                                        |                                                       |
| ( 4 )                           |            |                          |                          |                                 |                                   |                                        |                                                       |
| ( 5 )                           |            |                          |                          |                                 |                                   |                                        |                                                       |
| ( 6 )                           |            |                          |                          |                                 |                                   |                                        |                                                       |
| ( 7 )                           |            |                          |                          |                                 |                                   |                                        |                                                       |
| ( 8 )                           |            |                          |                          |                                 |                                   |                                        |                                                       |
| ( 9 )                           |            |                          |                          |                                 |                                   |                                        |                                                       |
| ( 10 )                          |            |                          |                          |                                 |                                   |                                        |                                                       |
| ( 11 )                          |            |                          |                          |                                 |                                   |                                        |                                                       |
| ( 12 )                          |            |                          |                          |                                 |                                   |                                        |                                                       |
| ( 13 )                          |            |                          |                          |                                 |                                   |                                        |                                                       |
| ( 14 )                          |            |                          |                          |                                 |                                   |                                        |                                                       |
| ( 15 )                          |            |                          |                          |                                 |                                   |                                        |                                                       |
| ( 16 )                          |            |                          |                          |                                 |                                   |                                        |                                                       |
| ( 17 )                          |            |                          |                          |                                 |                                   |                                        |                                                       |
| ( 18 )                          |            |                          |                          |                                 |                                   |                                        |                                                       |

**Part IV Foreign Forms**

- 1

Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*

☒ Yes ☐ No
- 2

Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*

☐ Yes ☒ No
- 3

Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations. (see Instructions for Form 5471)*

☒ Yes ☐ No
- 4

Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*

☐ Yes ☒ No
- 5

Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships. (see Instructions for Form 8865)*

☐ Yes ☒ No
- 6

Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713).*

☐ Yes ☒ No

## Additional Data

**Software ID:**

**Software Version:**

**EIN:** 85-0106941

**Name:** St Vincent Hospital

### **Part V** Supplemental Information

Provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE H  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
St Vincent Hospital

Employer identification number  
85-0106941

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<br><br><input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities<br><input type="checkbox"/> Generally tailored to individual hospital facilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |        |    |
| 3  | Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year<br><br>a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care<br><br><input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %<br><br>b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care . . . . .<br><br><input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %<br><br>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<br><br>4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? . . . . . | 3a Yes |    |
| 5a | Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? . . . . .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 3b Yes |    |
| b  | If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 4 Yes  |    |
| c  | If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 5a Yes |    |
| 6a | Did the organization prepare a community benefit report during the tax year? . . . . .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 5b Yes |    |
| b  | If "Yes," did the organization make it available to the public? . . . . .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 5c     | No |
|    | Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 6a Yes |    |
|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 6b Yes |    |

7

Financial Assistance and Certain Other Community Benefits at Cost

| Financial Assistance and Means-Tested Government Programs                                             | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community benefit expense | (d) Direct offsetting revenue | (e) Net community benefit expense | (f) Percent of total expense |
|-------------------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------|-------------------------------------|-------------------------------|-----------------------------------|------------------------------|
| a Financial Assistance at cost (from Worksheet 1) . . . . .                                           |                                                 |                               | 19,269,492                          |                               | 19,269,492                        | 5 820 %                      |
| b Medicaid (from Worksheet 3, column a) . . . . .                                                     |                                                 |                               | 39,150,481                          | 33,224,833                    | 5,925,648                         | 1 790 %                      |
| c Costs of other means-tested government programs (from Worksheet 3, column b) . . . . .              |                                                 |                               |                                     |                               |                                   |                              |
| d <b>Total</b> Financial Assistance and Means-Tested Government Programs . . . . .                    |                                                 |                               | 58,419,973                          | 33,224,833                    | 25,195,140                        | 7 610 %                      |
| <b>Other Benefits</b>                                                                                 |                                                 |                               |                                     |                               |                                   |                              |
| e Community health improvement services and community benefit operations (from Worksheet 4) . . . . . | 6                                               |                               | 3,155,989                           | 1,329,506                     | 1,826,483                         | 0 550 %                      |
| f Health professions education (from Worksheet 5) . . . . .                                           | 1                                               |                               | 1,450,438                           | 1,084,143                     | 366,295                           | 0 110 %                      |
| g Subsidized health services (from Worksheet 6) . . . . .                                             | 1                                               |                               | 665,797                             |                               | 665,797                           | 0 200 %                      |
| h Research (from Worksheet 7) . . . . .                                                               |                                                 |                               |                                     |                               |                                   |                              |
| i Cash and in-kind contributions for community benefit (from Worksheet 8) . . . . .                   | 34                                              | 111                           | 2,251,051                           | 340,007                       | 1,911,044                         | 0 580 %                      |
| j <b>Total</b> Other Benefits . . . . .                                                               | 42                                              | 111                           | 7,523,275                           | 2,753,656                     | 4,769,619                         | 1 440 %                      |
| k <b>Total.</b> Add lines 7d and 7j . . . . .                                                         | 42                                              | 111                           | 65,943,248                          | 35,978,489                    | 29,964,759                        | 9 050 %                      |

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                                         |                               |                                      |                               |                                    |                              |
| 4  | Environmental improvements                                |                               |                                      |                               |                                    |                              |
| 5  | Leadership development and training for community members |                               |                                      |                               |                                    |                              |
| 6  | Coalition building                                        |                               |                                      |                               |                                    |                              |
| 7  | Community health improvement advocacy                     | 1                             | 32,865                               |                               | 32,865                             | 0 010 %                      |
| 8  | Workforce development                                     |                               |                                      |                               |                                    |                              |
| 9  | Other                                                     |                               |                                      |                               |                                    |                              |
| 10 | Total                                                     | 1                             | 32,865                               |                               | 32,865                             | 0 010 %                      |

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

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

27,806,230

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

1,037,172

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

75,571,102

6

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

6

74,992,013

7

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

7

579,089

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

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 SANTE FE IMAGING CTR | IMAGING SERVICES                              | 51 000 %                                         |                                                                                    | 49 000 %                                      |
| 2 MONTE SOL TECHNOLOGY | ONCOLOGY EQUIP & OFFICES                      | 33 330 %                                         |                                                                                    | 33 330 %                                      |
| 3                      |                                               |                                                  |                                                                                    |                                               |
| 4                      |                                               |                                                  |                                                                                    |                                               |
| 5                      |                                               |                                                  |                                                                                    |                                               |
| 6                      |                                               |                                                  |                                                                                    |                                               |
| 7                      |                                               |                                                  |                                                                                    |                                               |
| 8                      |                                               |                                                  |                                                                                    |                                               |
| 9                      |                                               |                                                  |                                                                                    |                                               |
| 10                     |                                               |                                                  |                                                                                    |                                               |
| 11                     |                                               |                                                  |                                                                                    |                                               |
| 12                     |                                               |                                                  |                                                                                    |                                               |
| 13                     |                                               |                                                  |                                                                                    |                                               |

Part V

Facility Information

Section A. Hospital Facilities

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

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

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



Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

ST VINCENT HOSPITAL

Name of hospital facility or facility reporting group

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

1

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Yes          | No |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|----|
| <b>Community Health Needs Assessment</b> (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)                                                                                                                                                                                                                                                                                                                                        |              |    |
| <b>1</b> 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 . . . . .<br>If "Yes," indicate what the CHNA report describes (check all that apply)                                                                                                                                                                                        | <b>1</b> Yes |    |
| <b>a</b> <input checked="" type="checkbox"/> A definition of the community served by the hospital facility                                                                                                                                                                                                                                                                                                                                                            |              |    |
| <b>b</b> <input checked="" type="checkbox"/> Demographics of the community                                                                                                                                                                                                                                                                                                                                                                                            |              |    |
| <b>c</b> <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community                                                                                                                                                                                                                                                                                    |              |    |
| <b>d</b> <input checked="" type="checkbox"/> How data was obtained                                                                                                                                                                                                                                                                                                                                                                                                    |              |    |
| <b>e</b> <input checked="" type="checkbox"/> The health needs of the community                                                                                                                                                                                                                                                                                                                                                                                        |              |    |
| <b>f</b> <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups                                                                                                                                                                                                                                                                                                  |              |    |
| <b>g</b> <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs                                                                                                                                                                                                                                                                                                      |              |    |
| <b>h</b> <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests                                                                                                                                                                                                                                                                                                                                           |              |    |
| <b>i</b> <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs                                                                                                                                                                                                                                                                                                                       |              |    |
| <b>j</b> <input type="checkbox"/> Other (describe in Part VI)                                                                                                                                                                                                                                                                                                                                                                                                         |              |    |
| <b>2</b> Indicate the tax year the hospital facility last conducted a CHNA 20 <u>12</u>                                                                                                                                                                                                                                                                                                                                                                               |              |    |
| <b>3</b> 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 . . . . . | <b>3</b> Yes |    |
| <b>4</b> Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI . . . . .                                                                                                                                                                                                                                                                                                     | <b>4</b>     | No |
| <b>5</b> Did the hospital facility make its CHNA report widely available to the public? . . . . .<br>If "Yes," indicate how the CHNA report was made widely available (check all that apply)                                                                                                                                                                                                                                                                          | <b>5</b> Yes |    |
| <b>a</b> <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>SEE SCHEDULE H, PART V, SECTION C</u>                                                                                                                                                                                                                                                                                                                                          |              |    |
| <b>b</b> <input type="checkbox"/> Other website (list url) _____                                                                                                                                                                                                                                                                                                                                                                                                      |              |    |
| <b>c</b> <input checked="" type="checkbox"/> Available upon request from the hospital facility                                                                                                                                                                                                                                                                                                                                                                        |              |    |
| <b>d</b> <input type="checkbox"/> Other (describe in Part VI)                                                                                                                                                                                                                                                                                                                                                                                                         |              |    |
| <b>6</b> 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)                                                                                                                                                                                                                                                                                                   |              |    |
| <b>a</b> <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA                                                                                                                                                                                                                                                                                                     |              |    |
| <b>b</b> <input checked="" type="checkbox"/> Execution of the implementation strategy                                                                                                                                                                                                                                                                                                                                                                                 |              |    |
| <b>c</b> <input checked="" type="checkbox"/> Participation in the development of a community-wide plan                                                                                                                                                                                                                                                                                                                                                                |              |    |
| <b>d</b> <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan                                                                                                                                                                                                                                                                                                                                                                  |              |    |
| <b>e</b> <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans                                                                                                                                                                                                                                                                                                                                                            |              |    |
| <b>f</b> <input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA                                                                                                                                                                                                                                                                                                                             |              |    |
| <b>g</b> <input checked="" type="checkbox"/> Prioritization of health needs in its community                                                                                                                                                                                                                                                                                                                                                                          |              |    |
| <b>h</b> <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community                                                                                                                                                                                                                                                                                                               |              |    |
| <b>i</b> <input type="checkbox"/> Other (describe in Part VI)                                                                                                                                                                                                                                                                                                                                                                                                         |              |    |
| <b>7</b> 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 . . . . .                                                                                                                                                                                                                                | <b>7</b>     | No |
| <b>8a</b> 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)? . . . . .                                                                                                                                                                                                                                                                                               | <b>8a</b>    | No |
| <b>b</b> If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . .                                                                                                                                                                                                                                                                                                                                                    | <b>8b</b>    |    |
| <b>c</b> 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  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------|-----|
| <b>9</b> 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?                                                                                          |  | <b>9</b>  | Yes |
| <b>10</b> Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? . . . . .<br>If "Yes," indicate the FPG family income limit for eligibility for free care <u>200</u> %<br>If "No," explain in Part VI the criteria the hospital facility used                                          |  | <b>10</b> | Yes |
| <b>11</b> Used FPG to determine eligibility for providing <i>discounted</i> care? . . . . .<br>If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400</u> %<br>If "No," explain in Part VI the criteria the hospital facility used                                                           |  | <b>11</b> | Yes |
| <b>12</b> Explained the basis for calculating amounts charged to patients? . . . . .<br>If "Yes," indicate the factors used in determining such amounts (check all that apply)                                                                                                                                                  |  | <b>12</b> | Yes |
| <b>a</b> <input checked="" type="checkbox"/> Income level                                                                                                                                                                                                                                                                       |  |           |     |
| <b>b</b> <input checked="" type="checkbox"/> Asset level                                                                                                                                                                                                                                                                        |  |           |     |
| <b>c</b> <input checked="" type="checkbox"/> Medical indigency                                                                                                                                                                                                                                                                  |  |           |     |
| <b>d</b> <input type="checkbox"/> Insurance status                                                                                                                                                                                                                                                                              |  |           |     |
| <b>e</b> <input checked="" type="checkbox"/> Uninsured discount                                                                                                                                                                                                                                                                 |  |           |     |
| <b>f</b> <input type="checkbox"/> Medicaid/Medicare                                                                                                                                                                                                                                                                             |  |           |     |
| <b>g</b> <input type="checkbox"/> State regulation                                                                                                                                                                                                                                                                              |  |           |     |
| <b>h</b> <input type="checkbox"/> Residency                                                                                                                                                                                                                                                                                     |  |           |     |
| <b>i</b> <input type="checkbox"/> Other (describe in Part VI)                                                                                                                                                                                                                                                                   |  |           |     |
| <b>13</b> Explained the method for applying for financial assistance? . . . . .                                                                                                                                                                                                                                                 |  | <b>13</b> | Yes |
| <b>14</b> Included measures to publicize the policy within the community served by the hospital facility? . . . . .<br>If "Yes," indicate how the hospital facility publicized the policy (check all that apply)                                                                                                                |  | <b>14</b> | Yes |
| <b>a</b> <input type="checkbox"/> The policy was posted on the hospital facility's website                                                                                                                                                                                                                                      |  |           |     |
| <b>b</b> <input type="checkbox"/> The policy was attached to billing invoices                                                                                                                                                                                                                                                   |  |           |     |
| <b>c</b> <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms                                                                                                                                                                                                             |  |           |     |
| <b>d</b> <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices                                                                                                                                                                                                                           |  |           |     |
| <b>e</b> <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility                                                                                                                                                                                                        |  |           |     |
| <b>f</b> <input checked="" type="checkbox"/> The policy was available upon request                                                                                                                                                                                                                                              |  |           |     |
| <b>g</b> <input checked="" type="checkbox"/> Other (describe in Part VI)                                                                                                                                                                                                                                                        |  |           |     |
| Billing and Collections                                                                                                                                                                                                                                                                                                         |  |           |     |
| <b>15</b> 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? . . . . .                                                                               |  | <b>15</b> | No  |
| <b>16</b> 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                                                                           |  |           |     |
| <b>a</b> <input type="checkbox"/> Reporting to credit agency                                                                                                                                                                                                                                                                    |  |           |     |
| <b>b</b> <input type="checkbox"/> Lawsuits                                                                                                                                                                                                                                                                                      |  |           |     |
| <b>c</b> <input type="checkbox"/> Liens on residences                                                                                                                                                                                                                                                                           |  |           |     |
| <b>d</b> <input type="checkbox"/> Body attachments                                                                                                                                                                                                                                                                              |  |           |     |
| <b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)                                                                                                                                                                                                                                                 |  |           |     |
| <b>17</b> 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? . . . . .<br>If "Yes," check all actions in which the hospital facility or a third party engaged |  | <b>17</b> | No  |
| <b>a</b> <input type="checkbox"/> Reporting to credit agency                                                                                                                                                                                                                                                                    |  |           |     |
| <b>b</b> <input type="checkbox"/> Lawsuits                                                                                                                                                                                                                                                                                      |  |           |     |
| <b>c</b> <input type="checkbox"/> Liens on residences                                                                                                                                                                                                                                                                           |  |           |     |
| <b>d</b> <input type="checkbox"/> Body attachments                                                                                                                                                                                                                                                                              |  |           |     |
| <b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)                                                                                                                                                                                                                                                 |  |           |     |

**Part V**

**Facility Information** *(continued)*

- 18** Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)
- a** ☒ Notified individuals of the financial assistance policy on admission

**b** ☐ Notified individuals of the financial assistance policy prior to discharge

**c** ☐ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills

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

**e** ☐ Other (describe in Section C)

**Policy Relating to Emergency Medical Care**

|                                                                                                                                                                                                                                                                                                                                                             |           |            |           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------|-----------|
|                                                                                                                                                                                                                                                                                                                                                             |           | <b>Yes</b> | <b>No</b> |
| <b>19</b> 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? . . . . . | <b>19</b> | Yes        |           |
| If "No," indicate why                                                                                                                                                                                                                                                                                                                                       |           |            |           |
| <b>a</b> <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions                                                                                                                                                                                                                                           |           |            |           |
| <b>b</b> <input type="checkbox"/> The hospital facility's policy was not in writing                                                                                                                                                                                                                                                                         |           |            |           |
| <b>c</b> <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)                                                                                                                                                                                                     |           |            |           |
| <b>d</b> <input type="checkbox"/> Other (describe in Part VI)                                                                                                                                                                                                                                                                                               |           |            |           |

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

|                                                                                                                                                                                                                                                                                          |           |  |    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--|----|
| <b>20</b> 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                                                                                        |           |  |    |
| <b>a</b> <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged                                                                                                                    |           |  |    |
| <b>b</b> <input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged                                                                                              |           |  |    |
| <b>c</b> <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged                                                                                                                                                 |           |  |    |
| <b>d</b> <input checked="" type="checkbox"/> Other (describe in Part VI)                                                                                                                                                                                                                 |           |  |    |
| <b>21</b> 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? . . . . . | <b>21</b> |  | No |
| If "Yes," explain in Part VI                                                                                                                                                                                                                                                             |           |  |    |
| <b>22</b> 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? . . . . .                                                                                                   | <b>22</b> |  | 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.

[illegible]

**Part V**

**Facility Information** *(continued)*

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

How many non-hospital health care facilities did the organization operate during the tax year? 2

| Name and address |                                                                  | Type of Facility (describe)       |
|------------------|------------------------------------------------------------------|-----------------------------------|
| <b>1</b>         | SANTA FE IMAGING LLC<br>1640 HOSPITAL DRIVE<br>SANTA FE,NM 87505 | RADIOLOGY IMAGING SERVICE CENTER  |
| <b>2</b>         | MONTE SOL TECHNOLOGY<br>490-A WEST ZIA ROAD<br>SANTA FE,NM 87505 | ONCOLOGY OFFICE SPACE & EQUIPMENT |
| <b>3</b>         |                                                                  |                                   |
| <b>4</b>         |                                                                  |                                   |
| <b>5</b>         |                                                                  |                                   |
| <b>6</b>         |                                                                  |                                   |
| <b>7</b>         |                                                                  |                                   |
| <b>8</b>         |                                                                  |                                   |
| <b>9</b>         |                                                                  |                                   |
| <b>10</b>        |                                                                  |                                   |

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, A MEMBER OF ST VINCENT HOSPITAL 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 SCHEDULE H, PART I, LINE 7, COLUMN (F) PERCENT OF TOTAL EXPENSE TOTAL EXPENSE FROM FORM 990, PART IX, LINE 25, COLUMN (A) IS \$358,933,223 THE BAD DEBT EXPENSE INCLUDED IN THIS AMOUNT IS \$27,806,230 THIS LEAVES A TOTAL EXPENSE OF \$331,126,993 FOR PURPOSES OF CALCULATING LINE 7, COLUMN (F) |

| Form and Line Reference                | Explanation                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SCHEDULE H, PART I, LINE 7, COLUMN (F) | FINANCIAL ASSIST AND OTHER COMMUNITY BENEFITS AS PERCENTAGE OF TOTAL COST THE ORGANIZATION'S TOTAL COMMUNITY BENEFIT EXPENSE AS REPORTED ON PART I, LINE 7K, COLUMN (C) AS A PERCENTAGE OF TOTAL EXPENSE IS 19.28% 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| Schedule H, Part I, Line 7I | <p> CASH AND IN-KIND CONTRIBUTIONS ST VINCENT HOSPITAL MADE OVER \$2,341,051 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 ON FORM 990, SCHEDULE I, GRANTS AND OTHER ASSISTANCE TO ORGANIZATIONS, GOVERNMENTS, AND INDIVIDUALS AND PART IX, LINES 1 THROUGH 3 GRANTS AND OTHER ASSISTANCE MEMBER ORGANIZATION, 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 TOTALING \$90,000 WERE DONATED BY CHRISTUS HEALTH TO NONPROFIT ORGANIZATIONS LOCATED IN THE COMMUNITY THAT ST VINCENT HOSPITAL SERVES THE GRANT DOLLARS ARE USED TO SUPPORT PROGRAMS THAT PROMOTE THE HEALTH OF THE COMMUNITIES THAT ST VINCENT HOSPITAL SERVES, SUCH AS THE PROVISION OF PREVENTIVE ORAL HEALTH SERVICES, WELL-CHILD VISITS, AGE APPROPRIATE IMMUNIZATIONS, PROFESSIONAL PSYCHOTHERAPY AND EDUCATIONAL PROGRAMS FOR UNINSURED AND UNDERINSURED COMMUNITY MEMBERS ST VINCENT HOSPITAL USED CASH DONATIONS AS A VEHICLE TO IMPROVE THE HEALTH OF THE COMMUNITIES SERVED CASH DONATIONS AND GRANTS ARE GIVEN TO SUPPORT OTHER NONPROFIT ORGANIZATIONS AND PROGRAMS INCLUDING THE FARMER'S MARKET HEALTHY NUTRITION, AMERICAN CANCER SOCIETY, BIG BROTHERS BIG SISTERS, AND UNITED WAY ST VINCENT HOSPITAL ALSO MADE CASH AND IN KIND DONATIONS TO FUND COMMUNITY INITIATIVES SUCH AS A HOLIDAY COAT DRIVE FOR CHILDREN AND PHYSICAL FITNESS PROGRAMS FOR CHILDREN AND ADULTS ADDITIONALLY, COMMUNITY BASED PROGRAMS ADDRESSING THE NEEDS OF UNDERSERVED, VULNERABLE POPULATIONS WERE FUNDED SERVICES ARE SPECIFICALLY TARGETED TO MEET HEALTH CARE NEEDS ALONG THE AGE SPAN RANGING FROM SERVICES TO CHILDREN BIRTH TO 3, ADOLESCENT BEHAVIORAL HEALTH, ADULT BEHAVIORAL HEALTH, DOMESTIC VIOLENCE AND SENIOR CARE </p> |

| 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     | <p>COMMUNITY BENEFIT ACTIVITIES AMOUNTS REPORTED ON SCHEDULE H, PART II</p> <p>COMMUNITY BUILDING ACTIVITIES INCLUDE PHYSICAL IMPROVEMENTS AND HOUSING, AND COMMUNITY HEALTH IMPROVEMENT ADVOCACY 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 AFFORDABLE HOUSING AND ECONOMIC DEVELOPMENT BY PROVIDING FINANCING AT BELOW-MARKET INTEREST RATES TO NOT FOR PROFIT ORGANIZATIONS AT TERMS NOT EXCEEDING MORE THAN FIVE YEARS THOUGH OUTSTANDING LOAN BALANCES VARY THROUGHOUT THE YEAR, THE OUTSTANDING LOAN BALANCE AT THE END OF FISCAL YEAR 2014 WAS \$1,000,000 THE FOREGONE INTEREST FOR ST VINCENT HOSPITAL IN FISCAL YEAR ENDING JUNE 30, 2014 WAS \$25,797 IN ADDITION, ST VINCENT HOSPITAL HAS PARTNERED WITH LOCAL FINANCING AGENCIES AND BANKS TO PARTICIPATE IN LOW INCOME HOUSING PROJECTS, SCHOOL AGE CHILDREN WHO ARE HOMELESS, AT-RISK TEENS AND OTHER COMMUNITY PROJECTS TO IMPROVE THE HEALTH OF THE COMMUNITIES SERVED ST VINCENT HOSPITAL ASSOCIATES SERVE ON LOCAL NONPROFIT BOARDS AND PARTICIPATE IN VARIOUS COMMUNITY INITIATIVES THAT PROMOTE THE HEALTH AND WELL BEING THE COMMUNITIES SERVED THE CHRISTUS HEALTH ADVOCACY DEPARTMENT IS WORKING IN PARTNERSHIP WITH LOCAL, STATE AND FEDERAL POLICY MAKERS TO ENSURE ACTIVITIES AND PROGRAMS ARE IN PLACE THAT WILL ENHANCE PUBLIC HEALTH AND ADVANCE GENERAL KNOWLEDGE THESE ARE SOME OF THE MAIN COMMUNITY BUILDING ACTIVITIES THAT PROMOTE THE HEALTH OF THE COMMUNITIES SERVED BY IMPROVING ACCESS TO HEALTH SERVICES, ENHANCING PUBLIC HEALTH, AND ADVANCING KNOWLEDGE</p> |

| 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 | BAD DEBT EXPENSE 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| Schedule H, Part III, Section A, Line 3 | <p>Estimate of Bad Debt Expense Attributable to Patients Eligible Under Charity Care 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, 2014, 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 33% 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, 2011 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</p> |

| 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 JUDGMENT AND ESTIMATES ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THESE ESTIMATES " |

| Form and Line Reference                 | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Schedule H, Part III, Section B, Line 8 | Extent Shortfall Should be Community Benefit & Costing Methodology THE AMOUNT ON SCHEDULE H, PART III, LINE 6 IS DETERMINED BY CALCULATING MEDICARE ALLOWABLE COSTS USING WORKSHEET A OF THE MEDICARE COST REPORT WORKSHEET A OF THE MEDICARE COST REPORT REQUIRES THE ORGANIZATION TO REMOVE NON-ALLOWABLE EXPENSES FROM TOTAL EXPENSES VIA THE ADJUSTMENTS TO EXPENSES WORKSHEETS WITHIN THE MEDICARE COST REPORT THE AMOUNT REPORTED ON SCHEDULE H, PART III, LINE 6 DOES NOT TAKE INTO ACCOUNT ALL COSTS INCURRED BY THE FILING ORGANIZATION ASSOCIATED WITH THE FILING ORGANIZATION'S PROVISIONS OF SERVICES TO MEDICARE PATIENTS SCHEDULE H, PART III, LINE 7 WOULD EQUAL A SURPLUS OF \$579,089 IF TOTAL EXPENSES ALLOCABLE TO MEDICARE SERVICES WERE SUBSTITUTED ON SCHEDULE H, PART III, LINE 6 TOTAL EXPENSES ALLOCABLE TO MEDICARE SERVICES WERE SUBSTITUTED ON SCHEDULE H, PART III, LINE 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 ST VINCENT HOSPITAL COMMUNITY HEALTH NEEDS ASSESSMENT INCLUDES (1) A COMMUNITY HEALTH PROFILE WITH KEY POPULATION HEALTH INDICATORS, (2) FOCUS GROUPS WITH A BROAD RANGE OF REPRESENTATIVES FROM ACROSS THE COMMUNITY INCLUDING CONSUMERS, PROVIDERS, LOCAL GOVERNMENT (COUNTY & CITY), HEALTH CARE PRACTITIONERS, AND OTHER STAKEHOLDERS, (3) RESOURCE INVENTORY TO CAPTURE LOCAL CAPACITY AND GAPS THE REMAINDER OF THE CHNA PROCESS WILL INCLUDE THE ST VINCENT PRIORITIES AND A COMMUNITY HEALTH STRATEGIC PLAN (APPROVED BY THE BOARD) ON AN ON-GOING BASIS ST VINCENT PARTICIPATES IN HEALTH, EDUCATION AND SOCIAL SERVICE PLANNING WITH MULTIPLE GROUPS THROUGHOUT THE COMMUNITY INCLUDING THE PUBLIC SCHOOLS, COUNTY DEPARTMENT OF HEALTH AND HUMAN SERVICES, CITY HEALTH AND HUMAN SERVICES, THE FAITH COMMUNITY, AND OTHER COMMUNITY GROUPS THROUGH OUR PARTICIPATION IN THESE EFFORTS, ST VINCENT IS INVOLVED IN IDENTIFYING NEEDS AND ADDRESSING ISSUES FACING THE POPULATION |

| Form and Line Reference     | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SCHEDULE H, PART VI, LINE 3 | PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE ST VINCENT HOSPITAL 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 |

| Form and Line Reference     | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SCHEDULE H, PART VI, LINE 4 | COMMUNITY INFORMATION ST VINCENT HOSPITAL IS LOCATED IN SANTA FE, NEW MEXICO AND SERVES MORE THAN 300,000 PEOPLE IN SEVEN COUNTIES COVERING A 19,000 SQUARE-MILE AREA ENCOMPASSING NORTH CENTRAL AND NORTHEASTERN NEW MEXICO AND SOUTHERN COLORADO SANTA FE COUNTY'S POPULATION IS 50 PERCENT HISPANIC THE FASTEST GROWING AGE GROUP IN THE ORGANIZATION'S SERVICE AREA IS 65 YEARS OF AGE AND OLDER WHICH IS PROJECTED TO GROW BY ALMOST THREEFOLD FROM 22,000 TO 61,000 BY 2040 AS COMPARED WITH 3 PERCENT GROWTH FOR THE POPULATION AS A WHOLE TWENTY PERCENT OF SANTA FE COUNTY'S POPULATION IS UNINSURED ST VINCENT HOSPITAL IS THE ONLY LEVEL III TRAUMA CENTER IN NORTH CENTRAL/NORTHEASTERN NEW MEXICO IT IS THE LARGEST HOSPITAL NORTH OF ALBUQUERQUE AND SOUTH OF PUEBLO, COLORADO ST VINCENT HOSPITAL IS CLASSIFIED AS A SOLE COMMUNITY PROVIDER BY THE CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS) |

| Form and Line Reference     | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              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| SCHEDULE H, PART VI, LINE 5 | <p>PROMOTION OF COMMUNITY HEALTH ST VINCENT HOSPITAL PROVIDES A FULL RANGE OF INPATIENT AND OUTPATIENT SERVICES TO THE PEOPLE FROM THE COMMUNITIES IT SERVES IT CONDUCTS ITS ACTIVITI ES AND SERVES ITS HEALTH CARE PURPOSE WITHOUT REGARD TO RACE, COLOR, CREED, RELIGION, GEND ER, ORIENTATION, DISABILITY, AGE OR NATIONAL ORIGIN ST VINCENT HOSPITAL PROVIDES A 24 HO UR EMERGENCY ROOM THAT IS OPEN TO SERVE ALL THOSE IN NEED OF EMERGENT CARE, REGARDLESS OF THEIR ABILITY TO PAY ST VINCENT HOSPITAL HEALTH CARE FACILITIES INCLUDE PARTIAL OWNERSHI P IN (1) AN IMAGING FACILITY - SANTA FE IMAGING, L L C , (2) NEW MEXICO HEART INSTITUTE, A ND (3) THE CANCER INSTITUTE TO RESPOND TO THE NEEDS OF THE COMMUNITY, ST VINCENT PROVIDE S THE FOLLOWING OUTPATIENT AND INPATIENT SERVICES AND SPECIALTIES</p> <p>ANTIMICROBIAL STEWARDSH IP PROGRAM, BARIATRICS, CANCER CENTER, HEART &amp; VASCULAR CENTER - CARDIOVASCULAR SERVICES, BEHAVIORAL HEALTH SERVICES, DIABETES CENTER, GASTROENTEROLOGY, HOSPITALIST, BIRTHING CENTE R, LABORATORY SERVICES, EMERGENCY SERVICES, NEUROLOGY, OPHTHALMOLOGY, RETINA CENTER, ORTHO PAEDICS, OUTPATIENT THERAPIES SPORTS MEDICINE, PEDIATRIC SERVICES, PHYSICAL REHAB INCLUDIN G INPATIENT, SPORTS MEDICINE, CENTER FOR LIVING WELL, IN-PATIENT REHAB, PULMONARY DISEASE, SLEEP CENTER, SPINE CENTER AND NEURO SCIENCE, SURGICAL SERVICES, UROLOGY, WOMEN'S SERVICE S, AND WOUNDCARE &amp; HYPERBARIC OXYGEN THERAPY IN ADDITION TO PRIMARY AND SPECIALTY CARE, C HRISTUS ST VINCENT OPERATES SEVERAL PROGRAMS THAT RESPOND DIRECTLY TO CRITICAL COMMUNITY NEEDS A DIABETES CENTER, CARE CONNECTION AN OUTPATIENT BEHAVIORAL HEALTH PROGRAM, AND A H OSPITAL-BASED DOMESTIC VIOLENCE PROGRAM THE DIABETES CENTER HAS BEEN CO- LOCATED WITH THE ST VINCENT WOUND CENTER TO IMPROVE INTEGRATION OF PATIENT CARE THE DIABETES CENTER DIREC TOR IS LEADING A POPULATION HEALTH, COMMUNITY-WIDE PLANNING INITIATIVE TO DEVELOP AN INTEG RATED SYSTEM OF CARE FOR ADDRESSING CHRONIC DISEASES ACROSS THE COMMUNITY THESE PROGRAMS HAVE RECEIVED NATIONAL AND STATE RECOGNITION THE CARE CONNECTION AND DOMESTIC VIOLENCE PR OGRAM WERE CITED AS BEST PRACTICES BY THE JOINT COMMISSION (JCAHO) THE CARE CONNECTION IN CLUDES AN ASSESSMENT CENTER AND SOBERING CENTER THE ASSESSMENT CENTER RECEIVES DWI OFFEND ER REFERRALS FROM THE COURTS AND PROVIDES ASSESSMENTS AND CASE MANAGEMENT FOR INDIVIDUALS ASSESSED TO HAVE A CHEMICAL DEPENDENCY THE SOBERING CENTER IS A 24 HOUR, 15 BED FACILITY THAT PROVIDES SHORT TERM NON-MEDICAL DETOX THE SOBERING CENTER IS DIRECTLY RESPONSIVE TO THE EMERGENCY DEPARTMENT IN PROVIDING AN ALTERNATIVE TO THE EMERGENCY ROOM FOR INDIVIDUALS WHO ARE MEDICALLY STABLE, YET NEED TO DETOX THROUGH THE ASSESSMENT AND SOBERING CENTERS AND WORKING WITH HOSPITALS ACROSS THE HOSPITAL (EMERGENCY DEPARTMENT, BEHAVIORAL HEALTH UN IT AND CASE MANAGEMENT) AN INITIATIVE TO REDUCE READMISSIONS FOR THE MOST FREQUENT USERS O F THE ER WITH BEHAVIORAL HEALTH CONDITIONS HAS SUCCESSFULLY REDUCED READMISSIONS BY 65% FO R TWO CONSECUTIVE YEARS ST VINCENT HOSPITAL ALSO PROVIDES A DOMESTIC VIOLENCE HOSPITAL BASED PROGRAM, THE ONLY ONE IN NEW MEXICO A DOMESTIC VIOLENCE TOOL KIT FOR PHYSICIANS IN T HE OUTPATIENT SETTING HAS BEEN DEVELOPED AND IS BEING IMPLEMENTED IN ST VINCENT OWNED AS WELL AS PRIVATE PRACTITIONER OFFICES ST VINCENT HOSPITAL COLLABORATES WITH COMMUNITIES, CHURCHES, BUSINESSES, AND OTHER HEALTH CARE ORGANIZATIONS TO FACILITATE AND STRENGTHEN ACC ESSIBILITY OF QUALITY COMPREHENSIVE HEALTH CARE SERVICES FOR ALL, PARTICULARLY THE VULNERA BLE AND UNDERSERVED POPULATIONS ST VINCENT HOSPITAL ALSO SUPPORTS MANY LOCAL COMMUNITY H EALTH SERVICES, OFFERING CONVENIENT LOCATIONS FOR PRIMARY CARE AND MOBILE OUTREACH PROGRAM S, IMMUNIZATIONS FOR CHILDREN AND SENIORS, MEALS ON WHEELS, AND TRANSPORTATION SERVICES FO R THE COMMUNITIES SERVED IN ADDITION, ST VINCENT HOSPITAL PROVIDES MEDICATION ASSISTANCE FOR COMMUNITY RESIDENTS WHO ARE UNABLE TO AFFORD MEDICATIONS ST VINCENT HOSPITAL IS DED ICATED TO IMPROVING THE HEALTH STATUS OF THE COMMUNITY THROUGH PROGRAMS THAT PLACE NEEDED SERVICES WHERE THEY ARE NEEDED THE MOST, WITH SPECIAL ATTENTION AND PREFERENCE GIVEN TO PR OGRAMS THAT SUPPORT AND BENEFIT THE HEALTH AND WELFARE OF THE POOR AND UNDERSERVED ST VI NCENT HOSPITAL IS ONE OF THE AREA'S LARGEST PRIVATE EMPLOYERS, 2ND ONLY TO GOVERNMENT "CO MMUNITY SERVICES FOR A BROADER COMMUNITY" IS ALSO A PART OF ST VINCENT HOSPITAL'S OVERALL COMMUNITY BENEFIT THE GREATEST SHARE OF THESE EXPENSES IS FOR EDUCATING HEALTH PROFESSIO NALS (GRADUATE MEDICAL EDUCATION, NURSING STUDENTS, ALLIED HEALTH PROFESSIONALS, PHARMACIS TS, ETC) HELPING TO PREPARE FUTURE HEALTH CARE PROFESSIONALS IS A DISTINGUISHING CHARACTE RISTIC OF NONPROFIT HEALTH CARE AND CONSTITUTES A SIGNIFICANT COMMUNITY BENEFIT ST VINCE NT HOSPITAL HAD \$608,743 OF EXPENSES IN HEALTH PROFESSIONS EDUCATION DURING FY 2014 WHICH INCLUDE CLINICAL EXPERIENCE AND OTHER EDUCATION FOR PHYSICIANS AND MEDICAL RESIDENTS CHRI STUS HEALTH, MEMBER ORGANIZATION, ALSO USED CASH D</p> |

| Form and Line Reference     | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SCHEDULE H, PART VI, LINE 5 | ONATIONS AS A VEHICLE TO HELP THE COMMUNITIES SERVED IT MADE CASH DONATIONS AS WELL AS GRANTS TO SUPPORT NONPROFIT HEALTH CARE ORGANIZATIONS AND PROGRAMS INCLUDING LA FAMILA MEDICAL CENTER, NEW VISTAS, SOLACE CRISIS TREATMENT CENTER, YOUTH SHELTERS & FAMILY SERVICES, PRESBYTERIAN MEDICAL SERVICES, AND BIG BROTHERS BIG SISTERS OF NORTHERN NEW MEXICO AND VARIOUS OTHER PROGRAMS AIMED AT IMPROVING THE HEALTH OF THE COMMUNITIES SERVED AS A NONPROFIT ORGANIZATION AND AS A PART OF CHRISTUS HEALTH, A REGIONAL GOVERNING BOARD COMPRISED LARGE LY OF INDEPENDENT COMMUNITY MEMBERS REPRESENTING THE MAKEUP OF THE AREA WE SERVE GUIDES ST VINCENT HOSPITAL WE ARE PRIVILEGED TO HAVE AN OPEN MEDICAL STAFF COMPRISED OF QUALIFIED PHYSICIANS WHO WORK WITH US TO PROVIDE CARE TO OUR COMMUNITIES ALL QUALIFIED PHYSICIANS WHO ARE GRANTED PRIVILEGES TO SERVE WITH US IN OUR HOSPITALS MUST UNDERGO A THOROUGH AND COMPREHENSIVE CREDENTIALING AND ORIENTATION PROCESS ALL PERSONS EMPLOYED AND AFFILIATED WITH ST VINCENT HOSPITAL ARE REQUIRED TO COMPLETE AN ANNUAL CONFLICT OF INTEREST STATEMENT |

| Form and Line Reference     | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SCHEDULE H, PART VI, LINE 6 | AFFILIATED HEALTH CARE SYSTEM DESCRIPTION ST VINCENT HOSPITAL 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, NEW MEXICO, TEXAS, AND INTERNATIONALLY IN THE COUNTRIES OF MEXICO AND CHILE A COMMON MISSION, CORE VALUES, AND VISION UNITE THE HEALTH SYSTEM EACH REGION, INCLUDING ST VINCENT HOSPITAL, 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 ST VINCENT HOSPITAL, 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 | STATE FILING OF COMMUNITY BENEFIT REPORT 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 CHRISTUS HEALTH'S NONPROFIT HOSPITALS LOCATED IN TEXAS FILE A COMMUNITY BENEFIT REPORT IN THE STATE OF TEXAS THE ANNUAL STATEMENT OF COMMUNITY BENEFITS STANDARD (ASCBS) FORM AND ANNUAL REPORT OF THE COMMUNITY BENEFITS PLAN ARE FILED WITH THE TEXAS DEPARTMENT OF STATE HEALTH SERVICES (DSHS) AS REQUIRED BY THE HEALTH AND SAFETY CODE, SECTIONS 311 045 AND 311 046 THE 2012 ASCBS FORM IS EXPANDED TO COLLECT THE INFORMATION ON CHARITY CARE POLICIES AND COMMUNITY BENEFITS IN A STANDARDIZED FORMAT STATE FILINGS OF COMMUNITY BENEFIT REPORT TX |





Additional Data

Software ID:  
Software Version:  
EIN: 85-0106941  
Name: St Vincent Hospital

990 Schedule H, Supplemental Information

|                                                                                                                                                                                                                                                                                                                                                            |             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>Section C. Supplemental Information for Part V, Section B.</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                                                                                                                                                                                                                                                                                                                      |             |

Schedule I  
(Form 990)

Department of the Treasury  
Internal Revenue Service  
Name of the organization  
St Vincent Hospital

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](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public  
Inspection

Employer identification number

85-0106941

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

24

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) NURSING SCHOLARSHIP GRANTS | 10                      | 82,838                  |                                  | CASH                                                 |                                       |
| (2) IMMUNIZATIONS              | 5367                    |                         | 86,089                           | COST                                                 | vaccines                              |
|                                |                         |                         |                                  |                                                      |                                       |
|                                |                         |                         |                                  |                                                      |                                       |
|                                |                         |                         |                                  |                                                      |                                       |
|                                |                         |                         |                                  |                                                      |                                       |
|                                |                         |                         |                                  |                                                      |                                       |

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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Description of Organization's Procedures for Monitoring the Use of Grants | Schedule I, Part I, Line 2 THE ORGANIZATION FOLLOWS MEMBER ORGANIZATION 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) TAX EXEMPT AND PUBLICLY SUPPORTED 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 |

Additional Data

Software ID:  
Software Version:  
EIN: 85-0106941  
Name: St Vincent Hospital

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              |
|-------------------------------------------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------------|-------------------------------------------------|
| Aegis - Workplace Health Initiative<br>PO BOX 305172/DEPT 91<br>NASHVILLE, TN 37230 | 62-1390310 | Corp                               | 119,682                  |                                   |                                                       |                                        | BLDG<br>RELATIONSHIPS<br>WITH<br>PHYS/CONSUMERS |

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    |
|----------------------------------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------------|---------------------------------------|
| Cancer Foundation for New Mexico<br>490-A W ZIA ROAD<br>SANTA FE, NM 87505 | 41-2079799 | 501(c)(3)                          | 54,000                   |                                   |                                                       |                                        | EDUC & SUPPT SVCS FOR CANCER PATIENTS |

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

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|---------------------------------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Coming Home Connection<br>418 Cerrillos Rd Suite 28<br>SANTA FE, NM 87501 | 74-2853467 | 501(c)(3)                          | 9,000                    |                                   |                                                       |                                        | Coming Home Connection trains, places and coordinates volunteers to provide free in-home care and personal support to the most at-risk and vulnerable populations in our community including the elderly, the uninsured, low-income adults, children, military veterans with special needs and their immediate families who have fallen through the gaps in the healthcare delivery system |

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                                                                                                                                                                                                                                                       |
|------------------------------------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Esperanza Shelter for Battered Families<br>PO Box 5701<br>SANTA FE, NM 87502 | 85-0313174 | 501(c)(3)                          | 33,667                   |                                   |                                                       |                                        | Esperanza is a full service support center providing 24-hour crisis intervention, emergency shelter and on-going domestic violence prevention and treatment services including child therapy, survivor support and offender treatment for all families experiencing violence in the home |



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                                             |
|-----------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|--------------------------------------------------------|----------------------------------------|--------------------------------------------------------------------------------|
| Gerard's House<br>PO Box 28693<br>SANTA FE,NM 87592 | 74-2834283 | 501(c)(3)                          | 7,667                    |                                   |                                                        |                                        | Provides Grief Support And Outreach Services For Children, Teens, And Families |

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                                                                                          |
|-------------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Kitchen Angels<br>1222 Siler Rd<br>SANTA FE, NM 87507 | 85-0423492 | 501(c)(3)                          | 8,000                    |                                   |                                                       |                                        | Kitchen Angels is dedicated to providing free, nutritious meals to homebound Santa Feans facing life-challenging conditions |

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                                                                                                                    |
|---------------------------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| La Familia Medical Center<br>1035 ALTO STREET<br>SANTA FE, NM 87502 | 85-0220875 | 501(c)(3)                          | 34,667                   | 8,258                             | COST                                                  | PHONE SVCS                             | Support the provision of OB/GYN services to low income families in Santa Fe County via La Familia Medical Center, a nonprofit community health center |

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                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Las Cumbres Community Services<br>404 Hunter St<br>Espanola, NM 87532 | 23-7144268 | 501(c)(3)                          | 14,667                   |                                   |                                                       |                                        | The Santa Fe Community Infant Program provides comprehensive, therapeutic, home-based services with a focus on the mental health of infants aged prenatal to three. Staff therapists work with families where there are concerns about the parents or caregivers ability to provide a secure and trusting relationship with their infant or child or when there may be rise of abuse or neglect. |

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

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|--------------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------------|------------------------------------|
| Life Link<br>2325 Cerrillos Road<br>SANTA FE, NM 87505 | 55-0805066 | 501(c)(3)                          | 26,667                   |                                   |                                                       |                                        | GENERAL SUPPORT                    |

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

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|-------------------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| New Vistas<br>1205 Parkway Dr Suite A<br>SANTA FE, NM 87507 | 85-0216702 | 501(c)(3)                          | 14,333                   |                                   |                                                       |                                        | New Vistas partners with and supports people with disabilities and families of children with special needs to enrich their quality of life in New Mexico |

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                                                               |
|-------------------------------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------------|--------------------------------------------------------------------------------------------------|
| NM Suicide Intervention Prevention<br>PO Box 6004<br>SANTA FE, NM 87502 | 85-0427990 | 501(c)(3)                          | 89,000                   |                                   |                                                       |                                        | To support suicide prevention and awareness training and information for Santa Fe County Schools |

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                                                                                                                                                                                    |
|---------------------------------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pastoral Counseling<br>1751 Old Pecos Trail Suite E<br>SANTA FE, NM 87505 | 85-0411553 | 501(c)(3)                          | 8,000                    |                                   |                                                       |                                        | The Pastoral Counseling Center provides faith-sensitive professional psychotherapy services to people in Santa Fe, N M and surrounding areas, helping with depression, behavioral disorders and learning disabilities |



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

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|------------------------------------------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Presbyterian Medical ANN Program Expenditures<br>PO BOX 2267<br>SANTA FE, NM 87504 | 85-0206810 | 501(c)(3)                          | 253,333                  |                                   |                                                       |                                        | Project ANN (Ayudando Nuestros Ninos) provides no-cost vision and dental services to Santa Fe County schoolchildren who do not have health insurance nor qualify for Medicaid |

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

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|--------------------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|--------------------------------------------------------|----------------------------------------|-----------------------------------------------------------------------------------------------------|
| Santa Fe Project Access<br>PO BOX 32145<br>SANTA FE,NM 87594 | 30-0053458 | 501(c)(3)                          | 131,667                  |                                   |                                                        |                                        | Money is given via the Santa Fe Project Access program to physicians to care for uninsured patients |

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

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|------------------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------------|------------------------------------|
| Santa Fe Recovery<br>4100 Lucia Lane<br>SANTA FE, NM 87507 | 85-0216976 | 501(c)(3)                          | 18,000                   |                                   |                                                       |                                        | GENERAL SUPPORT                    |

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

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|-------------------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|--------------------------------------------------------|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SF Community Foundation<br>PO Box 1827<br>SANTA FE,NM 87504 | 85-0303044 | 501(c)(3)                          | 7,000                    |                                   |                                                        |                                        | This Foundation helps donors plan and carry out their giving in Santa Fe by building and managing charitable funds, as well as supoort services to family foundations |

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                                                                                                                                                                   |
|------------------------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Solace Crisis Center<br>6601 Valentine Way<br>SANTA FE, NM 87507 | 85-0242274 | 501(c)(3)                          | 28,667                   |                                   |                                                       |                                        | Provide treatment to individuals suffering from post-traumatic stress disorder or stress of anxiety, provide victim advocacy for individuals who have experienced or been witness to a violent crime |

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

| (a) Name and address of organization or government                      | (b) EIN    | (c) IRC Code section if applicable | (d) Amount of cash grant | (e) Amount of non-cash assistance | (f) Method of valuation (book, FMV, appraisal, other) | (g) Description of non-cash assistance | (h) Purpose of grant or assistance                                                                                                                 |
|-------------------------------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| St Elizabeth Medical Respite<br>804 Alarid Street<br>SANTA FE, NM 87505 | 85-0347650 | 501(c)(3)                          | 43,667                   |                                   |                                                       |                                        | Provides care of people with complex neurological and other conditions caused or complicated by epilepsy, often with other associated disabilities |

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

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|----------------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------------|---------------------------------------------------------|
| SVH Support Co<br>406 BOTULPH LANE<br>SANTA FE, NM 87505 | 26-1592592 | 501(c)(3)                          | 11,000                   |                                   |                                                       |                                        | Provide funds for scholarships for high school students |

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

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|-----------------------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SW CARE Center<br>649 Harkle Road Suite E<br>SANTA FE, NM 87505 | 85-0397444 | 501(c)(3)                          | 12,000                   |                                   |                                                       |                                        | The focus at Southwest CARE Center is to provide a compassionate, patient-centered environment where everyone can feel comfortable and respected while receiving the highest quality health care available. Services are available regardless of ability to pay. |



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

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|-------------------------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| The Friendship Club<br>1414 Galisteo Street<br>SANTA FE, NM 87505 | 85-0324089 | 501(c)(3)                          | 10,000                   |                                   |                                                       |                                        | This is a facility with volunteers that host diverse groups such as AA, Al-Anon, Overeaters Anonymous, Gamblers Anonymous, etc |

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                                                                                                                   |
|---------------------------------------------------------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|--------------------------------------------------------|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| United Way of Santa Fe - First Born Program<br>440 CERRILLOS ROAD<br>SUITE A<br>SANTA FE,NM 87501 | 85-0163601 | 501(c)(3)                          | 215,000                  |                                   |                                                        |                                        | United Way of Santa Fe County's First Born Program is a unique home visiting program designed to meet the needs of first-time families in New Mexico |

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|---------------------------------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|--------------------------------------------------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Villa Therese Catholic Clinic<br>219 Cathedral Place<br>SANTA FE,NM 87501 | 85-0229019 | 501(c)(3)                          | 17,333                   |                                   |                                                        |                                        | Villa Therese Catholic Clinic offers free dental care to children who otherwise do not have access to dental care |

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

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|-----------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|--------------------------------------------------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Youth Shelters<br>PO Box 28279<br>SANTA FE,NM 87592 | 85-0324625 | 501(c)(3)                          | 16,000                   |                                   |                                                        |                                        | Youth Shelters provides unique life-changing services to homeless, runaway and in-crisis youth and their families |

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

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|------------------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| YouthWorks<br>1000 Cordova Place 415<br>SANTA FE, NM 87501 | 85-0480524 | 501(c)(3)                          | 6,667                    |                                   |                                                       |                                        | YouthWorks is a non-profit, community-based org that creates opportunities for disconnected your and families in Northern New Mexico to become enged and valued members of the communities |

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](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
St Vincent Hospital

Employer identification number  
85-0106941

Part I

Questions Regarding Compensation

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Yes   | No |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|----|
| <div><div>1a</div><div>Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.</div><div><div><div><input type="checkbox"/> First-class or charter travel</div><div><input checked="" type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div></div> |       |    |
| <div><div>b</div><div>If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain.</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 1bYes |    |
| <div><div>2</div><div>Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2Yes  |    |
| <div><div>3</div><div>Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.</div><div><div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div><div><div><input type="checkbox"/> Written employment contract</div><div><input type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Approval by the board or compensation committee</div></div></div></div>                                                                                                               |       |    |
| <div><div>4</div><div>During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization:</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       |    |
| <div><div>a</div><div>Receive a severance payment or change-of-control payment?</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 4aYes |    |
| <div><div>b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 4bYes |    |
| <div><div>c</div><div>Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 4c    | No |
| <div><div></div><div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |       |    |
| <div><div>5</div><div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |       |    |
| <div><div>a</div><div>The organization?</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 5a    | No |
| <div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 5a or 5b, describe in Part III.</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 5b    | No |
| <div><div>6</div><div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |       |    |
| <div><div>a</div><div>The organization?</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 6a    | No |
| <div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 6a or 6b, describe in Part III.</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 6b    | No |
| <div><div>7</div><div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 7     | No |
| <div><div>8</div><div>Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 8     | No |
| <div><div>9</div><div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 9     |    |

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

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

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

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

**Part III** Supplemental Information

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

| Return Reference                                                    | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Supplemental Compensation Information                               | 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. SUPPLEMENTAL COMPENSATION INFORMATION FORM 990, PART VII, LINE 1A AND SCHEDULE J, PART II DIRECTORS AND EX-OFFICIO DIRECTORS PROVIDE THEIR SERVICES AS MEMBERS OF THE BOARD WITHOUT COMPENSATION OR BENEFITS. ANY COMPENSATION AND BENEFITS DISCLOSED FOR SUCH PERSONS IS EARNED IN THE RESPECTIVE INDIVIDUAL'S ROLE AS AN OFFICER OR EMPLOYEE OF THE ORGANIZATION, NOT FOR THE INDIVIDUAL'S ROLE AS A BOARD MEMBER OR DIRECTOR. OFFICERS, KEY EMPLOYEES AND HIGHEST PAID EMPLOYEES ARE FULL-TIME EMPLOYEES. BOARD MEMBERS SPEND TIME AS NEEDED FOR BOARD MEETINGS AND FUNCTIONS. DANIEL KOVNAT, MD RECEIVED \$347,922 FOR SERVICES AS A MEDICAL DIRECTOR, MEDICAL STAFF PRESIDENT AND PHYSICIAN AT ST. VINCENT HOSPITAL AND NOT FOR SERVICES AS A DIRECTOR. FORMER DIRECTOR, CLEVELAND PARDUE, MD RECEIVED \$173,042 FOR SERVICES AS A PHYSICIAN AT ST. VINCENT HOSPITAL AND NOT FOR SERVICES AS A DIRECTOR. FORMER DIRECTOR, MICHAEL PALESTINE, MD RECEIVED \$22,000 FOR SERVICES AS A MEDICAL DIRECTOR AND NOT FOR SERVICES AS A DIRECTOR. FORMER DIRECTOR, KATHY ARMIJO-ETRE RECEIVED \$158,238 FOR CONSULTING SERVICES AND NOT FOR SERVICES AS A DIRECTOR. CHRISTUS HEALTH, A MEMBER ORGANIZATION OF ST. VINCENT HOSPITAL, HAS A 50% OWNERSHIP AND THEREFORE DOES NOT MEET THE DEFINITION OF A RELATED ORGANIZATION SET FORTH BY THE FORM 990 INSTRUCTIONS. THE FOLLOWING PERSONS RECEIVED COMPENSATION FROM UNRELATED CHRISTUS HEALTH FOR SERVICES RENDERED TO ST. VINCENT DURING CALENDAR YEAR 2013. THE AMOUNTS BELOW ARE REFLECTED IN PART VII, SECTION A, COLUMN D AND SCHEDULE J, PART II, COLUMN (B)(II) ROW I AS FOLLOWS: MARGARET DITTRICH BONUS AND INCENTIVE COMPENSATION = \$5,648; BRUCE TASSIN BONUS AND INCENTIVE COMPENSATION = \$24,288. |
| EXPLANATION OF MEMBER ORG DETERMINING CEO/EXECUTIVE DIRECTOR'S COMP | SCHEDULE J, PART I, LINE 3: THE FILING ORGANIZATION'S CEO/EXECUTIVE DIRECTOR IS AN EMPLOYEE OF CHRISTUS HEALTH, A MEMBER ORGANIZATION. AS A RESULT, COMPENSATION IS ESTABLISHED AT THE CHRISTUS HEALTH LEVEL AND THE FILING ORGANIZATION DOES NOT HAVE A ROLE IN IMPLEMENTING THE METHODS USED TO ESTABLISH COMPENSATION OR IN DETERMINING CEO/EXECUTIVE DIRECTOR COMPENSATION. CHRISTUS HEALTH USES AN EXECUTIVE COMPENSATION COMMITTEE TO ESTABLISH AND APPROVE THE COMPENSATION OF THE FILING ORGANIZATION'S CEO/EXECUTIVE DIRECTOR. THIS COMMITTEE USES AN INDEPENDENT COMPENSATION CONSULTANT WHO PERFORMS BI-ANNUAL COMPENSATION SURVEY. SEVERANCE PAYMENT: SCHEDULE J, PART I, LINE 4A. UNDER THE SEVERANCE PLAN, ALL OR A PORTION OF THE BASE SALARY OF A PARTICIPATING EXECUTIVE WILL CONTINUE TO BE PAID TO THE EXECUTIVE FOR A LIMITED PERIOD OF TIME IF THE EXECUTIVE'S EMPLOYMENT WITH CHRISTUS AND ITS AFFILIATES IS INVOLUNTARILY TERMINATED. DENNIS EMPEY RECEIVED \$230,685 AS A SEVERANCE PAYMENT DURING CALENDAR YEAR 2013.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN                           | SCHEDULE J, PART I, LINE 4B: DEFERRED COMPENSATION INCLUDES EXECUTIVE DEFERRED INCOME ACCOUNT, SUPPLEMENTAL EXECUTIVE RETIREMENT AND RETENTION PLAN, AND PENSION RESTORATION PLAN. ESTIMATED PENSION BENEFITS WERE CALCULATED BASED ON THE PROVISIONS OF THE CURRENT PENSION RESTORATION PLAN AT 6% OF PENSIONABLE EARNINGS WHICH ARE OVER THE IRS LEGISLATIVE COMPENSATION LIMIT. SOME ASSOCIATES ARE GRANDFATHERED UNDER AN EARLIER LEGACY PENSION PLAN. IF A PARTICIPANT HAS PROTECTED PENSION BENEFITS UNDER SUCH LEGACY PLANS, HIS/HER PERCENTAGE IS ZERO UNDER THE SUPPLEMENTAL EXECUTIVE RETIREMENT AND RETENTION PLAN, AS THE PROTECTED BENEFIT IS ALREADY EQUAL TO OR BETTER THAN CURRENT MARKET.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN PAYMENTS                  | SCHEDULE J, PART I, LINE 4B AND SCHEDULE J, PART II COLUMN (F): COMPENSATION REPORTED AS DEFERRED IN PRIOR FORM 990. BRUCE TASSIN RECEIVED \$28,078 DURING CALENDAR YEAR 2013 UNDER A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. CHRISTINE KIPP RECEIVED \$20,063 DURING CALENDAR YEAR 2013 UNDER A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. ALEX VALDEZ RECEIVED \$84,777 DURING CALENDAR YEAR 2013 UNDER A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. DENNIS EMPEY RECEIVED \$32,798 DURING CALENDAR YEAR 2013 UNDER A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. PEARL MOHNKERN RECEIVED \$1,423 DURING CALENDAR YEAR 2013 UNDER A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| SUPPLEMENTAL COMPENSATION INFORMATION                               | SCHEDULE J, PART II W-2: COMPENSATION MAY INCLUDE PAYMENTS RELATED TO COMPENSATION DEFERRED IN PRIOR YEARS. DEFERRED COMPENSATION MAY INCLUDE DEFERRALS OF CURRENT YEAR COMPENSATION UNDER EXECUTIVE DEFERRED INCOME ACCOUNT, SUPPLEMENTAL EXECUTIVE RETIREMENT AND RETENTION PLAN, AND PENSION RESTORATION PLAN.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| SUPPLEMENTAL COMPENSATION INFORMATION                               | SCHEDULE J, PART II, COLUMN (B)(II): BONUS AND INCENTIVE COMPENSATION MAY INCLUDE AMOUNTS THAT WERE DEFERRED IN A PRIOR YEAR BUT PAID OUT IN CALENDAR YEAR 2013.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| DEFERRED COMPENSATION                                               | SCHEDULE J, PART II, COLUMN C: DEFERRED COMPENSATION MAY INCLUDE 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |



Additional Data

Software ID:  
Software Version:  
EIN: 85-0106941  
Name: St Vincent Hospital

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

| (A) Name                                       |             | (B) Breakdown of W-2 and/or 1099-MISC compensation |                                     |                          | (C) Deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation reported in prior Form 990 or Form 990-EZ |
|------------------------------------------------|-------------|----------------------------------------------------|-------------------------------------|--------------------------|---------------------------|-------------------------|---------------------------------|------------------------------------------------------------|
|                                                |             | (i) Base Compensation                              | (ii) Bonus & incentive compensation | (iii) Other compensation |                           |                         |                                 |                                                            |
| William Plauth MD<br>Director (TERM 12/31/13)  | (i)<br>(ii) | 341,160<br>0                                       | 0<br>0                              | 17,308<br>0              | 10,838<br>0               | 39,615<br>0             | 408,921<br>0                    | 0<br>0                                                     |
| Bruce Tassin<br>Dir /President/CEO             | (i)<br>(ii) | 363,030<br>0                                       | 24,288<br>0                         | 190,880<br>0             | 111,061<br>0              | 34,531<br>0             | 723,790<br>0                    | 28,078<br>0                                                |
| Margaret Dittrich<br>Secretary/VP Compliance   | (i)<br>(ii) | 122,701<br>0                                       | 5,648<br>0                          | 24,070<br>0              | 29,633<br>0               | 20,388<br>0             | 202,440<br>0                    | 0<br>0                                                     |
| Christine Kipp CNO                             | (i)<br>(ii) | 177,948<br>0                                       | 11,803<br>0                         | 79,754<br>0              | 74,855<br>0               | 15,706<br>0             | 360,066<br>0                    | 20,063<br>0                                                |
| Michael Palestine MD<br>FORMER DIRECTOR        | (i)<br>(ii) | 22,000                                             |                                     |                          |                           |                         | 22,000                          |                                                            |
| Katherine Armijo<br>FORMER VP COMMUNITY HEALTH | (i)<br>(ii) | 115,339<br>0                                       | 0<br>0                              | 0<br>0                   | 5,279<br>0                | 37,620<br>0             | 158,238<br>0                    | 0<br>0                                                     |
| Cleveland Pardue<br>Former Director            | (i)<br>(ii) | 94,043<br>0                                        | 79,000<br>0                         | 0<br>0                   | 0<br>0                    | 566<br>0                | 173,609<br>0                    | 0<br>0                                                     |
| Frantz Melio INTERIM<br>CMO (TERM 6/1/14)      | (i)<br>(ii) | 390,129<br>0                                       | 148,441<br>0                        | 61,488<br>0              | 166,828<br>0              | 35,278<br>0             | 802,164<br>0                    | 0<br>0                                                     |
| Todd Mason FORMER<br>INTERIM CFO               | (i)<br>(ii) | 136,482<br>0                                       | 0<br>0                              | 7,919<br>0               | 5,834<br>0                | 13,301<br>0             | 163,536<br>0                    | 0<br>0                                                     |
| Daniel Kovnat Former<br>Director               | (i)<br>(ii) | 316,444<br>0                                       | 22,547<br>0                         | 3,004<br>0               | 0<br>0                    | 25,368<br>0             | 367,363<br>0                    | 0<br>0                                                     |
| Samuel Chun MD<br>PHYSICIAN                    | (i)<br>(ii) | 795,571<br>0                                       | 161,022<br>0                        | 0<br>0                   | 0<br>0                    | 31,126<br>0             | 987,719<br>0                    | 0<br>0                                                     |
| Donald Shina MD<br>PHYSICIAN                   | (i)<br>(ii) | 991,268<br>0                                       | 0<br>0                              | 0<br>0                   | 0<br>0                    | 28,924<br>0             | 1,020,192<br>0                  | 0<br>0                                                     |
| Jan V Bear MD<br>NEUROSURGEON                  | (i)<br>(ii) | 562,412<br>0                                       | 155,609<br>0                        | 26,781<br>0              | 39,500<br>0               | 732<br>0                | 785,034<br>0                    | 0<br>0                                                     |
| Philip Shields MD<br>PHYSICIAN                 | (i)<br>(ii) | 768,190<br>0                                       | 600<br>0                            | 8,125<br>0               | 0<br>0                    | 43,221<br>0             | 820,136<br>0                    | 0<br>0                                                     |
| Philip Smucker<br>PHYSICIAN                    | (i)<br>(ii) | 767,861<br>0                                       | 75<br>0                             | 0<br>0                   | 0<br>0                    | 38,991<br>0             | 806,927<br>0                    | 0<br>0                                                     |
| James Melisi MD<br>DIRECTOR (EFFECTIVE 7/1/13) | (i)<br>(ii) | 766,627<br>0                                       | 28,620<br>0                         | 0<br>0                   | 0<br>0                    | 38,991<br>0             | 834,238<br>0                    | 0<br>0                                                     |
| Randy Safady<br>DIRECTOR (EFFECTIVE 3/1/14)    | (i)<br>(ii) | 0<br>798,474                                       | 0<br>424,918                        | 0<br>108,907             | 0<br>387,609              | 0<br>33,721             | 0<br>1,753,629                  | 0<br>0                                                     |
| Jason Adams COO<br>(EFFECTIVE 7/1/13)          | (i)<br>(ii) | 114,140<br>0                                       | 20,000<br>0                         | 47,114<br>0              | 20,514<br>0               | 6,821<br>0              | 208,589<br>0                    | 0<br>0                                                     |
| Robert Moon CFO<br>(EFFECTIVE 8/1/13)          | (i)<br>(ii) | 139,949<br>0                                       | 0<br>0                              | 0<br>0                   | 11,444<br>0               | 428<br>0                | 151,821<br>0                    | 0<br>0                                                     |
| ALEX VALDEZ<br>FORMER PRESIDENT/CEO            | (i)<br>(ii) | 427,831<br>0                                       | 65,497<br>0                         | 84,777<br>0              | 186,580<br>0              | 17,402<br>0             | 782,087<br>0                    | 84,777<br>0                                                |

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

| (A) Name                             |      | (B) Breakdown of W-2 and/or 1099-MISC compensation |                                     |                          | (C) Deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation reported in prior Form 990 or Form 990-EZ |
|--------------------------------------|------|----------------------------------------------------|-------------------------------------|--------------------------|---------------------------|-------------------------|---------------------------------|------------------------------------------------------------|
|                                      |      | (i) Base Compensation                              | (ii) Bonus & incentive compensation | (iii) Other compensation |                           |                         |                                 |                                                            |
| DENNIS EMPEY<br>FORMER CFO           | (i)  | 74,266                                             | 0                                   | 288,214                  | 0                         | 4,132                   | 366,612                         | 32,798                                                     |
|                                      | (ii) | 0                                                  | 0                                   | 0                        | 0                         | 0                       | 0                               | 0                                                          |
| Pearl Mohnkern VP<br>Human Resources | (i)  | 183,400                                            | 6,558                               | 89,165                   | 35,904                    | 11,078                  | 326,105                         | 1,423                                                      |
|                                      | (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](http://www.irs.gov/form990).

OMB No 1545-0047  
**2013**  
**Open to Public Inspection**

Name of the organization  
St Vincent Hospital

Employer identification number  
85-0106941

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

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

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

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

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

| (a) Name of interested person | (b) Relationship with organization | (c) Purpose of loan | (d) Loan to or from the organization? |      | (e) Original principal amount | (f) Balance due | (g) In default? |    | (h) Approved by board or committee? | (i) Written agreement? |    |
|-------------------------------|------------------------------------|---------------------|---------------------------------------|------|-------------------------------|-----------------|-----------------|----|-------------------------------------|------------------------|----|
|                               |                                    |                     | To                                    | From |                               |                 | Yes             | No |                                     | Yes                    | No |
|                               |                                    |                     |                                       |      |                               |                 |                 |    |                                     |                        |    |
|                               |                                    |                     |                                       |      |                               |                 |                 |    |                                     |                        |    |
|                               |                                    |                     |                                       |      |                               |                 |                 |    |                                     |                        |    |
|                               |                                    |                     |                                       |      |                               |                 |                 |    |                                     |                        |    |
|                               |                                    |                     |                                       |      |                               |                 |                 |    |                                     |                        |    |
|                               |                                    |                     |                                       |      |                               |                 |                 |    |                                     |                        |    |
| 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) SANTA FE IMAGING LLC      | SEE DESCRIPTION, PART V                                         | 1,406,588                 | SEE DESCRIPTION, PART V        |                                         | No |
| (2) KATHY ARMIJO-ETRE         | FORMER DIRECTOR                                                 | 158,238                   | CONSULTING SERVICES            |                                         | No |
|                               |                                                                 |                           |                                |                                         |    |
|                               |                                                                 |                           |                                |                                         |    |
|                               |                                                                 |                           |                                |                                         |    |
|                               |                                                                 |                           |                                |                                         |    |

**Part V Supplemental Information**

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

| Return Reference                                            | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| RELATIONSHIP BETWEEN INTERESTED PERSON AND THE ORGANIZATION | SCHEDULE L, PART IV, COLUMN (B) BRUCE TASSIN SERVES AS THE PRESIDENT/CHIEF EXECUTIVE OFFICER OF ST VINCENT'S HOSPITAL AND AS A TRUSTEE OF SANTA FE IMAGING, LLC THROUGH SEPTEMBER 2013, GARY ERMERS SERVED AS THE INTERIM CHIEF FINANCIAL OFFICER OF ST VINCENT'S HOSPITAL AND AS A TRUSTEE OF SANTA FE IMAGING, LLC                                                                                                                                                                                                                                                             |
| DESCRIPTION OF ACTIVITY                                     | SCHEDULE L, PART IV, COLUMN (D) DUE TO ST VINCENT HOSPITAL'S 50% OWNERSHIP IN SANTA FE IMAGING, LLC, GARY ERMERS, ST VINCENT HOSPITAL'S INTERIM CFO, AND BRUCE TASSIN, ST VINCENT HOSPITAL'S CHIEF EXECUTIVE OFFICER, SERVE AS TRUSTEES OF SANTA FE IMAGING, LLC'S MANAGING BODY THEIR ROLES ON THE MANAGING BODY ARE SOLELY RELATED TO ST VINCENT HOSPITAL'S OWNERSHIP THE AMOUNT LISTED IN PART II, SECTION L OF ST VINCENT'S SCHEDULE K-1 FOR THE LLC'S YEAR ENDING 6-30-14 IS \$1,406,588 THIS AMOUNT REPRESENTS THE CUMULATIVE INVESTMENT SINCE THE PARTNERSHIP'S INCEPTION |
| RELATIONSHIP BETWEEN INTERESTED PERSON AND THE ORGANIZATION | SCHEDULE L, PART IV, COLUMN (B) AND DESCRIPTION OF TRANSACTION COLUMN (D) Former board member Kathy Armijo-Etre served as a consultant to the organization                                                                                                                                                                                                                                                                                                                                                                                                                       |

SCHEDULE M  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Noncash Contributions

►Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.  
► Attach to Form 990.

►Information about Schedule M (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
St Vincent Hospital

Employer identification number  
85-0106941

Part I Types of Property

|                                                                            | (a)<br>Check<br>if<br>applicable | (b)<br>Number of contributions<br>or items contributed | (c)<br>Noncash contribution<br>amounts reported on<br>Form 990, Part VIII,<br>line 1g | (d)<br>Method of determining<br>noncash contribution amounts |
|----------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------|---------------------------------------------------------------------------------------|--------------------------------------------------------------|
| 1 Art—Works of art . . . . .                                               |                                  |                                                        |                                                                                       |                                                              |
| 2 Art—Historical treasures . . . . .                                       |                                  |                                                        |                                                                                       |                                                              |
| 3 Art—Fractional interests . . . . .                                       |                                  |                                                        |                                                                                       |                                                              |
| 4 Books and publications . . . . .                                         |                                  |                                                        |                                                                                       |                                                              |
| 5 Clothing and household<br>goods . . . . .                                |                                  |                                                        |                                                                                       |                                                              |
| 6 Cars and other vehicles . . . . .                                        |                                  |                                                        |                                                                                       |                                                              |
| 7 Boats and planes . . . . .                                               |                                  |                                                        |                                                                                       |                                                              |
| 8 Intellectual property . . . . .                                          |                                  |                                                        |                                                                                       |                                                              |
| 9 Securities—Publicly traded . . . . .                                     |                                  |                                                        |                                                                                       |                                                              |
| 10 Securities—Closely held stock . . . . .                                 |                                  |                                                        |                                                                                       |                                                              |
| 11 Securities—Partnership, LLC,<br>or trust interests . . . . .            |                                  |                                                        |                                                                                       |                                                              |
| 12 Securities—Miscellaneous . . . . .                                      |                                  |                                                        |                                                                                       |                                                              |
| 13 Qualified conservation<br>contribution—Historic<br>structures . . . . . |                                  |                                                        |                                                                                       |                                                              |
| 14 Qualified conservation<br>contribution—Other . . . . .                  |                                  |                                                        |                                                                                       |                                                              |
| 15 Real estate—Residential . . . . .                                       |                                  |                                                        |                                                                                       |                                                              |
| 16 Real estate—Commercial . . . . .                                        |                                  |                                                        |                                                                                       |                                                              |
| 17 Real estate—Other . . . . .                                             |                                  |                                                        |                                                                                       |                                                              |
| 18 Collectibles . . . . .                                                  |                                  |                                                        |                                                                                       |                                                              |
| 19 Food inventory . . . . .                                                |                                  |                                                        |                                                                                       |                                                              |
| 20 Drugs and medical supplies . . . . .                                    |                                  |                                                        |                                                                                       |                                                              |
| 21 Taxidermy . . . . .                                                     |                                  |                                                        |                                                                                       |                                                              |
| 22 Historical artifacts . . . . .                                          |                                  |                                                        |                                                                                       |                                                              |
| 23 Scientific specimens . . . . .                                          |                                  |                                                        |                                                                                       |                                                              |
| 24 Archeological artifacts . . . . .                                       |                                  |                                                        |                                                                                       |                                                              |
| 25 Other ► ( REHAB & MEDICAL EQUIPMENT )                                   | X                                | 3                                                      | 174,451                                                                               | FMV                                                          |
| 26 Other ► ( )                                                             |                                  |                                                        |                                                                                       |                                                              |
| 27 Other ► ( )                                                             |                                  |                                                        |                                                                                       |                                                              |
| 28 Other ► ( )                                                             |                                  |                                                        |                                                                                       |                                                              |

29

Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . . .

30a

During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? . . . . .

30a

Yes

No

b

If "Yes," describe the arrangement in Part II

31

Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

31

Yes

No

32a

Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? . . . . .

32a

Yes

No

b

If "Yes," describe in Part II

33

If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II

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

Cat No 51227J

Schedule M (Form 990) (2013)

**Part III**

**Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

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

2013

Open to Public Inspection

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](http://www.irs.gov/form990).

Name of the organization

St Vincent Hospital

Employer identification number

85-0106941

| Return Reference | Explanation       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------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|                  | DOING BUSINESS AS | <p>FORM 990, PAGE 1, ITEM C ST VINCENT HOSPITAL IS DOING BUSINESS AS CHRISTUS ST VINCENT REGIONAL MEDICAL CENTER DESCRIPTION OF OTHER PROGRAM SERVICE ACCOMPLISHMENTS FORM 990, PART III, LINE 4D COMMUNITY SERVICES FOR THE BROADER COMMUNITY HELPING TO PREPARE FUTURE HEALTHCARE PROFESSIONALS IS A DISTINGUISHING CHARACTERISTIC OF NONPROFIT HOSPITALS AND CONSTITUTES A SIGNIFICANT COMMUNITY BENEFIT ST VINCENT HOSPITAL ASSISTS IN THE EDUCATION OF HEALTHCARE PROFESSIONALS BY PROVIDING CLINICAL SETTINGS, SCHOLARSHIPS, INTERNSHIPS AND RESIDENCIES FOR PHYSICIANS, NURSES AND OTHER HEALTH PROFESSIONALS THE FOLLOWING ACTIVITIES WERE CONDUCTED IN THIS AREA ST VINCENT HOSPITAL FOUNDATION NURSE SCHOLARSHIPS (IN PARTNERSHIP WITH SANTA FE COMMUNITY COLLEGE AND NORTHERN NEW MEXICO COMMUNITY COLLEGE) AND THE ST VINCENT HOSPITAL MEDICAL RESIDENCY PROGRAM (A THREE-YEAR PRIMARY CARE RESIDENCY PROGRAM FOR PHYSICIANS IN PARTNERSHIP WITH THE UNIVERSITY OF NEW MEXICO, ALBUQUERQUE) ADDITIONALLY, ST VINCENT'S FUNDS THE "HEALTH CARE EXPLORERS" PROGRAM GEARED TO HIGH SCHOOL STUDENTS WITH AN INTEREST IN THE HEALTH CARE PROFESSION ST VINCENT HOSPITAL USED CASH DONATIONS AS A VEHICLE TO HELP OUR COMMUNITIES WE MADE CASH DONATIONS, IN ADDITION TO GRANTS, TO SUPPORT NONPROFIT HEALTHCARE ORGANIZATIONS AND PROGRAMS, INCLUDING, BIG BROTHERS BIG SISTERS AND UNITED WAY ST VINCENT HOSPITAL ALSO MADE CASH AND IN-KIND DONATIONS TO FUND COMMUNITY INITIATIVES SUCH AS AN ANNUAL HOLIDAY COAT DRIVE FOR CHILDREN, PHYSICAL FITNESS PROGRAMS FOR CHILDREN AND ADULTS (NATIONAL DANCE INSTITUTE, ELEMENTARY SCHOOL FUN RUNS, SANTA FE CENTURY BIKE RIDE), SCHOOL HEALTH FAIRS AND WELLNESS PROGRAMS, ELDER/SENIOR SERVICES AND VETERANS' PROGRAMS, LOCAL AND NATIONAL SERVICE ORGANIZATION FUNDRAISERS (ROTARY, ELKS AND KWANIS CLUBS), AND NATIVE AMERICAN PUEBLO HEALTH DAYS AND PHYSICAL FITNESS EVENTS ST VINCENT HOSPITAL ASSOCIATES SERVED ON LOCAL NONPROFIT BOARDS AND INITIATIVES THE HOSPITAL ALSO PROVIDES NO-COST MEETING SPACE TO COMMUNITY NONPROFIT ORGANIZATIONS AND GROUPS DURING FY 2014, ST VINCENT HOSPITAL ADVOCATED FOR IMPROVING PUBLIC POLICIES, WORKING TO ESTABLISH, AND IN SOME INSTANCES AUGMENT, GRASSROOTS ADVOCACY FOR GREATER ACCESS TO HEALTH CARE SERVICES FOR THE CONSTITUENTS WE SERVE PROGRAM SERVICE EXPENSE = \$2,913,930 GRANTS = \$1,170,139 PROGRAM SERVICE REVENUE = \$0 DESCRIPTION OF OTHER PROGRAM SERVICE ACCOMPLISHMENTS FORM 990, PART III, LINE 4D COMMUNITY SERVICES FOR THE POOR AND UNDERSERVED ST VINCENT HOSPITAL HAS RECOGNIZED THE NEED FOR SIGNIFICANT COMMUNITY-WIDE HEALTH AND HUMAN SERVICES BEYOND THE DIRECT SERVICES OF THE HOSPITAL AS SUCH, ST VINCENT PROVIDES FUNDING TO THOSE WITH LIMITED OR NO MEANS TO PAY, UNDERSERVED POPULATIONS AND THE BROADER COMMUNITY THESE PROGRAMS ARE FUNDED FROM THE HOSPITAL'S GENERAL FUNDS AND ARE PROVIDED EITHER DIRECTLY BY ST VINCENT OR THROUGH OTHER NONPROFIT COMMUNITY HEALTHCARE ORGANIZATIONS COLLABORATIVE EFFORTS WITH LA FAMILIA MEDICAL CENTER, PRESBYTERIAN MEDICAL SERVICES, WOMEN'S HEALTH SERVICES AND VILLA THERESE CATHOLIC CLINIC PROVIDE PRIMARY CARE TO MEET THE NEEDS OF THE POOR, UNDERSERVED AND HOMELESS ONE EXAMPLE OF CHRISTUS HEALTH, MEMBER ORGANIZATION, COMMUNITY BENEFITS ACCOUNTED FOR UNDER COMMUNITY SERVICES FOR THE POOR AND UNDERSERVED INCLUDE THE CHRISTUS COMMUNITY DIRECT INVESTMENT PROGRAM (CDI) 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 NOT-FOR-PROFIT ORGANIZATIONS AT TERMS NOT EXCEEDING MORE THAN FIVE YEARS THE INCOME LOST FROM THE DIFFERENCE IN THE MARKET RATE LESS OUR LOAN RATE (FOREGONE INCOME) IS CONSIDERED A COMMUNITY BENEFIT FOR REPORTING PURPOSES THE COST OF THESE INVESTMENTS IS NOT INCLUDED IN THE PROGRAM SERVICE EXPENSES OF ST VINCENT HOSPITAL THOUGH OUTSTANDING LOAN BALANCES VARY THROUGHOUT THE YEAR, THE OUTSTANDING LOAN BALANCE AT THE END OF FISCAL YEAR 2014 WAS \$1,000,000 THE FOREGONE INTEREST FOR ST VINCENT HOSPITAL IN FY 2014 WAS \$25,797 CHRISTUS HEALTH, MEMBER ORGANIZATION, HAS ESTABLISHED THE CHRISTUS FUND TO PROVIDE RESOURCES TO NOT-FOR-PROFIT AGENCIES AND GROUPS WHOSE MISSION, VISION 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 FY 2014, THE TOTAL GRANT MONEY DISTRIBUTED TO THE ST VINCENT REGION WAS \$90,000 THE COST OF THESE GRANTS IS NOT INCLUDED IN THE PROGRAM SERVICE EXPENSES FOR ST VINCENT ST VINCENT HOSPITAL SUPPORTS THE NEEDS OF SPECIAL POPULATIONS IN THE COMMUNITY BY PROVIDING COMMUNITY HEALTH EDUCATION, COMMUNITY-BASED CLINICAL SERVICES, AND HEALTHCARE SUPPORT SERVICES, INCLUDING HEALTH AND SAFETY FAIRS, SCREENINGS AND EDUCATION FOR EARLY DETECTION OF DIABETES, CANCER AND HEART DISEASE, MATERNAL A</p> |



| Return Reference  | Explanation |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DOING BUSINESS AS |             | <p>ND CHILD HEALTHCARE, VICTIMS OF DOMESTIC VIOLENCE, SEXUAL ASSAULT NURSE EXAMINERS, MEDICAL CARE FOR RESIDENTS IN CUSTODY, AND HEALTH EDUCATION PROGRAMS, SCREENINGS AND ADULT IMMUNIZATIONS TARGETED AT CERTAIN POPULATIONS SUCH AS PERSONS AGE 65 OR OLDER, INDIVIDUALS WITH DISABILITIES, THE UNDERINSURED AND UNINSURED, AND HISPANIC AND NATIVE AMERICAN POPULATIONS SOME EXAMPLES OF ST VINCENT HOSPITAL'S COMMUNITY BENEFITS ACCOUNTED FOR UNDER COMMUNITY SERVICES FOR THE POOR AND UNDERSERVED INCLUDE DENTAL AND VISION SERVICES FOR UNINSURED CHILDREN AND TEENS ST VINCENT ALSO SUPPORTS COMMUNITY NONPROFIT AGENCIES AND PROGRAMS FOR THE POOR AND UNDERSERVED, INCLUDING LAS CUMBRES COMMUNITY SERVICES, THE ESPERANZA SHELTER FOR BATTERED FAMILIES, ST ELIZABETH HOMELESS SHELTER, KITCHEN ANGELS FOOD DISTRIBUTION PROGRAMS, YOUTH SHELTERS AND FAMILY SERVICES, THE NEW MEXICO SUICIDE INTERVENTION PROJECT, CATHOLIC CHARITIES, AND PRESBYTERIAN MEDICAL SERVICES SCHOOL HEALTH CLINICS 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 IS 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 CHARITY CLINICS TO IMMUNIZATIONS FOR CHILDREN AND SENIORS, AND A VARIETY OF OTHER SOCIAL SERVICES ST VINCENT HOSPITAL PROVIDES MEDICATION ASSISTANCE FOR COMMUNITY RESIDENTS WHO ARE UNABLE TO AFFORD THE MEDICATIONS THEY NEED THE HOSPITAL WORKS WITH COMMUNITY PHARMACIES AND OTHER PHARMACEUTICAL COMPANIES TO IDENTIFY THESE PATIENTS AND THEN DISTRIBUTE THE NEEDED MEDICATIONS TO THEM PROGRAM SERVICE EXPENSE = \$1,887,554 GRANTS = \$184,167 PROGRAM SERVICE REVENUE = \$0 BUSINESS RELATIONSHIPS FORM 990, PART VI, SECTION A, LINE 2 OFFICERS GARY ERMERS AND BRUCE TASSIN HAD A BUSINESS RELATIONSHIP IN THAT EACH SERVED AS A TRUSTEE OF THE MANAGEMENT BOARD OF SANTA FE IMAGING, LLC</p> |

| Return Reference                                  | Explanation                                                                                                                                                                        |
|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DESCRIPTION OF CLASSES OF MEMBERS OR STOCKHOLDERS | FORM 990, PART VI, SECTION A, LINE 6 THE MEMBERS OF ST VINCENT HOSPITAL ARE SVH SUPPORT CO, A NEW MEXICO NONPROFIT CORPORATION, AND CHRISTUS HEALTH, A TEXAS NONPROFIT CORPORATION |

| Return Reference                                                 | Explanation                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DESCRIPTION OF CLASSES OF PERSONS AND THE NATURE OF THEIR RIGHTS | FORM 990, PART VI, SECTION A, LINE 7A THE MEMBERS ARE GRANTED THE RIGHT TO APPOINT THE PRESIDENT OF THE CORPORATION THE BOARD OF DIRECTORS IS DIVIDED EQUALLY INTO TWO CLASSES THE SVH SUPPORT CO CLASS AND THE CHRISTUS HEALTH CLASS THE SVH SUPPORT CO CLASS SHALL APPOINT ITS SUCCESSORS THE CHRISTUS HEALTH CLASS SHALL BE APPOINTED BY CHRISTUS HEALTH |

| Return<br>Reference                                                                             | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| DESCR<br>CLASSES OF<br>PERSONS,<br>DECISIONS<br>REQUIRING<br>APPR & TYPE<br>OF VOTING<br>RIGHTS | FORM 990, PART VI, SECTION A, LINE 7B THE MEMBERS, SVH SUPPORT CO AND CHRISTUS HEALTH, HAVE THE FOLLOWING POWERS: APPOINT THE PRESIDENT OF THE CORPORATION, APPROVE AMENDMENTS TO, OR AMEND THE ARTICLES OF INCORPORATION OF THE CORPORATION, APPROVE AMENDMENTS TO, OR AMEND THE BYLAWS OF THE CORPORATION, APPROVE THE MERGER, CONSOLIDATION OR DISSOLUTION OF THE CORPORATION, APPROVE THE SALE, CONTRIBUTION, DONATION OR OTHER TRANSFER OF SUBSTANTIALLY ALL OF THE ASSETS OF THE CORPORATION, APPROVE THE TRANSFER IN ANY 12-MONTH PERIOD OF MORE THAN \$5,000,000 TO ANY OTHER PERSON, APPROVE THE CREATION OF OR CREATE A NEW AFFILIATE, APPROVE THE AFFILIATION OF THE CORPORATION WITH ANY OTHER PERSON, ESTABLISH, TERMINATE OR TRANSFER ANY SIGNIFICANT PROGRAM OR SERVICE LINE OF THE CORPORATION, APPROVE THE INCURRENCE IN ANY 12-MONTH PERIOD OF ANY DEBT OF THE CORPORATION IN EXCESS OF \$5,000,000, APPROVE ANY LOAN OF FUNDS BY A MEMBER TO THE CORPORATION, ACCEPT ON BEHALF OF THE CORPORATION ANY GIFT OR BEQUEST CONDITIONED ON A LONG-TERM OR OTHER SIGNIFICANT OBLIGATION, ADOPT, APPROVE AMENDMENTS TO, OR AMEND THE MISSION, STRATEGIC PLAN OR CHARITY CARE POLICY OF THE CORPORATION, AND APPROVE ANY REQUEST BY THE CORPORATION FOR ONE OR BOTH MEMBERS TO MAKE A CONTRIBUTION TO THE CORPORATION OTHER THAN CONTRIBUTIONS APPROVED BY THE MEMBERS ON OR BEFORE APRIL 8, 2008 |

| Return Reference                                                          | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| DESCRIBE THE PROCESS USED BY MANAGEMENT &/OR GOVERNING BODY TO REVIEW 990 | FORM 990, PART VI, SECTION B, LINE 11B THE FORM 990 IS PREPARED AND REVIEWED BY THE ORGANIZATION'S EXTERNAL INDEPENDENT ACCOUNTANTS THE CHRISTUS HEALTH ACCOUNTING DEPARTMENT WORKS WITH AN EXTERNAL ACCOUNTING FIRM IN PREPARATION AND REVIEW OF THE FORM 990 THE FILING ORGANIZATION'S CFO, OR OTHER DESIGNEE, REVIEWS THE FORM 990 THE FINAL FORM 990 THAT WILL BE FILED WITH THE IRS IS POSTED TO A SECURE INTERNET PORTAL FOR ALL MEMBERS OF THE BOARD OF DIRECTORS TO VIEW REVIEW OF THE FINAL FORM 990 OCCURS PRIOR TO FILING WITH THE IRS IN THE SPRING 2015 VIA A WEB PORTAL POLLING TOOL BY THE RESPECTIVE ORGANIZATION'S BOARD, BASED ON A SET OF SUGGESTED REVIEW PROCESSES DEVELOPED BY CHRISTUS HEALTH |

| Return Reference                                                                     | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DESCRIPTION OF<br>PROCESS TO MONITOR<br>TRANSACTIONS FOR<br>CONFLICTS OF<br>INTEREST | FORM 990, PART VI, SECTION B, LINE 12C AT THE END OF EACH CALENDAR YEAR, THE CHRISTUS HEALTH CORPORATE SECRETARY DISTRIBUTES A CONFLICT OF INTEREST QUESTIONNAIRE TO ALL OF THE ORGANIZATION'S BOARD AND COMMITTEE MEMBERS FOR COMPLETION PRIOR TO THE 1ST OF JANUARY IN THE NEXT YEAR. THE CORPORATE SECRETARY THOROUGHLY REVIEWS ALL COMPLETED AND EXECUTED CONFLICT OF INTEREST QUESTIONNAIRE FORMS TO ENSURE ACCURACY AND THAT NO POTENTIAL OR IDENTIFIED CONFLICT IS DISCLOSED OR EXISTS. THE ORGANIZATION'S BOARD OF DIRECTORS IS RESPONSIBLE FOR ENFORCEMENT OF THE CONFLICT OF INTEREST POLICY OF THE ORGANIZATION. AT THE BEGINNING OF EACH BOARD MEETING AN ANNOUNCEMENT IS MADE THAT IF ANY BOARD MEMBER DETERMINES THAT HE OR SHE HAS A CONFLICT OF INTEREST BASED ON ANY AGENDA ITEM, HE OR SHE MUST DECLARE SO AND EXCUSE HIM OR HERSELF FROM ANY DISCUSSIONS RELATED TO SUCH ITEM. |

| Return<br>Reference                | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| COMPENSATION DETERMINATION PROCESS | <p>FORM 990, PART VI, SECTION B, LINES 15A &amp; 15B THE EXECUTIVE COMPENSATION COMMITTEE OF CHRISTUS HEALTH DETERMINES THE COMPENSATION OF THE CEO (OR EXECUTIVE DIRECTOR, AS APPLICABLE), OFFICERS AND KEY EMPLOYEES OF CHRISTUS HEALTH, ITS RELATED ORGANIZATIONS AND ORGANIZATIONS FOR WHICH IT IS A MEMBER, INCLUDING ST VINCENT HOSPITAL. THE EXECUTIVE COMPENSATION COMMITTEE IS COMPOSED OF INDIVIDUALS WHO HAVE NO CONFLICT OF INTEREST WITH THE COMPENSATION ARRANGEMENTS AT HAND. THE EXECUTIVE COMPENSATION COMMITTEE OF THE CHRISTUS HEALTH BOARD SELECTS AN INDEPENDENT EXTERNAL FIRM TO PERFORM AN INDEPENDENT COMPENSATION REVIEW, TO ENSURE THAT ALL COMPENSATION IS REASONABLE AND COMPARABLE TO OTHER SIMILARLY SITUATED ORGANIZATIONS, FOR SIMILARLY QUALIFIED PERSONS IN FUNCTIONALLY COMPARABLE POSITIONS, AND TO PROVIDE SUPPORTING INFORMATION OF COMPENSATION DECISIONS ON AN ANNUAL BASIS. THE EXTERNAL CONSULTANT 1. DEVELOPS THE MERIT INCREASE RECOMMENDATIONS FOR ALL DESIGNATED SYSTEM EXECUTIVES BASED ON MARKET COMPARABILITY. 2. RECOMMENDS THE CHANGES IN THE COMPENSATION STRUCTURE (GRADES) BASED ON THE MARKET CHANGES. 3. COMPLETES A REVIEW AND EVALUATION OF NEWLY CREATED POSITIONS TO RECOMMEND A GRADE PLACEMENT TO THE COMMITTEE FOR ITS DISCUSSION AND APPROVAL. ON A BI-ANNUAL BASIS, THE EXTERNAL CONSULTANT COMPLETES A DETAILED REVIEW OF ALL OTHER DESIGNATED SYSTEM EXECUTIVES' COMPENSATION AND BENEFITS. THIS GROUP INCLUDES ALL TOP MANAGEMENT OFFICIALS, OTHER OFFICERS AND KEY LEADERS OF THE ORGANIZATION. THE REVIEW INCLUDES RECOMMENDATIONS TO THE COMMITTEE ON ANY CHANGES NECESSARY IN EITHER SPECIFIC COMPENSATION OR COMPENSATION STRUCTURE TO ENSURE MARKET COMPETITIVENESS, REASONABLENESS AND INTERNAL EQUITY. UPON RECOMMENDATIONS FROM THE INDEPENDENT EXTERNAL FIRM, THE EXECUTIVE COMPENSATION COMMITTEE MAKES FINAL COMPENSATION DECISIONS. ADDITIONALLY, THE EXECUTIVE COMPENSATION COMMITTEE REVIEWS ALL COMPENSATION PAYMENTS FOR EXCESS BENEFIT TRANSACTIONS. THE DISCUSSION AND DECISIONS OF THE COMMITTEE ARE DOCUMENTED AND FORMALIZED IN THE COMMITTEE MINUTES AND MAINTAINED ON RECORD. EFFECTIVE 9/30/13, THE FILING ORGANIZATION DETERMINED THE COMPENSATION OF THE INTERIM CFO, GARY EMERS, 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 INTERIM CFO'S COMPENSATION IS NOT REVIEWED BY A COMPENSATION COMMITTEE.</p> |

| Return Reference                                                                | Explanation                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AVAIL OF GOV DOCS,<br>CONFLICT OF INTEREST POLICY,<br>& FIN STMTS TO GEN PUBLIC | FORM 990, PART VI, SECTION C, LINE 19 THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF CHRISTUS HEALTH ARE MADE AVAILABLE TO THE PUBLIC VIA THE CHRISTUS HEALTH WEBSITE. THE ORGANIZATION'S GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE NOT MADE AVAILABLE TO THE PUBLIC |



| Return<br>Reference                         | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| SUPPLEMENTAL<br>COMPENSATION<br>INFORMATION | <p>FORM 990, PART VII AND FORM 990, SCHEDULE J FORMER DIRECTOR ERNIE SADAU IS THE PRESIDENT/CEO OF CHRISTUS HEALTH, A MEMBER ORGANIZATION OF ST VINCENT HOSPITAL. CHRISTUS HEALTH HAS 50% OWNERSHIP OF ST VINCENT HOSPITAL, AND THEREFORE DOES NOT MEET THE DEFINITION OF A RELATED ORGANIZATION SET FORTH BY THE FORM 990 INSTRUCTIONS. THEREFORE, ERNIE'S COMPENSATION IS NOT REPORTED AS RELATED COMPENSATION ON FORM 990, PART VII, OR FORM 990, SCHEDULE J, PART II. FOR INFORMATIONAL PURPOSES, ERNIE SADAU RECEIVED THE FOLLOWING COMPENSATION PAID BY CHRISTUS HEALTH DURING CALENDAR YEAR 2013: BASE COMPENSATION = \$1,266,475; BONUS AND INCENTIVE COMPENSATION = \$649,200; OTHER REPORTABLE COMPENSATION = \$265,480; RETIREMENT AND OTHER DEFERRED COMPENSATION = \$608,986; NON-TAXABLE BENEFITS = \$20,134. COMPENSATION REPORTED IN PRIOR FORM 990 = \$146,419.</p> <p>FORMER DIRECTOR PAUL GENERALE IS THE VICE PRESIDENT/SENIOR FINANCIAL OFFICER OF CHRISTUS HEALTH, A MEMBER ORGANIZATION OF ST VINCENT HOSPITAL. CHRISTUS HEALTH HAS 50% OWNERSHIP OF ST VINCENT HOSPITAL, AND THEREFORE DOES NOT MEET THE DEFINITION OF A RELATED ORGANIZATION SET FORTH BY THE FORM 990 INSTRUCTIONS. THEREFORE, PAUL'S COMPENSATION IS NOT REPORTED AS RELATED COMPENSATION ON FORM 990, PART VII, OR FORM 990, SCHEDULE J, PART II. FOR INFORMATIONAL PURPOSES, PAUL GENERALE RECEIVED THE FOLLOWING COMPENSATION PAID BY CHRISTUS HEALTH DURING CALENDAR YEAR 2013: BASE COMPENSATION = \$482,295; BONUS AND INCENTIVE COMPENSATION = \$263,750; OTHER REPORTABLE COMPENSATION = \$65,855; RETIREMENT AND OTHER DEFERRED COMPENSATION = \$72,512; NON-TAXABLE BENEFITS = \$29,596. COMPENSATION REPORTED IN PRIOR FORM 990 = \$0.</p> |

| Return Reference                                | Explanation                                                                                                                                             |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| OTHER CHANGES IN NET ASSETS OR<br>FUND BALANCES | Form 990, Part XI, Line 9 OTHER - \$1,729,683 NET CHANGE IN BENIFICIAL INTEREST - \$ 521,825<br>DISTRIBUTIONS - (\$1,096,620) ----- TOTAL - \$1,154,888 |

| Return Reference          | Explanation                                                |
|---------------------------|------------------------------------------------------------|
| FORM 990 PART IX LINE 11G | DESCRIPTION OUTSIDE PURCHASED SERVICES TOTAL FEES 18764949 |

| Return Reference          | Explanation                                                    |
|---------------------------|----------------------------------------------------------------|
| FORM 990 PART IX LINE 11G | DESCRIPTION REPAIRS & MAINTENANCE SERVICES TOTAL FEES 19795558 |

| Return Reference          | Explanation                                        |
|---------------------------|----------------------------------------------------|
| FORM 990 PART IX LINE 11G | DESCRIPTION PHYSICIAN SERVICES TOTAL FEES 15177621 |

| Return Reference          | Explanation                                     |
|---------------------------|-------------------------------------------------|
| FORM 990 PART IX LINE 11G | DESCRIPTION BILLING SERVICES TOTAL FEES 3253677 |

| Return Reference          | Explanation                                        |
|---------------------------|----------------------------------------------------|
| FORM 990 PART IX LINE 11G | DESCRIPTION COLLECTION SERVICES TOTAL FEES 1122288 |

| Return Reference          | Explanation                                   |
|---------------------------|-----------------------------------------------|
| FORM 990 PART IX LINE 11G | DESCRIPTION OTHER SERVICES TOTAL FEES 2145283 |



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](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
St Vincent Hospital

Employer identification number  
85-0106941

Part I Identification of Disregarded Entities

Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

| (a)<br>Name, address, and EIN (if applicable) of disregarded entity | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Total income | (e)<br>End-of-year assets | (f)<br>Direct controlling entity |
|---------------------------------------------------------------------|-------------------------|--------------------------------------------------|---------------------|---------------------------|----------------------------------|
|                                                                     |                         |                                                  |                     |                           |                                  |
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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)<br>Name, address, and EIN of related organization                                                   | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Exempt Code section | (e)<br>Public charity status (if section 501(c)(3)) | (f)<br>Direct controlling entity | (g)<br>Section 512(b)(13) controlled entity? |    |
|---------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------------------|----------------------------|-----------------------------------------------------|----------------------------------|----------------------------------------------|----|
|                                                                                                         |                         |                                                  |                            |                                                     |                                  | Yes                                          | No |
| (1) ST VINCENT HOSPITAL FOUNDATION<br><br>455 ST MICHAELS DRIVE<br><br>SANTA FE, NM 87505<br>85-0282847 | FUNDRSNG ACTV           | NM                                               | 501(C)(3)                  | 11 Type-I                                           | VH                               | Yes                                          |    |
| (2) ST VINCENT HOSPITAL AUXILIARY<br><br>455 ST MICHAELS DRIVE<br><br>SANTA FE, NM 87505<br>85-6010108  | Volunteer Act           | NM                                               | 501(C)(3)                  | 11 type-I                                           | VH                               | Yes                                          |    |
|                                                                                                         |                         |                                                  |                            |                                                     |                                  |                                              |    |
|                                                                                                         |                         |                                                  |                            |                                                     |                                  |                                              |    |
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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)<br>Name, address, and EIN of<br>related organization                             | (b)<br>Primary activity | (c)<br>Legal<br>domicile<br>(state or<br>foreign<br>country) | (d)<br>Direct<br>controlling<br>entity | (e)<br>Predominant<br>income(related,<br>unrelated,<br>excluded from<br>tax under<br>sections 512-<br>514) | (f)<br>Share of total<br>income | (g)<br>Share of end-<br>of-year<br>assets | (h)<br>Disproporionate<br>allocations? |    | (i)<br>Code V-UBI<br>amount in<br>box 20 of<br>Schedule K-1<br>(Form 1065) | (j)<br>General or<br>managing<br>partner? |    | (k)<br>Percentage<br>ownership |
|--------------------------------------------------------------------------------------|-------------------------|--------------------------------------------------------------|----------------------------------------|------------------------------------------------------------------------------------------------------------|---------------------------------|-------------------------------------------|----------------------------------------|----|----------------------------------------------------------------------------|-------------------------------------------|----|--------------------------------|
|                                                                                      |                         |                                                              |                                        |                                                                                                            |                                 |                                           | Yes                                    | No |                                                                            | Yes                                       | No |                                |
| (1) SANTA FE IMAGING LLC<br><br>1640 HOSPITAL DR<br>SANTA FE, NM 87505<br>85-0465936 | IMAGING<br>CENTER       | NM                                                           | VH                                     | RELATED                                                                                                    | 1,306,697                       | 2,443,124                                 |                                        | No | 0                                                                          |                                           | No | 51 000 %                       |
|                                                                                      |                         |                                                              |                                        |                                                                                                            |                                 |                                           |                                        |    |                                                                            |                                           |    |                                |
|                                                                                      |                         |                                                              |                                        |                                                                                                            |                                 |                                           |                                        |    |                                                                            |                                           |    |                                |
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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)<br>Name, address, and EIN of<br>related organization | (b)<br>Primary activity | (c)<br>Legal<br>domicile<br>(state or foreign<br>country) | (d)<br>Direct controlling<br>entity | (e)<br>Type of entity<br>(C corp, S<br>corp,<br>or trust) | (f)<br>Share of total<br>income | (g)<br>Share of end-<br>of-year<br>assets | (h)<br>Percentage<br>ownership | (i)<br>Section 512<br>(b)(13)<br>controlled<br>entity? |    |
|----------------------------------------------------------|-------------------------|-----------------------------------------------------------|-------------------------------------|-----------------------------------------------------------|---------------------------------|-------------------------------------------|--------------------------------|--------------------------------------------------------|----|
|                                                          |                         |                                                           |                                     |                                                           |                                 |                                           |                                | Yes                                                    | No |
|                                                          |                         |                                                           |                                     |                                                           |                                 |                                           |                                |                                                        |    |
|                                                          |                         |                                                           |                                     |                                                           |                                 |                                           |                                |                                                        |    |
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|                                                          |                         |                                                           |                                     |                                                           |                                 |                                           |                                |                                                        |    |
|                                                          |                         |                                                           |                                     |                                                           |                                 |                                           |                                |                                                        |    |
|                                                          |                         |                                                           |                                     |                                                           |                                 |                                           |                                |                                                        |    |

Part V

Transactions With Related Organizations

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

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

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

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

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

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

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

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

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

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

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

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

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

Yes

No

1a

No

1b

No

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

No

1k

No

1l

No

1m

Yes

1n

No

1o

Yes

1p

Yes

1q

Yes

1r

Yes

1s

Yes

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

| (a)<br>Name of related organization | (b)<br>Transaction<br>type (a-s) | (c)<br>Amount involved | (d)<br>Method of determining amount involved |
|-------------------------------------|----------------------------------|------------------------|----------------------------------------------|
| (1) ST VINCENT HOSPITAL FOUNDATION  | C                                | 500,000                | ACCRUAL                                      |
| (2) ST VINCENT HOSPITAL FOUNDATION  | Q                                | 566,075                | ACCRUAL                                      |
| (3) ST VINCENT HOSPITAL FOUNDATION  | R                                | 87,327                 | ACCRUAL                                      |
| (4) SANTA FE IMAGING LLC            | S                                | 1,021,100              | ACCRUAL                                      |
| (5) ST VINCENT HOSPITAL AUXILLARY   | Q                                | 116,040                | ACCRUAL                                      |
| (6) ST VINCENT HOSPITAL AUXILLARY   | R                                | 264,472                | ACCRUAL                                      |

Schedule R (Form 990) 2013

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

[illegible]

Part VII

Supplemental Information

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

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

Additional Data

Software ID:

Software Version:

EIN: 85-0106941

Name: St Vincent Hospital

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

| (a)<br>Name of other organization | (b)<br>Transaction<br>type(a-s) | (c)<br>Amount Involved | (d)<br>Method of determining<br>amount involved |
|-----------------------------------|---------------------------------|------------------------|-------------------------------------------------|
| ST VINCENT HOSPITAL FOUNDATION    | C                               | 500,000                | ACCRUAL                                         |
| ST VINCENT HOSPITAL FOUNDATION    | Q                               | 566,075                | ACCRUAL                                         |
| ST VINCENT HOSPITAL FOUNDATION    | R                               | 87,327                 | ACCRUAL                                         |
| SANTA FE IMAGING LLC              | S                               | 1,021,100              | ACCRUAL                                         |
| ST VINCENT HOSPITAL AUXILLARY     | Q                               | 116,040                | ACCRUAL                                         |
| ST VINCENT HOSPITAL AUXILLARY     | R                               | 264,472                | ACCRUAL                                         |

CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

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

CHRISTUS Health

Consolidated Financial Statements  
and Supplementary Information

Years Ended June 30, 2014 and 2013

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## Report of Independent Auditors

The Board of Directors  
CHRISTUS Health

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

## **Opinion**

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

*Ernst + Young LLP*

September 19, 2014

CHRISTUS Health

Consolidated Balance Sheets

|                                                                                                                                             | <b>June 30</b>        |                     |
|---------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------|
|                                                                                                                                             | <b>2014</b>           | <b>2013</b>         |
|                                                                                                                                             | <i>(In Thousands)</i> |                     |
| <b>Assets</b>                                                                                                                               |                       |                     |
| 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<br>current liabilities                                                              | 23,480                | 59,960              |
| Patient accounts receivable, net of allowance for doubtful<br>accounts of \$119,846 and \$93,426 at June 30, 2014 and 2013,<br>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<br>restricted assets                                                              | 83,306                | 75,831              |
| Other assets                                                                                                                                | 77,064                | 74,740              |
| Total other assets                                                                                                                          | 452,945               | 277,603             |
| Total assets                                                                                                                                | <u>\$ 4,593,697</u>   | <u>\$ 4,696,899</u> |

|                                                                                                     | <b>June 30</b>        |              |
|-----------------------------------------------------------------------------------------------------|-----------------------|--------------|
|                                                                                                     | <b>2014</b>           | <b>2013</b>  |
|                                                                                                     | <i>(In Thousands)</i> |              |
| <b>Liabilities and net assets</b>                                                                   |                       |              |
| Current liabilities                                                                                 |                       |              |
| Accounts payable and accrued expenses                                                               | \$ 392,428            | \$ 409,675   |
| Accrued employee compensation and benefits, including<br>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<br>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

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

# CHRISTUS Health

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

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

*See accompanying notes.*

# CHRISTUS Health

## Consolidated Statements of Cash Flows

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

# CHRISTUS Health

## Consolidated Statements of Cash Flows (continued)

|                                                                        | <b>Year Ended June 30</b> |             |
|------------------------------------------------------------------------|---------------------------|-------------|
|                                                                        | <b>2014</b>               | <b>2013</b> |
|                                                                        | <i>(In Thousands)</i>     |             |
| <b>Financing activities</b>                                            |                           |             |
| 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  |
| <b>Non-cash investing and financing transactions</b>                   |                           |             |
| Capital lease and debt obligations incurred for property and equipment | \$ 10,050                 | \$ 3,171    |
| Capital contributions to joint ventures                                | 43,050                    | –           |
| <b>Supplemental disclosure of cash flow information</b>                |                           |             |
| Cash paid during the year for interest (net of amount capitalized)     | \$ 34,908                 | \$ 36,969   |

*See accompanying notes*



# CHRISTUS Health

## Notes to Consolidated Financial Statements

June 30, 2014

### **1. Mission, Vision, and Organization of CHRISTUS Health**

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

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

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

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

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

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

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

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

### 2. Community Health

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

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

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

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

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

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

### 2. Community Health (continued)

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

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

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

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

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

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

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

### **3. Summary of Significant Accounting Policies**

#### **Basis of Consolidation**

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

#### **Use of Estimates**

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

#### **Cash and Cash Equivalents**

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

#### **Investments**

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

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

### 3. Summary of Significant Accounting Policies (continued)

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

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

#### Derivative Financial Instruments

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

#### Inventories

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

#### Property and Equipment

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

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

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

### 3. Summary of Significant Accounting Policies (continued)

#### Asset Impairment

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

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

#### Investments in Unconsolidated Organizations and Non-controlling Interest

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

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

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

### 3. Summary of Significant Accounting Policies (continued)

#### Goodwill

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

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

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

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

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

## CHRISTUS Health

### Notes to Consolidated Financial Statements (continued)

#### **3. Summary of Significant Accounting Policies (continued)**

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

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

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

#### **Deferred Financing Costs**

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



# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

### **3. Summary of Significant Accounting Policies (continued)**

#### **Temporary and Permanently Restricted Net Assets**

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

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

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

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

#### **Provision for Bad Debts**

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

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

### 3. Summary of Significant Accounting Policies (continued)

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

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

### Electronic Health Record Incentive Payments

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

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

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

### 3. Summary of Significant Accounting Policies (continued)

#### Premium Revenue and Associated Costs

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

#### Other Revenue

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

#### Donor-Restricted Gifts

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

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

### 3. Summary of Significant Accounting Policies (continued)

#### Income Taxes

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

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

#### Business Combinations

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

## CHRISTUS Health

### Notes to Consolidated Financial Statements (continued)

#### 3. Summary of Significant Accounting Policies (continued)

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

#### New and Pending Accounting Pronouncements

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

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

#### Reclassifications

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

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

## CHRISTUS Health

### Notes to Consolidated Financial Statements (continued)

#### **4. Net Patient Service Revenue**

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

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

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

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

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

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

### 4. Net Patient Service Revenue (continued)

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

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

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

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

## CHRISTUS Health

### Notes to Consolidated Financial Statements (continued)

#### 4. Net Patient Service Revenue (continued)

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

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

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

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



# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

### 4. Net Patient Service Revenue (continued)

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

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

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

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

### 5. Cash and Investments

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

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

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

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

#### Fixed Income

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

## CHRISTUS Health

### Notes to Consolidated Financial Statements (continued)

#### **5. Cash and Investments (continued)**

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

#### **Equities**

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

#### **Equity Investments in Managed Funds**

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

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

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

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

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

### 5. Cash and Investments (continued)

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

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

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

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

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

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

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

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

### 5. Cash and Investments (continued)

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

|                                                    | <b>2014</b>       | <b>2013</b>       |
|----------------------------------------------------|-------------------|-------------------|
| 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                  | <b>20,958</b>     | 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                | <b>100,236</b>    | 88,212            |
| Total investment gain                              | <b>\$ 121,194</b> | <b>\$ 103,680</b> |

### 6. Fair Value Measurements

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

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

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

### 6. Fair Value Measurements (continued)

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

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

|                                                | 2014       |            |           |              |
|------------------------------------------------|------------|------------|-----------|--------------|
|                                                | Level 1    | Level 2    | Level 3   | Total        |
| <b>Assets</b>                                  |            |            |           |              |
| 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 |
| <b>Liabilities</b>                             |            |            |           |              |
| Interest rate swap agreements                  | \$ —       | \$ 91,810  | \$ —      | \$ 91,810    |
| Total liabilities at fair value                | \$ —       | \$ 91,810  | \$ —      | \$ 91,810    |

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

### 6. Fair Value Measurements (continued)

|                                                | 2013       |            |           |              |
|------------------------------------------------|------------|------------|-----------|--------------|
|                                                | Level 1    | Level 2    | Level 3   | Total        |
| <b>Assets</b>                                  |            |            |           |              |
| 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 |
| <b>Liabilities</b>                             |            |            |           |              |
| Interest rate swap agreements                  | \$ —       | \$ 92,624  | \$ —      | \$ 92,264    |
| Total liabilities at fair value                | \$ —       | \$ 92,624  | \$ —      | \$ 92,264    |

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

### 6. Fair Value Measurements (continued)

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

|                                       | Fixed-Income<br>Funds | Hedge<br>Funds   | Private<br>Equity, Real<br>Estate, and<br>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           | <u>\$ 13,609</u>      | <u>\$ 52,658</u> | <u>\$ 4,797</u>                                       | <u>\$ 71,064</u> |

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

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

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



# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

### 6. Fair Value Measurements (continued)

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

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

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

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

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

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

### 7. Property and Equipment

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

|                                                                                                                                        | <u>2014</u>                | <u>2013</u>                |
|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| 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                                                                                                               | <u>(2,473,618)</u>         | <u>(2,851,335)</u>         |
|                                                                                                                                        | 1,422,612                  | 1,551,434                  |
| Construction-in-progress (estimated cost to complete<br>is \$533 million and \$163 million at June 30, 2014<br>and 2013, respectively) | <u>77,984</u>              | <u>67,236</u>              |
| Total                                                                                                                                  | <u><u>\$ 1,500,596</u></u> | <u><u>\$ 1,618,670</u></u> |

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

### 8. Investments in Unconsolidated Organizations

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

#### *Houston Methodist St. John Hospital*

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

## CHRISTUS Health

### Notes to Consolidated Financial Statements (continued)

#### **8. Investments in Unconsolidated Organizations (continued)**

##### *Houston Methodist St. Catherine Hospital*

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

##### *Salud U.C. SpA*

On January 31, 2014, CHRISTUS Chile SpA, a whollyowned Chilean corporation, obtained a 40% non-controlling interest through the purchase of shares of Salud U C SpA (Salud U C ) from 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 Inmobiliaria Clinica San Carlos de Apoguindo S A (jointly referred to as "San Carlos"). CHRISTUS's recorded investment accounted for under the equity method was \$67,300,000. The System's share of equity loss for the year ended June 30, 2014, was \$700,000. This transaction is part of a multistep plan, which is expected to ultimately result in 50% interest of San Carlos for PUC and CHRISTUS Chile SpA. There is additional discussion of the System's international operations in Note 18.

## CHRISTUS Health

### Notes to Consolidated Financial Statements (continued)

#### **8. Investments in Unconsolidated Organizations (continued)**

##### *Preferred Professional Insurance Company*

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

##### *CS USP Surgery Centers, L.P.*

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

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

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

### 9. Long-Term Debt

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

|                                                                                                                                                                                       | <b>2014</b>       | <b>2013</b>  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------|
| 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                               | <b>\$ 225,885</b> | \$ 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                                            | <b>186,300</b>    | 204,900      |
| Revenue bonds, in fixed-rate mode, bearing interest from 4.00% to 6.50%                                                                                                               | <b>384,533</b>    | 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 | <b>49,759</b>     | 52,234       |
| Non-obligated group bank notes and capital leases related to CHRISTUS Muguerza                                                                                                        | <b>33,649</b>     | 37,391       |
| Other note and capital lease note obligations                                                                                                                                         | <b>25,327</b>     | 29,959       |
|                                                                                                                                                                                       | <b>905,453</b>    | 1,123,532    |
| Less current portion                                                                                                                                                                  | <b>(12,668)</b>   | (51,589)     |
| Total                                                                                                                                                                                 | <b>\$ 892,785</b> | \$ 1,071,943 |

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

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

## CHRISTUS Health

### Notes to Consolidated Financial Statements (continued)

#### 9. Long-Term Debt (continued)

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

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

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

## CHRISTUS Health

### Notes to Consolidated Financial Statements (continued)

#### 9. Long-Term Debt (continued)

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

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

#### 10. Derivative Financial Instruments

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

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

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

### 10. Derivative Financial Instruments (continued)

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

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

\* Insured by  
MBIA

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

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

### 11. Cash Balance Plan and Postretirement Health Care Benefits

#### Defined Benefit Plans

##### Cash Balance Plan

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



## CHRISTUS Health

### Notes to Consolidated Financial Statements (continued)

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

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

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

#### *Postretirement Health Care Benefits*

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

#### *Simplified Early Retirement Plan (SERP)*

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

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

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

#### *Restoration Plan*

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

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

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

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

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

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

|                                               | Cash Balance Plan |             | Postretirement |             | SERP       |            | Restoration Plan |            |
|-----------------------------------------------|-------------------|-------------|----------------|-------------|------------|------------|------------------|------------|
|                                               | 2014              | 2013        | 2014           | 2013        | 2014       | 2013       | 2014             | 2013       |
| Changes in benefit obligation                 |                   |             |                |             |            |            |                  |            |
| Benefit obligations – beginning of year       | \$ 851,106        | \$ 900,776  | \$ 16,481      | \$ 19,088   | \$ 4,734   | \$ 5,215   | \$ 3,916         | \$ 4,114   |
| Service cost                                  | 21,232            | 32,287      | 346            | 435         | –          | –          | 112              | 258        |
| Interest cost                                 | 39,167            | 34,310      | 623            | 705         | –          | –          | 152              | 155        |
| Actuarial loss (gain)                         | 31,672            | 7,656       | (2,763)        | (3,200)     | (61)       | (481)      | 537              | 768        |
| Effect of remeasurement for plan amendment    | –                 | (83,187)    | –              | –           | –          | –          | –                | (802)      |
| Liability (gain) loss due to curtailment      | (148)             | –           | –              | –           | –          | –          | (391)            | –          |
| Benefits paid                                 | (45,519)          | (40,736)    | (827)          | (547)       | –          | –          | (1,710)          | (577)      |
| Benefit obligation – end of year              | \$ 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.

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

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

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

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

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

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

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

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

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

#### *Investment Policy and Asset Allocations*

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

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

|                                        | <b>2014</b>       | <b>2013</b>       |
|----------------------------------------|-------------------|-------------------|
| 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                                  | <u>\$ 868,509</u> | <u>\$ 782,464</u> |

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

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

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

|                                              | 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      |
|----------------------------------------------|------------|------------|------------|------------|
| <b>Assets</b>                                |            |            |            |            |
| 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 |

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

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

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

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

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

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

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

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

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

#### *Contributions*

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

#### *Benefit Payments*

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

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

### Defined-Contribution Plans

#### *403(b) Matched Savings Plans*

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



## CHRISTUS Health

### Notes to Consolidated Financial Statements (continued)

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

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

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

##### *ExecuFLEX Benefit Plan*

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

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

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

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

#### *Supplemental Executive Retirement Plan (DC SERP)*

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

### **12. Self-Funded Liabilities**

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

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

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

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

### 13. Concentrations of Credit Risk

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

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

### 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      | <u>\$ 199,656</u> |

## CHRISTUS Health

### Notes to Consolidated Financial Statements (continued)

#### 14. Commitments and Contingencies (continued)

##### Other Contingencies

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

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

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

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

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

### 15. Functional Expenses

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

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

### 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):

|                                           | <u>2014</u>       | <u>2013</u>       |
|-------------------------------------------|-------------------|-------------------|
| 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                                     | <u>\$ 136,241</u> | <u>\$ 114,858</u> |

# CHRISTUS Health

## Notes to Consolidated Financial Statements (continued)

### 16. Temporarily and Permanently Restricted Net Assets (continued)

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

|                                                                                                                                          | <b>2014</b>      | <b>2013</b>      |
|------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| 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                                                                                                                                    | <u>\$ 11,470</u> | <u>\$ 15,885</u> |

### 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)

|                                                                       | <b>Controlling Interest</b> | <b>Non-controlling Interests</b> | <b>Total</b>        |
|-----------------------------------------------------------------------|-----------------------------|----------------------------------|---------------------|
| 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                                                | <u>\$ 2,502,684</u>         | <u>\$ 126,789</u>                | <u>\$ 2,629,473</u> |

## CHRISTUS Health

### Notes to Consolidated Financial Statements (continued)

#### 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.

## CHRISTUS Health

### Notes to Consolidated Financial Statements (continued)

#### 18. International Operations (continued)

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

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

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

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

#### 19. Significant Events

##### *Baptist St. Anthony's Health System*

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



## CHRISTUS Health

### Notes to Consolidated Financial Statements (continued)

#### 19. Significant Events (continued)

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

#### *CHRISTUS Spohn and Nueces County Hospital District Relationship*

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

#### *CHRISTUS Gulf Coast transaction with Methodist Health Centers*

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

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

## CHRISTUS Health

### Notes to Consolidated Financial Statements (continued)

#### 19. Significant Events (continued)

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

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

#### *CHRISTUS Southeast Texas acquisition of Beaumont Bone and Joint*

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

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

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

#### 20. Subsequent Events

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

## CHRISTUS Health

### Notes to Consolidated Financial Statements (continued)

#### **20. Subsequent Events (continued)**

##### *Preferred Professional Insurance Company*

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

## Supplementary Information

## Independent Auditors' Report on Supplementary Information

The Board of Directors  
CHRISTUS Health

We have audited the consolidated financial statements of CHRISTUS Health as of and for the year ended June 30, 2014, and have issued our report thereon dated September 19, 2014. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying community benefit information and accompanying consolidated information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, except for that portion marked "unaudited," has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information, except for that portion marked "unaudited" on which we express no opinion, is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Ernst & Young LLP*

September 19, 2014

## CHRISTUS Health

### Community Benefit (Unaudited)

CHRISTUS Health (CHRISTUS or the System) complies with the Catholic Health Association's (CHA), *A Guide for Planning and Reporting Community Benefits*<sup>6</sup>, 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)

|                                                    | <b>2014</b>        | <b>2013</b> |
|----------------------------------------------------|--------------------|-------------|
|                                                    | <i>(Unaudited)</i> |             |
| Programs and services for the poor and underserved |                    |             |
| Charity care at unpaid cost                        | \$ 208,673         | \$ 186,192  |
| Unpaid cost of Medicaid and other public programs  | (140,767)          | (122,575)   |
| Community services for the poor and underserved    | 142,168            | 164,618     |
| Total for the poor and underserved                 | <b>210,074</b>     | 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                    | <b>15,731</b>      | 16,662      |
| Total community benefits                           | <b>\$ 225,805</b>  | \$ 244,897  |

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

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

## CHRISTUS Health

### Community Benefit (Unaudited) (continued)

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

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

# CHRISTUS Health

## Consolidated Balance Sheet Combined Group and Non-Combined Group

As of June 30, 2014  
(In Thousands)

|                                                                             | CHRISTUS<br>System<br>Total | CHRISTUS<br>Combined<br>Group<br>Total | CHRISTUS<br>Non-<br>Combined<br>Group Total |
|-----------------------------------------------------------------------------|-----------------------------|----------------------------------------|---------------------------------------------|
| <b>Assets</b>                                                               |                             |                                        |                                             |
| <b>Current assets</b>                                                       |                             |                                        |                                             |
| 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                                     |
| <b>Other assets</b>                                                         |                             |                                        |                                             |
| 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<br>System<br>Total | CHRISTUS<br>Combined<br>Group<br>Total | CHRISTUS<br>Non-<br>Combined<br>Group Total |
|------------------------------------------------------------------------------------------------------|-----------------------------|----------------------------------------|---------------------------------------------|
| <b>Liabilities and net assets</b>                                                                    |                             |                                        |                                             |
| Current liabilities                                                                                  |                             |                                        |                                             |
| Accounts payable and accrued expenses                                                                | \$ 392,428                  | \$ 175,104                             | \$ 217,324                                  |
| Accrued employee compensation and benefits,<br>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-<br>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)

|                                                                              | <b>CHRISTUS<br/>System<br/>Total</b> | <b>CHRISTUS<br/>Combined<br/>Group<br/>Total</b> | <b>CHRISTUS<br/>Non-<br/>Combined<br/>Group Total</b> |
|------------------------------------------------------------------------------|--------------------------------------|--------------------------------------------------|-------------------------------------------------------|
| 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)

|                                                                              | <b>CHRISTUS<br/>System<br/>Total</b> | <b>CHRISTUS<br/>Combined<br/>Group<br/>Total</b> | <b>CHRISTUS<br/>Non-<br/>Combined<br/>Group Total</b> |
|------------------------------------------------------------------------------|--------------------------------------|--------------------------------------------------|-------------------------------------------------------|
| Changes in unrestricted net assets                                           |                                      |                                                  |                                                       |
| Revenues in excess (deficit of expenses<br>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<br>restricted net assets |                                      |                                                  |                                                       |
| Net assets – beginning of period                                             | 2,607,366                            | 2,194,436                                        | 412,930                                               |
| Net assets – end of period                                                   | <u>\$ 2,777,184</u>                  | <u>\$ 2,241,172</u>                              | <u>\$ 536,012</u>                                     |

# CHRISTUS Health

## Combined Group Consolidating Financial Statements

June 30, 2014  
(In Thousands)

|                                                                             | CHRISTUS Health Consolidated | CHRISTUS Health Non-obligated Entities | CHRISTUS Health Obligated Entities | Southeast Texas Region | St Elizabeth Hospital | St Mary Hospital | Jasper Memorial Hospital | Southeast Texas Service Center |
|-----------------------------------------------------------------------------|------------------------------|----------------------------------------|------------------------------------|------------------------|-----------------------|------------------|--------------------------|--------------------------------|
| <b>Assets</b>                                                               |                              |                                        |                                    |                        |                       |                  |                          |                                |
| 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<br>Texas |       | Gulf Coast<br>Texas Region |         | St. John<br>Hospital | St. Catherine<br>Health and<br>Wellness Center | St. Joseph<br>Hospital<br>Houston | Gulf Coast<br>Service Center | Gulf Coast<br>Texas<br>Obligated<br>Eliminations | Ark-La-Tex<br>Region |         |         |
|-----------------------------------------------------------------------------|--------------------|-------|----------------------------|---------|----------------------|------------------------------------------------|-----------------------------------|------------------------------|--------------------------------------------------|----------------------|---------|---------|
| Assets                                                                      |                    |       |                            |         |                      |                                                |                                   |                              |                                                  |                      |         |         |
| Current assets                                                              |                    |       |                            |         |                      |                                                |                                   |                              |                                                  |                      |         |         |
| Cash and cash equivalents                                                   | \$                 | -     | \$                         | 217,146 | \$                   | 136,723                                        | \$                                | (80,091)                     | \$                                               | -                    | \$      | 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)                     | \$                                               | -                    | \$      | 302,706 |

# CHRISTUS Health

## Combined Group Consolidating Financial Statements (continued)

June 30, 2014  
(In Thousands)

|                                                                             | St Michael<br>Health Care<br>Center | St Michael<br>Rehabilitation<br>Hospital | Ark-La-Tex<br>Obligated<br>Eliminations | Spohn Region | Spohn<br>Shoreline | Spohn<br>Memorial | Spohn South | Spohn Kleberg<br>Memorial |
|-----------------------------------------------------------------------------|-------------------------------------|------------------------------------------|-----------------------------------------|--------------|--------------------|-------------------|-------------|---------------------------|
| <b>Assets</b>                                                               |                                     |                                          |                                         |              |                    |                   |             |                           |
| 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 |
|-----------------------------------------------------------------------------|----------------|-------------|-----------------------|----------------------------|-----------------------------|------------------------------|-------------------|-----------------------------|
| <b>Assets</b>                                                               |                |             |                       |                            |                             |                              |                   |                             |
| 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 |
|-----------------------------------------------------------------------------|--------------------------------|---------------------------|-----------------------------|-------------------|---------------------------|--------------------------|--------------------------|------------------------------------|
| <b>Assets</b>                                                               |                                |                           |                             |                   |                           |                          |                          |                                    |
| 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<br>Partnership<br>Management<br>Services | Santa Rosa<br>Alon | Santa Rosa<br>Creekside | Santa Rosa<br>Foundation | Santa Rosa<br>Real Estate | Santa Rosa<br>Obligated<br>Eliminations | Northern<br>Louisiana<br>Region | Schumpert<br>Health System |
|-----------------------------------------------------------------------------|-----------------------------------------------------|--------------------|-------------------------|--------------------------|---------------------------|-----------------------------------------|---------------------------------|----------------------------|
| <b>Assets</b>                                                               |                                                     |                    |                         |                          |                           |                                         |                                 |                            |
| 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)               |

## Combined Group Consolidating Financial Statements (continued)

June 30, 2014  
(In Thousands)

| Assets                                                                      | Schumpert Highland Hospital |         | Northern Louisiana Obligated Eliminations |   | Southwestern Louisiana Obligated Eliminations |         | CHRISTUS Village – Lake Charles |   | St Patrick Hospital |         | Southwestern Louisiana Obligated Eliminations |   | Central Louisiana Obligated Eliminations |         | St Frances Cabrini Hospital |         |
|-----------------------------------------------------------------------------|-----------------------------|---------|-------------------------------------------|---|-----------------------------------------------|---------|---------------------------------|---|---------------------|---------|-----------------------------------------------|---|------------------------------------------|---------|-----------------------------|---------|
|                                                                             |                             |         |                                           |   |                                               |         |                                 |   |                     |         |                                               |   |                                          |         |                             |         |
| Current assets                                                              |                             |         |                                           |   |                                               |         |                                 |   |                     |         |                                               |   |                                          |         |                             |         |
| Cash and cash equivalents                                                   | \$                          | 2       | \$                                        | – | \$                                            | 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             |                             | –       |                                           | – |                                               | –       |                                 | – |                     | –       |                                               | – |                                          | 223     |                             | 223     |
| Property and equipment, net of accumulated depreciation                     |                             | 62,316  |                                           | – |                                               | 52,306  |                                 | – |                     | 52,306  |                                               | – |                                          | 132,461 |                             | 121,832 |
| Other assets                                                                |                             | –       |                                           | – |                                               | –       |                                 | – |                     | –       |                                               | – |                                          | 1,219   |                             | 1,219   |
| Investment in unconsolidated organizations                                  |                             | –       |                                           | – |                                               | –       |                                 | – |                     | –       |                                               | – |                                          | –       |                             | –       |
| 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 |

## Combined Group Consolidating Financial Statements (continued)

|                                                                             | CHRISTUS                 |                           |                         |        | Central                      |                                        | Corporate and<br>Eliminations | TLRA      | Revenue Cycle<br>Business<br>Services |
|-----------------------------------------------------------------------------|--------------------------|---------------------------|-------------------------|--------|------------------------------|----------------------------------------|-------------------------------|-----------|---------------------------------------|
|                                                                             | Coushatta<br>Health Care | St Joseph<br>Nursing Home | Louisiana<br>Ministries | Health | Heart Center of<br>Louisiana | Louisiana<br>Obligated<br>Eliminations |                               |           |                                       |
| <b>Assets</b>                                                               |                          |                           |                         |        |                              |                                        |                               |           |                                       |
| 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 pledged 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                                                                | -                        | -                         | -                       | -      | -                            | -                                      | 71,349                        | -         | -                                     |
| Total other assets                                                          | -                        | -                         | -                       | -      | -                            | -                                      | 121,561                       | -         | -                                     |
| Total assets                                                                | \$ 379                   | \$ 10,029                 | \$ (3,369)              | \$     | 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 |
|-----------------------------------------------------------------------------|-------------------------|------------------|------------------|----------------------|----------------|------------------------|---------------------|----------------------|
| <b>Assets</b>                                                               |                         |                  |                  |                      |                |                        |                     |                      |
| 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                          | -                       | 763,737          | -                | -                    | -              | -                      | -                   | -                    |
| 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<br>Retail Services | Benefits  | Bond Fund   | St. Joseph<br>Village | Uniformed<br>Services Family<br>Health Plan | CHRISTUS<br>Corporate<br>Obligated<br>Eliminations |
|-----------------------------------------------------------------------------|-----------------------------|-----------|-------------|-----------------------|---------------------------------------------|----------------------------------------------------|
| <b>Assets</b>                                                               |                             |           |             |                       |                                             |                                                    |
| 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<br>Health<br>Consolidated | CHRISTUS<br>Health Non-<br>obligated<br>Entities | CHRISTUS<br>Health<br>Obligated<br>Entities | CHRISTUS<br>Texas Region | St Elizabeth<br>Hospital | St Mary<br>Hospital | Jasper<br>Memorial<br>Hospital | Southeast<br>Texas Service<br>Center |
|------------------------------------------------------------------------------------------------|------------------------------------|--------------------------------------------------|---------------------------------------------|--------------------------|--------------------------|---------------------|--------------------------------|--------------------------------------|
| <b>Liabilities and net assets</b>                                                              |                                    |                                                  |                                             |                          |                          |                     |                                |                                      |
| 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<br>Texas<br>Obligated<br>Eliminations | Gulf Coast<br>Texas Region | St. John<br>Hospital | St. Catherine<br>Health and<br>Wellness Center | St. Joseph<br>Hospital<br>Houston | Gulf Coast<br>Service Center | Gulf Coast<br>Texas<br>Obligated<br>Eliminations | Ark-La-Tex<br>Region |
|------------------------------------------------------------------------------------------------|-------------------------------------------------|----------------------------|----------------------|------------------------------------------------|-----------------------------------|------------------------------|--------------------------------------------------|----------------------|
| <b>Liabilities and net assets</b>                                                              |                                                 |                            |                      |                                                |                                   |                              |                                                  |                      |
| 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<br>Health Care<br>Center | St Michael<br>Rehabilitation<br>Hospital | Ark-La-Tex<br>Obligated<br>Eliminations | Spohn Region | Spohn<br>Shoreline | Spohn<br>Memorial | Spohn South | Spohn Kleberg<br>Memorial |
|------------------------------------------------------------------------------------------------|-------------------------------------|------------------------------------------|-----------------------------------------|--------------|--------------------|-------------------|-------------|---------------------------|
| <b>Liabilities and net assets</b>                                                              |                                     |                                          |                                         |              |                    |                   |             |                           |
| 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 |
|--------------------------------------------------------------------------------------------------|----------------|-------------|-----------------------|----------------------------|-----------------------------|------------------------------|-------------------|-----------------------------|
| <b>Liabilities and net assets</b>                                                                |                |             |                       |                            |                             |                              |                   |                             |
| 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<br>Children's<br>Hospital | Santa Rosa<br>Medical Center | Santa Rosa<br>Support<br>Services | Santa Rosa<br>Boerne | Santa Rosa<br>Westover Hills | Santa Rosa<br>New Braunfels | Santa Rosa<br>Alamo Heights | Santa Rosa<br>Rehabilitation<br>Hospital |
|--------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------|-----------------------------------|----------------------|------------------------------|-----------------------------|-----------------------------|------------------------------------------|
| <b>Liabilities and net assets</b>                                                                |                                      |                              |                                   |                      |                              |                             |                             |                                          |
| 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<br>Partnership<br>Management<br>Services | Santa Rosa<br>Alon | Santa Rosa<br>Creekside | Santa Rosa<br>Foundation | Santa Rosa<br>Real Estate | Santa Rosa<br>Obligated<br>Eliminations | Northern<br>Louisiana<br>Region | Schumpert<br>Health System |
|-------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------------|-------------------------|--------------------------|---------------------------|-----------------------------------------|---------------------------------|----------------------------|
| <b>Liabilities and net assets</b>                                                               |                                                     |                    |                         |                          |                           |                                         |                                 |                            |
| 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<br>Highland<br>Hospital | Northern<br>Louisiana<br>Obligations<br>Eliminations | Southwestern<br>Louisiana<br>Region | St Patrick<br>Hospital | CHRISTUS<br>Village – Lake<br>Charles | Southwestern<br>Louisiana<br>Obligations<br>Eliminations | Central<br>Louisiana<br>Region | St Frances<br>Cabrini Hospital |
|--------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------------------------|-------------------------------------|------------------------|---------------------------------------|----------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Liabilities and net assets</b>                                                                |                                   |                                                      |                                     |                        |                                       |                                                          |                                |                                |
| 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                     |

## Combined Group Consolidating Financial Statements (continued)

June 30, 2014  
(In Thousands)

|                                                                                                | CHRISTUS              |                        |                   |                           |       | Central Louisiana Obligated Eliminations |           | Corporate and Eliminations | TLRA     | Revenue Cycle Business Services |
|------------------------------------------------------------------------------------------------|-----------------------|------------------------|-------------------|---------------------------|-------|------------------------------------------|-----------|----------------------------|----------|---------------------------------|
|                                                                                                | Coushatta Health Care | St Joseph Nursing Home | Health Ministries | Heart Center of Louisiana |       |                                          |           |                            |          |                                 |
| <b>Liabilities and net assets</b>                                                              |                       |                        |                   |                           |       |                                          |           |                            |          |                                 |
| 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 |
|-------------------------------------------------------------------------------------------------|-------------------------|------------------|------------------|----------------------|----------------|------------------------|---------------------|----------------------|
| <b>Liabilities and net assets</b>                                                               | \$ 913                  | \$ (31,577)      | \$ (314)         | \$ 205               | \$ (12,104)    | \$ 14,899              | \$ (13,421)         | \$ (130)             |
| Current liabilities                                                                             |                         |                  |                  |                      |                |                        |                     |                      |
| Accounts payable and accrued expenses                                                           |                         |                  |                  |                      |                |                        |                     |                      |
| 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<br>Retail Services | Benefits  | Bond Fund  | St. Joseph<br>Village | Uniformed<br>Services Family<br>Health Plan | CHRISTUS<br>Corporate<br>Obligated<br>Eliminations |
|--------------------------------------------------------------------------------------------------|-----------------------------|-----------|------------|-----------------------|---------------------------------------------|----------------------------------------------------|
| <b>Liabilities and net assets</b>                                                                |                             |           |            |                       |                                             |                                                    |
| Current liabilities                                                                              | \$ 161                      | \$ 2,122  | \$ 10,466  | \$ 7,455              | \$ 23,866                                   | \$ (1,023)                                         |
| Accounts payable and accrued expenses                                                            |                             |           |            |                       |                                             |                                                    |
| 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                                                                                     | (11,131)                    | 24,797    | (148,976)  | (5,778)               | 216,294                                     | 564                                                |
| Attributable to CHRISTUS Health                                                                  |                             |           |            |                       |                                             |                                                    |
| 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<br>Health<br>Consolidated | CHRISTUS<br>Health Non-<br>obligated<br>Entities | CHRISTUS<br>Health<br>Obligated<br>Entities | Southeast<br>Texas Region | St Elizabeth<br>Hospital | St Mary<br>Hospital | Jasper<br>Memorial<br>Hospital | Southeast<br>Texas Service<br>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<br>Obligations<br>Eliminations | Gulf Coast<br>Texas Region | St. John<br>Hospital | St. Catherine<br>Health and<br>Wellness Center | St. Joseph<br>Hospital<br>Houston | Gulf Coast<br>Service Center | Gulf Coast<br>Texas Obligations<br>Eliminations | Ark-La-Tex<br>Region |
|------------------------------------------------------------------------------|------------------------------------------------|----------------------------|----------------------|------------------------------------------------|-----------------------------------|------------------------------|-------------------------------------------------|----------------------|
| Revenues                                                                     |                                                |                            |                      |                                                |                                   |                              |                                                 |                      |
| Patient service revenue (net of contractual allowances and discounts)        | \$ (327)                                       | \$ 106,129                 | \$ 69,214            | \$ 34,785                                      | \$ —                              | \$ 2,130                     | \$ —                                            | \$ 249,230           |
| Provision for bad debts                                                      | —                                              | (9,633)                    | (6,461)              | (3,226)                                        | —                                 | 54                           | —                                               | (12,618)             |
| Net patient service revenue less provision for bad debts                     | (327)                                          | 96,496                     | 62,753               | 31,559                                         | —                                 | 2,184                        | —                                               | 236,612              |
| Premium revenue                                                              | —                                              | —                          | —                    | —                                              | —                                 | —                            | —                                               | —                    |
| Other revenue including gain on contributions to joint ventures              | (259)                                          | 11,563                     | 1,767                | 1,387                                          | —                                 | 8,409                        | —                                               | 12,029               |
| Equity in income of unconsolidated organizations                             | —                                              | 31,819                     | 23,505               | (22,118)                                       | —                                 | 30,432                       | —                                               | —                    |
| Total revenues                                                               | (586)                                          | 139,878                    | 88,025               | 10,828                                         | —                                 | 41,025                       | —                                               | 248,641              |
| Expenses                                                                     |                                                |                            |                      |                                                |                                   |                              |                                                 |                      |
| Employee compensation and benefits                                           | —                                              | 43,962                     | 28,695               | 17,975                                         | —                                 | (2,708)                      | —                                               | 96,237               |
| Services and other                                                           | (586)                                          | 49,483                     | 20,042               | 20,805                                         | —                                 | 8,636                        | —                                               | 64,983               |
| Supplies                                                                     | —                                              | 14,286                     | 11,010               | 3,172                                          | —                                 | 104                          | —                                               | 48,880               |
| Depreciation and amortization                                                | —                                              | 7,440                      | 3,457                | 3,269                                          | —                                 | 714                          | —                                               | 13,022               |
| Interest                                                                     | —                                              | 1,998                      | 657                  | 1,341                                          | —                                 | —                            | —                                               | 4,406                |
| Total expenses                                                               | (586)                                          | 117,169                    | 63,861               | 46,562                                         | —                                 | 6,746                        | —                                               | 227,528              |
| Operating income (loss)                                                      | —                                              | 22,709                     | 24,164               | (35,734)                                       | —                                 | 34,279                       | —                                               | 21,113               |
| Non-operating investment gain (loss)                                         | —                                              | (4)                        | (4)                  | —                                              | —                                 | —                            | —                                               | 182                  |
| Loss on defeasance of debt                                                   | —                                              | —                          | —                    | —                                              | —                                 | —                            | —                                               | —                    |
| Other non-operating (loss) gain                                              | —                                              | (2,646)                    | (541)                | (816)                                          | —                                 | (1,289)                      | —                                               | (103)                |
| Revenues in excess (deficit) of expenses                                     | —                                              | 20,059                     | 23,619               | (36,550)                                       | —                                 | 32,990                       | —                                               | 21,192               |
| Less revenues in excess of expenses attributable to non-controlling interest | —                                              | —                          | —                    | —                                              | —                                 | —                            | —                                               | —                    |
| Revenue in excess (deficit) of expenses attributable to CHRISTUS Health      | \$ —                                           | \$ 20,059                  | \$ 23,619            | \$ (36,550)                                    | \$ —                              | \$ 32,990                    | \$ —                                            | \$ 21,192            |

# CHRISTUS Health

## Combined Group Consolidating Financial Statements (continued)

June 30, 2014  
(In Thousands)

|                                                                                | St Michael<br>Health Care<br>Center | St Michael<br>Rehabilitation<br>Hospital | Ark-La-Tex<br>Obligated<br>Eliminations | Spohn Region     | Spohn<br>Shoreline | Spohn<br>Memorial | Spohn South     | Spohn Kleberg<br>Memorial |
|--------------------------------------------------------------------------------|-------------------------------------|------------------------------------------|-----------------------------------------|------------------|--------------------|-------------------|-----------------|---------------------------|
| <b>Revenues</b>                                                                |                                     |                                          |                                         |                  |                    |                   |                 |                           |
| 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              | -                 | -               | -                         |
| <b>Total revenues</b>                                                          | <b>228,174</b>                      | <b>20,467</b>                            | <b>-</b>                                | <b>663,737</b>   | <b>297,001</b>     | <b>148,724</b>    | <b>100,590</b>  | <b>40,745</b>             |
| <b>Expenses</b>                                                                |                                     |                                          |                                         |                  |                    |                   |                 |                           |
| 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                       |
| <b>Total expenses</b>                                                          | <b>208,471</b>                      | <b>19,057</b>                            | <b>-</b>                                | <b>634,282</b>   | <b>272,957</b>     | <b>153,142</b>    | <b>96,631</b>   | <b>37,611</b>             |
| <b>Operating income (loss)</b>                                                 | <b>19,703</b>                       | <b>1,410</b>                             | <b>-</b>                                | <b>29,455</b>    | <b>24,044</b>      | <b>(4,418)</b>    | <b>3,959</b>    | <b>3,134</b>              |
| Non-operating investment gain (loss)                                           | 182                                 | -                                        | -                                       | -                | -                  | -                 | -               | -                         |
| Loss on defeasance of debt                                                     | -                                   | -                                        | -                                       | -                | -                  | -                 | -               | -                         |
| Other non-operating (loss) gain                                                | (84)                                | (19)                                     | -                                       | (801)            | (699)              | (30)              | (63)            | (6)                       |
| <b>Revenues in excess (deficit) of expenses</b>                                | <b>19,801</b>                       | <b>1,391</b>                             | <b>-</b>                                | <b>28,654</b>    | <b>23,345</b>      | <b>(4,448)</b>    | <b>3,896</b>    | <b>3,128</b>              |
| Less revenues in excess of expenses attributable to non-controlling interest   | -                                   | -                                        | -                                       | -                | -                  | -                 | -               | -                         |
| <b>Revenue in excess (deficit) of expenses attributable to CHRISTUS Health</b> | <b>\$ 19,801</b>                    | <b>\$ 1,391</b>                          | <b>\$ -</b>                             | <b>\$ 28,654</b> | <b>\$ 23,345</b>   | <b>\$ (4,448)</b> | <b>\$ 3,896</b> | <b>\$ 3,128</b>           |

# 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 |
|--------------------------------------------------------------------------------|----------------|-----------------|-----------------------|----------------------------|-----------------------------|------------------------------|-------------------|-----------------------------|
| <b>Revenues</b>                                                                |                |                 |                       |                            |                             |                              |                   |                             |
| 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                               | -              | -               | -                     | -                          | -                           | -                            | -                 | -                           |
| <b>Total revenues</b>                                                          | <b>28,728</b>  | <b>47,949</b>   | <b>(132)</b>          | <b>-</b>                   | <b>-</b>                    | <b>132</b>                   | <b>587,372</b>    | <b>91</b>                   |
| <b>Expenses</b>                                                                |                |                 |                       |                            |                             |                              |                   |                             |
| 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            | -                           |
| <b>Total expenses</b>                                                          | <b>27,958</b>  | <b>45,983</b>   | <b>-</b>              | <b>-</b>                   | <b>-</b>                    | <b>-</b>                     | <b>581,929</b>    | <b>-</b>                    |
| <b>Operating income (loss)</b>                                                 | <b>770</b>     | <b>1,966</b>    | <b>(132)</b>          | <b>-</b>                   | <b>-</b>                    | <b>132</b>                   | <b>5,443</b>      | <b>91</b>                   |
| Non-operating investment gain (loss)                                           | -              | -               | -                     | -                          | -                           | -                            | 17                | -                           |
| Loss on defeasance of debt                                                     | -              | -               | -                     | -                          | -                           | -                            | -                 | -                           |
| Other non-operating (loss) gain                                                | 2              | (5)             | 1                     | -                          | -                           | -                            | 802               | -                           |
| <b>Revenues in excess (deficit) of expenses</b>                                | <b>772</b>     | <b>1,961</b>    | <b>(131)</b>          | <b>-</b>                   | <b>-</b>                    | <b>132</b>                   | <b>6,262</b>      | <b>91</b>                   |
| Less revenues in excess of expenses attributable to non-controlling interest   | -              | -               | -                     | -                          | -                           | -                            | -                 | -                           |
| <b>Revenue in excess (deficit) of expenses attributable to CHRISTUS Health</b> | <b>\$ 772</b>  | <b>\$ 1,961</b> | <b>\$ (131)</b>       | <b>\$ -</b>                | <b>\$ -</b>                 | <b>\$ 132</b>                | <b>\$ 6,262</b>   | <b>\$ 91</b>                |

# CHRISTUS Health

## Combined Group Consolidating Financial Statements (continued)

June 30, 2014  
(In Thousands)

|                                                                              | Santa Rosa<br>Children's<br>Hospital | Santa Rosa<br>Medical Center | Santa Rosa<br>Support<br>Services | Santa Rosa<br>Boerne | Santa Rosa<br>Westover Hills | Santa Rosa<br>New Braunfels | Santa Rosa<br>Alamo Heights | Santa Rosa<br>Rehabilitation<br>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<br>Partnership<br>Management<br>Services | Santa Rosa<br>Alon  | Santa Rosa<br>Creekside | Santa Rosa<br>Foundation | Santa Rosa<br>Real Estate | Santa Rosa<br>Obligated<br>Eliminations | Northern<br>Louisiana<br>Region | Schumpert<br>Health System |
|------------------------------------------------------------------------------|-----------------------------------------------------|---------------------|-------------------------|--------------------------|---------------------------|-----------------------------------------|---------------------------------|----------------------------|
| Revenues                                                                     |                                                     |                     |                         |                          |                           |                                         |                                 |                            |
| Patient service revenue (net of contractual allowances and discounts)        | \$ -                                                | \$ 8,071<br>(1,378) | \$ 12,795<br>(3,054)    | \$ -                     | \$ -                      | \$ -                                    | \$ 175,480<br>(11,123)          | \$ 65,348<br>(4,038)       |
| Provision for bad debts                                                      | -                                                   | -                   | -                       | -                        | -                         | -                                       | -                               | -                          |
| 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<br>Hospital | Northern<br>Louisiana<br>Obligations<br>Eliminations | Southwestern<br>Louisiana<br>Region | St. Patrick<br>Hospital | CHRISTUS<br>Village – Lake<br>Charles | Southwestern<br>Louisiana<br>Obligations<br>Eliminations | Central<br>Louisiana<br>Region | St. Frances<br>Cabrini Hospital |
|--------------------------------------------------------------------------------|-----------------------|------------------------------------------------------|-------------------------------------|-------------------------|---------------------------------------|----------------------------------------------------------|--------------------------------|---------------------------------|
| <b>Revenues</b>                                                                |                       |                                                      |                                     |                         |                                       |                                                          |                                |                                 |
| 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                           |
| <b>Total revenues</b>                                                          | 109,029               | -                                                    | 131,120                             | 131,120                 | -                                     | -                                                        | 242,453                        | 218,148                         |
| <b>Expenses</b>                                                                |                       |                                                      |                                     |                         |                                       |                                                          |                                |                                 |
| 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                           |
| <b>Total expenses</b>                                                          | 98,784                | -                                                    | 128,472                             | 128,472                 | -                                     | -                                                        | 232,598                        | 208,377                         |
| <b>Operating income (loss)</b>                                                 | 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)                           |
| <b>Revenues in excess (deficit) of expenses</b>                                | 10,237                | -                                                    | 2,575                               | 2,575                   | -                                     | -                                                        | 9,637                          | 9,583                           |
| Less revenues in excess of expenses attributable to non-controlling interest   | -                     | -                                                    | -                                   | -                       | -                                     | -                                                        | -                              | -                               |
| <b>Revenue in excess (deficit) of expenses attributable to CHRISTUS Health</b> | \$ 10,237             | \$ -                                                 | \$ 2,575                            | \$ 2,575                | \$ -                                  | \$ -                                                     | \$ 9,637                       | \$ 9,583                        |

# CHRISTUS Health

## Combined Group Consolidating Financial Statements (continued)

June 30, 2014  
(In Thousands)

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

# CHRISTUS Health

## Combined Group Consolidating Financial Statements (continued)

June 30, 2014  
(In Thousands)

|                                                                              | Supply 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)                                         | -                       | -                | 1,514            | -                    | -              | -                      | -                   | -                    |
| Loss on defeasance of debt                                                   | -                       | 102,635          | -                | -                    | -              | -                      | -                   | -                    |
| 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<br>Retail Services | Benefits  | Bond Fund  | St. Joseph<br>Village | Uniformed<br>Services Family<br>Health Plan | CHRISTUS<br>Corporate<br>Obligated<br>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)

|                                                                             | <b>CHRISTUS<br/>System<br/>Total</b> | <b>CHRISTUS<br/>Combined<br/>Group<br/>Total</b> | <b>CHRISTUS<br/>Non-<br/>Combined<br/>Group Total</b> |
|-----------------------------------------------------------------------------|--------------------------------------|--------------------------------------------------|-------------------------------------------------------|
| <b>Assets</b>                                                               |                                      |                                                  |                                                       |
| <b>Current assets</b>                                                       |                                      |                                                  |                                                       |
| 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                                                 |
| <b>Total current assets</b>                                                 | <b>2,099,491</b>                     | <b>1,775,218</b>                                 | <b>324,273</b>                                        |
| <br>Assets whose use is limited or restricted, less current portion         | <br>708,174                          | <br>424,247                                      | <br>283,927                                           |
| <br>Property and equipment, net of accumulated depreciation                 | <br>1,618,670                        | <br>1,374,182                                    | <br>244,488                                           |
| <br><b>Other assets</b>                                                     |                                      |                                                  |                                                       |
| 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)                                             |
| <b>Total other assets</b>                                                   | <b>270,564</b>                       | <b>340,858</b>                                   | <b>(70,294)</b>                                       |
| <b>Total assets</b>                                                         | <b>\$ 4,696,899</b>                  | <b>\$ 3,914,505</b>                              | <b>\$ 782,394</b>                                     |

# CHRISTUS Health

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

As of June 30, 2013  
(In Thousands)

|                                                                                                      | CHRISTUS<br>System<br>Total | CHRISTUS<br>Combined<br>Group<br>Total | CHRISTUS<br>Non-<br>Combined<br>Group Total |
|------------------------------------------------------------------------------------------------------|-----------------------------|----------------------------------------|---------------------------------------------|
| <b>Liabilities and net assets</b>                                                                    |                             |                                        |                                             |
| Current liabilities                                                                                  |                             |                                        |                                             |
| Accounts payable and accrued expenses                                                                | \$ 409,675                  | \$ 237,460                             | \$ 172,215                                  |
| Accrued employee compensation and benefits,<br>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-<br>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)

|                                                                              | <b>CHRISTUS<br/>System<br/>Total</b> | <b>CHRISTUS<br/>Combined<br/>Group<br/>Total</b> | <b>CHRISTUS<br/>Non-<br/>Combined<br/>Group Total</b> |
|------------------------------------------------------------------------------|--------------------------------------|--------------------------------------------------|-------------------------------------------------------|
| <b>Revenues</b>                                                              |                                      |                                                  |                                                       |
| 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                                               |
| <b>Expenses</b>                                                              |                                      |                                                  |                                                       |
| 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)

|                                                                              | <b>CHRISTUS<br/>System<br/>Total</b> | <b>CHRISTUS<br/>Combined<br/>Group<br/>Total</b> | <b>CHRISTUS<br/>Non-<br/>Combined<br/>Group Total</b> |
|------------------------------------------------------------------------------|--------------------------------------|--------------------------------------------------|-------------------------------------------------------|
| Changes in unrestricted net assets                                           |                                      |                                                  |                                                       |
| Revenues in excess (deficit of expenses<br>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<br>restricted net assets | 40,841                               | 40,841                                           | –                                                     |
| Net assets – beginning of period                                             | 2,346,279                            | 2,035,818                                        | 310,461                                               |
| Net assets – end of period                                                   | <u>\$ 2,607,366</u>                  | <u>\$ 2,178,894</u>                              | <u>\$ 428,472</u>                                     |

# CHRISTUS Health

## Combined Group Consolidating Financial Statements

June 30, 2013  
(In Thousands)

|                                                                                 | CHRISTUS Health Consolidated | CHRISTUS Health Non-obligated Entities | CHRISTUS Health Obligated Entities | Southeast Texas Region | St Elizabeth Hospital | St Mary Hospital | Jasper Memorial Hospital | Southeast Texas Service Center |
|---------------------------------------------------------------------------------|------------------------------|----------------------------------------|------------------------------------|------------------------|-----------------------|------------------|--------------------------|--------------------------------|
| <b>Assets</b>                                                                   |                              |                                        |                                    |                        |                       |                  |                          |                                |
| 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)

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



# CHRISTUS Health

## Combined Group Consolidating Financial Statements (continued)

June 30, 2013  
(In Thousands)

|                                                                             | Spohn South | Spohn Kleberg Memorial | Spohn Beeville | Spohn Alice | Spohn Shared Services | Spohn Membership Agreement | Spohn Health System Payroll | Spohn Non-Obligated Eliminations |
|-----------------------------------------------------------------------------|-------------|------------------------|----------------|-------------|-----------------------|----------------------------|-----------------------------|----------------------------------|
| <b>Assets</b>                                                               |             |                        |                |             |                       |                            |                             |                                  |
| 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<br>Region | Santa Rosa<br>General<br>Hospital | Santa Rosa<br>Children's<br>Hospital | Santa Rosa<br>Medical Center | Santa Rosa<br>Support<br>Services | Santa Rosa<br>Boerne | Santa Rosa<br>Westover Hills | Santa Rosa<br>New Braunfels |
|-----------------------------------------------------------------------------|----------------------|-----------------------------------|--------------------------------------|------------------------------|-----------------------------------|----------------------|------------------------------|-----------------------------|
| <b>Assets</b>                                                               |                      |                                   |                                      |                              |                                   |                      |                              |                             |
| 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<br>Alamo Heights | Santa Rosa<br>Rehabilitation<br>Hospital | Santa Rosa<br>Partnership<br>Management<br>Services | Santa Rosa<br>Alon | Santa Rosa<br>Creekside | Santa Rosa<br>Foundation | Santa Rosa<br>Real Estate | Santa Rosa<br>Obligated<br>Eliminations |
|-----------------------------------------------------------------------------|-----------------------------|------------------------------------------|-----------------------------------------------------|--------------------|-------------------------|--------------------------|---------------------------|-----------------------------------------|
| <b>Assets</b>                                                               |                             |                                          |                                                     |                    |                         |                          |                           |                                         |
| 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<br>Louisiana<br>Region | Schumpert<br>Health System | Schumpert<br>Highland<br>Hospital | Schumpert<br>Bossier Medical<br>Center | Northern<br>Louisiana<br>Obligated<br>Eliminations | Southwestern<br>Louisiana<br>Region | St Patrick<br>Hospital | CHRISTUS<br>Village – Lake<br>Charles |
|-----------------------------------------------------------------------------|---------------------------------|----------------------------|-----------------------------------|----------------------------------------|----------------------------------------------------|-------------------------------------|------------------------|---------------------------------------|
| <b>Assets</b>                                                               |                                 |                            |                                   |                                        |                                                    |                                     |                        |                                       |
| 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<br>Louisiana<br>Obligated<br>Eliminations | Central<br>Louisiana<br>Region | St. Frances<br>Cabrini Hospital | Coushatta<br>Health Care | St. Joseph<br>Nursing Home | CHRISTUS<br>Health<br>Louisiana<br>Ministries | Heart Center of<br>Louisiana | Central<br>Louisiana<br>Obligated<br>Eliminations |
|-----------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------|---------------------------------|--------------------------|----------------------------|-----------------------------------------------|------------------------------|---------------------------------------------------|
| <b>Assets</b>                                                               |                                                        |                                |                                 |                          |                            |                                               |                              |                                                   |
| 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 pledged 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<br>Eliminations | TLRA     | Revenue Cycle<br>Business<br>Services | Supply Chain<br>Management | Corporate<br>office | Grants and<br>Loans | Workers<br>Compensation | Insurance Fund |
|-----------------------------------------------------------------------------|-------------------------------|----------|---------------------------------------|----------------------------|---------------------|---------------------|-------------------------|----------------|
| <b>Assets</b>                                                               |                               |          |                                       |                            |                     |                     |                         |                |
| 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 pledged 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 | Uninformed Services Family Health Plan |
|-----------------------------------------------------------------------------|------------------------|---------------------|----------------------|--------------------------|-----------|--------------|--------------------|----------------------------------------|
| <b>Assets</b>                                                               |                        |                     |                      |                          |           |              |                    |                                        |
| 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<br>Corporate<br>Obligations<br>Eliminations |
|-----------------------------------------------------------------------------|------------------------------------------------------|
| <b>Assets</b>                                                               |                                                      |
| 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 pledged 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                                                                | <u>\$ (949,369)</u>                                  |



# CHRISTUS Health

## Combined Group Consolidating Financial Statements (continued)

June 30, 2013  
(In Thousands)

|                                                                                                | CHRISTUS<br>Health<br>Consolidated | CHRISTUS<br>Health Non-<br>obligated<br>Entities | CHRISTUS<br>Health<br>Obligated<br>Entities | Southeast<br>Texas Region | St Elizabeth<br>Hospital | St Mary<br>Hospital | Jasper<br>Memorial<br>Hospital | Southeast<br>Texas Service<br>Center |
|------------------------------------------------------------------------------------------------|------------------------------------|--------------------------------------------------|---------------------------------------------|---------------------------|--------------------------|---------------------|--------------------------------|--------------------------------------|
| <b>Liabilities and net assets</b>                                                              |                                    |                                                  |                                             |                           |                          |                     |                                |                                      |
| Current liabilities                                                                            | \$ 409,675                         | \$ 172,215                                       | \$ 237,460                                  | \$ 32,345                 | \$ 26,506                | \$ 2,698            | \$ 3,024                       | \$ 117                               |
| Accounts payable and accrued expenses                                                          |                                    |                                                  |                                             |                           |                          |                     |                                |                                      |
| 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                               |

# CHRISTUS Health

## Combined Group Consolidating Financial Statements (continued)

June 30, 2013  
(In Thousands)

|                                                                                                  | Southeast Texas<br>Obligated<br>Eliminations | Gulf Coast<br>Texas Region | St John<br>Hospital | St Catherine<br>Health and<br>Wellness Center | St Joseph<br>Hospital –<br>Houston | Regional<br>Development<br>Projects | Gulf Coast<br>Service Center | Gulf Coast<br>Texas Obligated<br>Eliminations |
|--------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------|---------------------|-----------------------------------------------|------------------------------------|-------------------------------------|------------------------------|-----------------------------------------------|
| <b>Liabilities and net assets</b>                                                                |                                              |                            |                     |                                               |                                    |                                     |                              |                                               |
| 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<br>Region | St Michael<br>Health Care<br>Center | St Michael<br>Rehabilitation<br>Hospital | Ark-La-Tex<br>Obligated<br>Eliminations | Spohn<br>Region | Spohn Shoreline | Spohn<br>Memorial | Spohn South |
|------------------------------------------------------------------------------------------------|----------------------|-------------------------------------|------------------------------------------|-----------------------------------------|-----------------|-----------------|-------------------|-------------|
| <b>Liabilities and net assets</b>                                                              |                      |                                     |                                          |                                         |                 |                 |                   |             |
| 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<br>Memorial | Spohn Beeville | Spohn Alice | Spohn Shared<br>Services | Spohn<br>Membership<br>Agreement | Spohn Health<br>System Payroll | Spohn<br>Obligated<br>Eliminations | Santa Rosa<br>Region |
|--------------------------------------------------------------------------------------------------|---------------------------|----------------|-------------|--------------------------|----------------------------------|--------------------------------|------------------------------------|----------------------|
| <b>Liabilities and net assets</b>                                                                |                           |                |             |                          |                                  |                                |                                    |                      |
| 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<br>General<br>Hospital | Santa Rosa<br>Children's<br>Hospital | Santa Rosa<br>Medical Center | Santa Rosa<br>Support<br>Services | Santa Rosa<br>Boerne | Santa Rosa<br>Westover Hills | Santa Rosa New<br>Braunfels | Santa Rosa<br>Alamo Heights |
|--------------------------------------------------------------------------------------------------|-----------------------------------|--------------------------------------|------------------------------|-----------------------------------|----------------------|------------------------------|-----------------------------|-----------------------------|
| <b>Liabilities and net assets</b>                                                                |                                   |                                      |                              |                                   |                      |                              |                             |                             |
| 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<br>Rehabilitation<br>Hospital | Santa Rosa<br>Partnership<br>Management<br>Services | Santa Rosa<br>Alon | Santa Rosa<br>Creekside | Santa Rosa<br>Foundation | Santa Rosa<br>Real Estate | Santa Rosa<br>Obligated<br>Eliminations | Northern<br>Louisiana<br>Region |
|-------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------|--------------------|-------------------------|--------------------------|---------------------------|-----------------------------------------|---------------------------------|
| <b>Liabilities and net assets</b>                                                               |                                          |                                                     |                    |                         |                          |                           |                                         |                                 |
| 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<br>Health System | Schumpert<br>Hospital | Northern<br>Louisiana<br>Obligated<br>Eliminations | Southwestern<br>Louisiana<br>Region | St. Patrick<br>Hospital | CHRISTUS<br>Village – Lake<br>Charles | Southwestern<br>Louisiana<br>Obligated<br>Eliminations | Central<br>Louisiana<br>Region |
|--------------------------------------------------------------------------------------------------|--------------|----------------------------|-----------------------|----------------------------------------------------|-------------------------------------|-------------------------|---------------------------------------|--------------------------------------------------------|--------------------------------|
| <b>Liabilities and net assets</b>                                                                |              |                            |                       |                                                    |                                     |                         |                                       |                                                        |                                |
| Current liabilities                                                                              |              |                            |                       |                                                    |                                     |                         |                                       |                                                        |                                |
| Accounts payable and accrued expenses                                                            | \$ (379,712) | \$                         | 400,762               | \$                                                 | 18,627                              | \$                      | 20,656                                | \$                                                     | 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                                |                                                        | 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                                |                                                        | 133,627                        |
| Net assets                                                                                       |              |                            |                       |                                                    |                                     |                         |                                       |                                                        |                                |
| Unrestricted                                                                                     |              |                            |                       |                                                    |                                     |                         |                                       |                                                        |                                |
| Attributable to CHRISTUS Health                                                                  | (48,488)     |                            | 98,583                |                                                    | 63,463                              |                         | 61,413                                |                                                        | 100,203                        |
| Attributable to non-controlling interest                                                         | –            |                            | –                     |                                                    | –                                   |                         | –                                     |                                                        | 72                             |
| Total unrestricted                                                                               | (48,488)     |                            | 98,583                |                                                    | 63,463                              |                         | 61,413                                |                                                        | 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                                |                                                        | 101,401                        |
| Total liabilities and net assets                                                                 | (357,202)    | \$                         | 499,801               | \$                                                 | 120,870                             | \$                      | 120,849                               | \$                                                     | 235,028                        |

# CHRISTUS Health

## Combined Group Consolidating Financial Statements (continued)

June 30, 2013  
(In Thousands)

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

# CHRISTUS Health

## Combined Group Consolidating Financial Statements (continued)

June 30, 2013  
(In Thousands)

|                                                                              | CHRISTUS<br>Health<br>Consolidated | CHRISTUS<br>Health Non-<br>obligated<br>Entities | CHRISTUS<br>Health<br>Obligated<br>Entities | Southeast<br>Texas Region | St Elizabeth<br>Hospital | St Mary<br>Hospital | Jasper<br>Memorial<br>Hospital | Southeast<br>Texas Service<br>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<br>Obligated<br>Eliminations | Gulf Coast<br>Texas Region | St John<br>Hospital | St Catherine<br>Health and<br>Wellness Center | St Joseph<br>Hospital –<br>Houston | Regional<br>Development<br>Projects | Gulf Coast<br>Service Center | Gulf Coast<br>Texas Obligated<br>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<br>Region | St Michael<br>Health Care<br>Center | St Michael<br>Rehabilitation<br>Hospital | Ark-La-Tex<br>Obligated<br>Eliminations | Spohn Region | Spohn<br>Shoreline | Spohn<br>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<br>Memorial | Spohn Beeville       | Spohn Alice          | Spohn Shared<br>Services | Spohn<br>Membership<br>Agreement | Spohn Health<br>System Payroll | Spohn<br>Obligated<br>Eliminations | Santa Rosa<br>Region   |
|------------------------------------------------------------------------------|---------------------------|----------------------|----------------------|--------------------------|----------------------------------|--------------------------------|------------------------------------|------------------------|
| Revenues                                                                     |                           |                      |                      |                          |                                  |                                |                                    |                        |
| Patient service revenue (net of contractual allowances and discounts)        | \$ 47,777<br>(4,123)      | \$ 31,999<br>(4,557) | \$ 59,611<br>(6,620) | \$ -                     | \$ -                             | \$ -                           | \$ -                               | \$ 595,655<br>(53,156) |
| Provision for bad debts                                                      | 43,654                    | 27,442               | 52,991               | -                        | -                                | -                              | -                                  | 542,499                |
| Net patient service revenue less provision for bad debts                     | -                         | -                    | -                    | -                        | -                                | -                              | -                                  | -                      |
| Premium revenue                                                              | 926                       | 804                  | 1,278                | (215)                    | -                                | -                              | 215                                | 15,570                 |
| Other revenue including net gain on contributions to joint ventures          | -                         | -                    | -                    | -                        | -                                | -                              | -                                  | -                      |
| Equity in income of unconsolidated organizations                             | 44,580                    | 28,246               | 54,269               | (215)                    | -                                | -                              | 215                                | 558,069                |
| Total revenues                                                               |                           |                      |                      |                          |                                  |                                |                                    |                        |
| 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<br>General<br>Hospital | Santa Rosa<br>Children's<br>Hospital | Santa Rosa<br>Medical Center | Santa Rosa<br>Support<br>Services | Santa Rosa<br>Boerne | Santa Rosa<br>Westover Hills | Santa Rosa<br>New Braunfels | Santa Rosa<br>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<br>Rehabilitation<br>Hospital | Santa Rosa<br>Partnership<br>Management<br>Services | Santa Rosa<br>Alon | Santa Rosa<br>Creekside | Santa Rosa<br>Foundation | Santa Rosa<br>Real Estate | Santa Rosa<br>Obligated<br>Eliminations | Northern<br>Louisiana<br>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<br>Louisiana<br>Region | St. Frances<br>Cabrini Hospital | Coushatta<br>Health Care | St. Joseph<br>Nursing Home | CHRISTUS<br>Health<br>Louisiana<br>Ministries | Heart Center of<br>Louisiana | Central<br>Louisiana<br>Obligated<br>Eliminations | Corporate and<br>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<br>Business<br>Services | Supply Chain<br>Management | Corporate<br>office | Grants and<br>Loans | Workers<br>Compensation | Insurance Fund | Information<br>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<br>TechSource | Clinical<br>Engineering | CHRISTUS<br>Retail Services | Benefits  | Bond Fund | St. Joseph<br>Village | Uniformed<br>Services Family<br>Health Plan | CHRISTUS<br>Corporate<br>Obligated<br>Eliminations |
|------------------------------------------------------------------------------|------------------------|-------------------------|-----------------------------|-----------|-----------|-----------------------|---------------------------------------------|----------------------------------------------------|
| Revenues                                                                     |                        |                         |                             |           |           |                       |                                             |                                                    |
| Patient service revenue (net of contractual allowances and discounts)        | \$ -                   | \$ -                    | \$ -                        | \$ -      | \$ -      | \$ -                  | \$ -                                        | \$ (25,808)                                        |
| Provision for bad debts                                                      | -                      | -                       | -                           | -         | -         | -                     | -                                           | (25,808)                                           |
| Net patient service revenue less provision for bad debts                     | -                      | -                       | -                           | -         | -         | -                     | 155,589                                     | -                                                  |
| Premium revenue                                                              | -                      | -                       | -                           | -         | -         | -                     | -                                           | -                                                  |
| 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 |
|-----------------------------------------------------------------------------|-----------------|-------------------|------------|------------------------|-----------------------|------------------|--------------------------|-----------------------------|
| <b>Assets</b>                                                               |                 |                   |            |                        |                       |                  |                          |                             |
| 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<br>Ventures of<br>Southeast<br>Texas | Southeast<br>Texas Pain<br>Management<br>Center | Southeast<br>Texas<br>Service Center | Foundation of<br>Southeast<br>Texas | Southeast<br>Texas<br>Obligated<br>Eliminations | Southeast<br>Texas<br>Non-Obligated<br>Eliminations | Gulf Coast<br>Texas Region | St John<br>Hospital |
|-----------------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------------------|-----------------------------------------------------|----------------------------|---------------------|
| <b>Assets</b>                                                               |                                             |                                                 |                                      |                                     |                                                 |                                                     |                            |                     |
| 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<br>Health and<br>Wellness Center | Houston<br>Metropolitan<br>Health<br>Network | CHRISTUS<br>Foundation For<br>Healthcare | Gulf Coast<br>Service Center | West Houston<br>Real Estate<br>Development | Gulf Coast<br>Texas<br>Obligated<br>Eliminations | Gulf Coast<br>Texas<br>Non-Obligated<br>Eliminations | Ark-La-Tex<br>Region |
|-----------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|------------------------------------------|------------------------------|--------------------------------------------|--------------------------------------------------|------------------------------------------------------|----------------------|
| <b>Assets</b>                                                               |                                               |                                              |                                          |                              |                                            |                                                  |                                                      |                      |
| 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                                         | -                                            | -                                        | -                            | -                                          | -                                                | -                                                    | -                    |
| Notes and other receivables                                                 | 245                                           | 2                                            | 109                                      | 2,453                        | -                                          | -                                                | -                                                    | 25,404               |
| Inventories                                                                 | -                                             | -                                            | -                                        | -                            | -                                          | -                                                | -                                                    | 10,714               |
| Securities pledged to creditors                                             | -                                             | -                                            | -                                        | -                            | -                                          | -                                                | -                                                    | 5,551                |
| Security lending collateral                                                 | -                                             | -                                            | -                                        | -                            | -                                          | -                                                | -                                                    | -                    |
| Other current assets                                                        | 47                                            | -                                            | -                                        | 22                           | -                                          | -                                                | -                                                    | -                    |
| Total current assets                                                        | (78,716)                                      | 122                                          | 32,206                                   | 162,989                      | 9                                          | -                                                | -                                                    | 2,327                |
|                                                                             |                                               |                                              |                                          |                              |                                            |                                                  |                                                      | 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)                                              | -                    |
| Total other assets                                                          | -                                             | -                                            | 732                                      | 44,145                       | -                                          | -                                                | (1,000)                                              | 1,095                |
| 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<br>Health Care<br>Center | St Michael<br>Atlanta | St Michael<br>Rehabilitation<br>Hospital | St Michael<br>Atlanta<br>Home Health | Arkansas<br>ICHN | Ark-La-Tex<br>Health Network | Ark-La-Tex<br>Obligated<br>Eliminations | Ark-La-Tex<br>Non-Obligated<br>Eliminations |
|-----------------------------------------------------------------------------|-------------------------------------|-----------------------|------------------------------------------|--------------------------------------|------------------|------------------------------|-----------------------------------------|---------------------------------------------|
| <b>Assets</b>                                                               |                                     |                       |                                          |                                      |                  |                              |                                         |                                             |
| 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 |
|-----------------------------------------------------------------------------|--------------|-----------------|----------------|-------------|------------------------|----------------|-------------|-----------------------|
| <b>Assets</b>                                                               |              |                 |                |             |                        |                |             |                       |
| 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                                                                | 6,421        | 6,388           | —              | —           | —                      | —              | —           | —                     |
| Investment in unconsolidated organizations                                  | —            | —               | —              | —           | —                      | —              | —           | —                     |
| 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<br>Membership<br>Agreement | Spohn<br>Health Network | Spohn<br>Health System<br>Payroll | Spohn<br>Investment<br>Corporation | Spohn<br>Development<br>Foundation | Spohn<br>Obligated<br>Eliminations | Spohn<br>Non-Obligated<br>Eliminations | Santa Rosa<br>Region |
|-----------------------------------------------------------------------------|----------------------------------|-------------------------|-----------------------------------|------------------------------------|------------------------------------|------------------------------------|----------------------------------------|----------------------|
| <b>Assets</b>                                                               |                                  |                         |                                   |                                    |                                    |                                    |                                        |                      |
| 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<br>General<br>Hospital | Santa Rosa<br>South Texas<br>Alliance | Santa Rosa<br>Children's<br>Hospital | Santa Rosa<br>Medical Center | Santa Rosa<br>Support<br>Services | Santa Rosa<br>Boerne | Santa Rosa<br>Westover Hills | Santa Rosa<br>New Braunfels |
|-----------------------------------------------------------------------------|-----------------------------------|---------------------------------------|--------------------------------------|------------------------------|-----------------------------------|----------------------|------------------------------|-----------------------------|
| <b>Assets</b>                                                               |                                   |                                       |                                      |                              |                                   |                      |                              |                             |
| Current assets                                                              |                                   |                                       |                                      |                              |                                   |                      |                              |                             |
| Cash and cash equivalents                                                   | \$ -                              | \$ 350                                | \$ -                                 | \$ -                         | \$ 24,746                         | \$ -                 | \$ -                         | \$ (1)                      |
| Short-term investments and equity in managed funds                          | -                                 | -                                     | -                                    | -                            | -                                 | -                    | -                            | -                           |
| Assets whose use is limited, required for current liabilities               | -                                 | -                                     | -                                    | -                            | -                                 | -                    | -                            | -                           |
| Patient accounts receivable, net of allowance for doubtful accounts         | (238)                             | (8)                                   | 27,468                               | 9,312                        | (1,456)                           | -                    | 15,938                       | 12,257                      |
| Notes and other receivables                                                 | -                                 | 756                                   | 12,174                               | 5,079                        | 2,402                             | -                    | 6,907                        | 6,023                       |
| Inventories                                                                 | 1,028                             | -                                     | 7,085                                | 3,554                        | 202                               | -                    | 3,882                        | 2,868                       |
| Securities pledged to creditors                                             | -                                 | -                                     | -                                    | -                            | -                                 | -                    | -                            | -                           |
| Security lending collateral                                                 | -                                 | -                                     | -                                    | -                            | -                                 | -                    | -                            | -                           |
| Other current assets                                                        | -                                 | -                                     | 2,163                                | 517                          | 680                               | -                    | 1                            | 69                          |
| Total current assets                                                        | 790                               | 1,098                                 | 48,890                               | 18,462                       | 26,574                            | -                    | 26,728                       | 21,216                      |
| Assets whose use is limited or restricted, less current portion             | -                                 | -                                     | -                                    | -                            | 375                               | -                    | -                            | -                           |
| Property and equipment, net of accumulated depreciation                     | -                                 | -                                     | 96,344                               | 10,185                       | 14,044                            | 5,328                | 108,447                      | 64,890                      |
| Other assets                                                                | -                                 | -                                     | -                                    | -                            | -                                 | -                    | -                            | -                           |
| Investment in unconsolidated organizations                                  | -                                 | -                                     | -                                    | -                            | 536                               | -                    | -                            | -                           |
| Goodwill                                                                    | -                                 | -                                     | -                                    | -                            | 14,623                            | -                    | -                            | -                           |
| Beneficial interest in supporting organizations and other restricted assets | -                                 | -                                     | 73,802                               | -                            | -                                 | -                    | -                            | -                           |
| Other assets                                                                | -                                 | -                                     | -                                    | -                            | 24,769                            | -                    | -                            | -                           |
| Total other assets                                                          | -                                 | -                                     | 73,802                               | -                            | 39,928                            | -                    | -                            | -                           |
| Total assets                                                                | \$ 790                            | \$ 1,098                              | \$ 219,036                           | \$ 28,647                    | \$ 80,921                         | \$ 5,328             | \$ 135,175                   | \$ 86,106                   |

# CHRISTUS Health

## Consolidating Financial Statements (continued)

June 30, 2014  
(In Thousands)

|                                                                                | Santa Rosa<br>Alamo Heights<br>Surgical<br>Hospital | Santa Rosa<br>Alamo Heights | Santa Rosa<br>Rehabilitation<br>Hospital | Santa Rosa<br>Partnership<br>Management<br>Services | Santa Rosa New<br>Braunfels<br>Outpatient<br>Surgery Center | Santa Rosa<br>Physician<br>Ambulatory<br>Surgery Center | Santa Rosa<br>Family Health<br>Center | South<br>Texas Health<br>Alliance | Santa Rosa<br>Alon |
|--------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------|------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------|---------------------------------------|-----------------------------------|--------------------|
| <b>Assets</b>                                                                  |                                                     |                             |                                          |                                                     |                                                             |                                                         |                                       |                                   |                    |
| Current assets                                                                 |                                                     |                             |                                          |                                                     |                                                             |                                                         |                                       |                                   |                    |
| Cash and cash equivalents                                                      | \$ 18                                               | \$ -                        | \$ -                                     | \$ -                                                | \$ 1,018                                                    | \$ 1,345                                                | \$ 4711                               | \$ -                              | \$ -               |
| Short-term investments and equity in<br>managed funds                          | -                                                   | -                           | -                                        | -                                                   | -                                                           | -                                                       | -                                     | -                                 | -                  |
| Assets whose use is limited, required for<br>current liabilities               | -                                                   | -                           | -                                        | -                                                   | -                                                           | -                                                       | -                                     | -                                 | -                  |
| Patient accounts receivable, net of allowance<br>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<br>current portion             | -                                                   | -                           | -                                        | -                                                   | -                                                           | -                                                       | -                                     | -                                 | -                  |
| Property and equipment, net of accumulated<br>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<br>and other restricted assets | -                                                   | -                           | -                                        | -                                                   | -                                                           | -                                                       | -                                     | -                                 | -                  |
| Other assets                                                                   | -                                                   | -                           | -                                        | 1,682                                               | -                                                           | -                                                       | -                                     | -                                 | -                  |
| Total other assets                                                             | -                                                   | -                           | -                                        | 24,225                                              | 1,008                                                       | -                                                       | -                                     | -                                 | -                  |
| Total assets                                                                   | \$ 7,554                                            | \$ 27,809                   | \$ (3)                                   | \$ 25,448                                           | \$ 4,466                                                    | \$ 9,365                                                | \$ 5,200                              | \$ -                              | \$ 4,977           |

# CHRISTUS Health

## Consolidating Financial Statements (continued)

June 30, 2014  
(In Thousands)

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

# CHRISTUS Health

## Consolidating Financial Statements (continued)

June 30, 2014  
(In Thousands)

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

# CHRISTUS Health

## Consolidating Financial Statements (continued)

June 30, 2014  
(In Thousands)

|                                                                             | Occupational Health Services | CHRISTUS Village – Lake Charles | South Ryan Development Corporation | Southwestern Louisiana PHO | Colomade Endoscopy Center, LLC | Southwestern Louisiana Obligated Eliminations | Southwestern Louisiana Non-Obligated Eliminations | Central Louisiana Region |
|-----------------------------------------------------------------------------|------------------------------|---------------------------------|------------------------------------|----------------------------|--------------------------------|-----------------------------------------------|---------------------------------------------------|--------------------------|
| <b>Assets</b>                                                               |                              |                                 |                                    |                            |                                |                                               |                                                   |                          |
| 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 pledged to creditors                                             | –                            | –                               | –                                  | –                          | –                              | –                                             | –                                                 | –                        |
| Security lending collateral                                                 | –                            | –                               | –                                  | –                          | –                              | –                                             | –                                                 | –                        |
| Other current assets                                                        | –                            | –                               | –                                  | –                          | 7                              | –                                             | –                                                 | –                        |
| 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<br>Cabrim Hospital | Coushatta<br>Health Care | St. Joseph<br>Nursing Home | St. Frances<br>Cabrim<br>Foundation | CHRISTUS<br>Health<br>Louisiana<br>Ministries | Heart Center<br>of Louisiana | Central<br>Louisiana<br>Obligated<br>Eliminations | Central<br>Louisiana<br>Non-Obligated<br>Eliminations |
|-----------------------------------------------------------------------------|--------------------------------|--------------------------|----------------------------|-------------------------------------|-----------------------------------------------|------------------------------|---------------------------------------------------|-------------------------------------------------------|
| <b>Assets</b>                                                               |                                |                          |                            |                                     |                                               |                              |                                                   |                                                       |
| 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 pledged 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                            | -                        | -                          | -                                   | -                                             | -                            | -                                                 | -                                                     |
| Total other assets                                                          | 1,916                          | -                        | -                          | -                                   | -                                             | -                            | -                                                 | -                                                     |
| 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 |
|-----------------------------------------------------------------------------|-----------------|----------------------------|---------------------------|-----------|-----------|---------------------------------|-------------------------|------------------|
| <b>Assets</b>                                                               |                 |                            |                           |           |           |                                 |                         |                  |
| 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                     | -         | -         | -                               | -                       | 763,737          |
| 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<br>Foundation for<br>Cancer Research | Emerald<br>Assurance | Grants and<br>Loans | Workers<br>Compensation | Insurance Fund | Information<br>Management | CHRISTUS<br>TechSource | Clinical<br>Engineering |
|-----------------------------------------------------------------------------|----------------------------------------------|----------------------|---------------------|-------------------------|----------------|---------------------------|------------------------|-------------------------|
| <b>Assets</b>                                                               |                                              |                      |                     |                         |                |                           |                        |                         |
| 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<br>Retail Services | CHRISTUS<br>Foundation | Benefits  | Bond Fund   | Liability<br>Retention Trust | CHRISTUS<br>Health Plan | Health Plan<br>New Mexico | Health Plan<br>Louisiana |
|-----------------------------------------------------------------------------|-----------------------------|------------------------|-----------|-------------|------------------------------|-------------------------|---------------------------|--------------------------|
| <b>Assets</b>                                                               |                             |                        |           |             |                              |                         |                           |                          |
| 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<br>Dubus Health<br>System | CHRISTUS<br>Homecare | St. Joseph<br>Village | Uniformed<br>Services Family<br>Health Plan | CHRISTUS<br>Corporate<br>Obligated<br>Eliminations | CHRISTUS<br>Corporate<br>Non-Obligated<br>Eliminations | International | Christus<br>Latin America<br>(Chile) |
|-----------------------------------------------------------------------------|------------------------------------|----------------------|-----------------------|---------------------------------------------|----------------------------------------------------|--------------------------------------------------------|---------------|--------------------------------------|
| <b>Assets</b>                                                               |                                    |                      |                       |                                             |                                                    |                                                        |               |                                      |
| 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<br>Spa (Chile) | Grupo<br>Muguerza<br>(Mexico) |
|-----------------------------------------------------------------------------|--------------------------------|-------------------------------|
| <b>Assets</b>                                                               |                                |                               |
| Current assets                                                              | \$ 2,081                       | \$ 16,874                     |
| Cash and cash equivalents                                                   | —                              | —                             |
| 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 |
|--------------------------------------------------------------------------------------------------|-----------------|-------------------|------------|------------------------|-----------------------|------------------|--------------------------|-----------------------------|
| <b>Liabilities and net assets</b>                                                                |                 |                   |            |                        |                       |                  |                          |                             |
| 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<br>Ventures of<br>Southeast Texas | Southeast<br>Texas Pain<br>Management<br>Center | Southeast<br>Texas<br>Service Center | Foundation of<br>Southeast<br>Texas | Southeast<br>Texas<br>Obligated<br>Eliminations | Southeast<br>Texas<br>Non-Obligated<br>Eliminations | Gulf Coast<br>Texas Region | St John<br>Hospital |
|--------------------------------------------------------------------------------------------------|------------------------------------------|-------------------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------------------|-----------------------------------------------------|----------------------------|---------------------|
| <b>Liabilities and net assets</b>                                                                |                                          |                                                 |                                      |                                     |                                                 |                                                     |                            |                     |
| Current liabilities                                                                              |                                          |                                                 |                                      |                                     |                                                 |                                                     |                            |                     |
| Accounts payable and accrued expenses                                                            | \$ 621                                   | \$ (9)                                          | \$ 117                               | \$ 619                              | \$ -                                            | \$ -                                                | \$ 29,237                  | \$ 23,152           |
| Accrued employee compensation and benefits, including pension benefits, current portion          | -                                        | -                                               | -                                    | -                                   | -                                               | -                                                   | 362                        | 219                 |
| Estimated third-party settlements, net                                                           | -                                        | -                                               | -                                    | -                                   | -                                               | -                                                   | 195                        | 525                 |
| Current portion of long-term debt                                                                | -                                        | -                                               | -                                    | -                                   | -                                               | -                                                   | -                          | -                   |
| Payable under security lending agreement                                                         | -                                        | -                                               | -                                    | -                                   | -                                               | -                                                   | -                          | -                   |
| Total current liabilities                                                                        | 621                                      | (9)                                             | 117                                  | 619                                 | -                                               | -                                                   | 29,794                     | 23,896              |
| Long-term debt, less current portion                                                             | -                                        | -                                               | -                                    | -                                   | -                                               | -                                                   | -                          | -                   |
| Accrued pension benefits, long-term portion                                                      | -                                        | -                                               | -                                    | -                                   | -                                               | -                                                   | -                          | -                   |
| Derivative financial instruments                                                                 | -                                        | -                                               | -                                    | -                                   | -                                               | -                                                   | -                          | -                   |
| Other long-term obligations – primarily related to self-funded liabilities, less current portion | -                                        | -                                               | -                                    | -                                   | -                                               | -                                                   | 1,426                      | 975                 |
| Total liabilities                                                                                | 621                                      | (9)                                             | 117                                  | 619                                 | -                                               | -                                                   | 31,220                     | 24,871              |
| Net assets                                                                                       |                                          |                                                 |                                      |                                     |                                                 |                                                     |                            |                     |
| Unrestricted                                                                                     |                                          |                                                 |                                      |                                     |                                                 |                                                     |                            |                     |
| Attributable to CHRISTUS Health                                                                  | 129                                      | 268                                             | -                                    | 3,036                               | (117)                                           | (81)                                                | 292,993                    | 115,237             |
| Attributable to noncontrolling interest                                                          | -                                        | -                                               | -                                    | -                                   | -                                               | -                                                   | (3,123)                    | -                   |
| Total unrestricted                                                                               | 129                                      | 268                                             | -                                    | 3,036                               | (117)                                           | (81)                                                | 289,870                    | 115,237             |
| Temporarily restricted                                                                           | -                                        | -                                               | -                                    | 820                                 | -                                               | -                                                   | 25,524                     | -                   |
| Permanently restricted                                                                           | -                                        | -                                               | -                                    | 613                                 | -                                               | -                                                   | 4,772                      | -                   |
| Total net assets                                                                                 | 129                                      | 268                                             | -                                    | 4,469                               | (117)                                           | (81)                                                | 320,166                    | 115,237             |
| Total liabilities and net assets                                                                 | \$ 750                                   | \$ 259                                          | \$ 117                               | \$ 5,088                            | \$ (117)                                        | \$ (81)                                             | \$ 351,386                 | \$ 140,108          |

# CHRISTUS Health

## Consolidating Financial Statements (continued)

June 30, 2014  
(In Thousands)

|                                                                                                  | St Catherine<br>Health and<br>Wellness Center | Houston<br>Metropolitan<br>Health Network | CHRISTUS<br>Foundation For<br>Healthcare | Gulf Coast<br>Service Center | West Houston<br>Real Estate<br>Development | Gulf Coast<br>Texas<br>Obligated<br>Eliminations | Gulf Coast<br>Texas<br>Non-Obligated<br>Eliminations | Ark-La-Tex<br>Region |
|--------------------------------------------------------------------------------------------------|-----------------------------------------------|-------------------------------------------|------------------------------------------|------------------------------|--------------------------------------------|--------------------------------------------------|------------------------------------------------------|----------------------|
| <b>Liabilities and net assets</b>                                                                |                                               |                                           |                                          |                              |                                            |                                                  |                                                      |                      |
| 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<br>Health Care<br>Center | St Michael<br>Atlanta | St Michael<br>Rehabilitation<br>Hospital | St Michael<br>Atlanta Home<br>Health | Arkansas<br>ICHN | Ark-La-Tex<br>Health Network | Ark-La-Tex<br>Obligated<br>Eliminations | Ark-La-Tex<br>Non-Obligated<br>Eliminations |
|--------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------|------------------------------------------|--------------------------------------|------------------|------------------------------|-----------------------------------------|---------------------------------------------|
| <b>Liabilities and net assets</b>                                                                |                                     |                       |                                          |                                      |                  |                              |                                         |                                             |
| 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<br>Region | Spohn<br>Shoreline | Spohn<br>Memorial | Spohn South | Spohn Kleberg<br>Memorial | Spohn Beeville | Spohn Alice | Spohn Shared<br>Services |
|--------------------------------------------------------------------------------------------------|-----------------|--------------------|-------------------|-------------|---------------------------|----------------|-------------|--------------------------|
| <b>Liabilities and net assets</b>                                                                |                 |                    |                   |             |                           |                |             |                          |
| 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<br>Membership<br>Agreement | Spohn Health<br>Network | Spohn Health<br>System Payroll | Spohn Health<br>Investment<br>Corporation | Spohn<br>Development<br>Foundation | Spohn<br>Obligated<br>Eliminations | Spohn<br>Non-Obligated<br>Eliminations | Santa Rosa<br>Region |
|--------------------------------------------------------------------------------------------------|----------------------------------|-------------------------|--------------------------------|-------------------------------------------|------------------------------------|------------------------------------|----------------------------------------|----------------------|
| <b>Liabilities and net assets</b>                                                                |                                  |                         |                                |                                           |                                    |                                    |                                        |                      |
| Current liabilities                                                                              | \$ 473,143                       | \$ 5,659                | \$ 52                          | \$ (71)                                   | \$ 363                             | \$ -                               | \$ -                                   | \$ 62,380            |
| Accounts payable and accrued expenses                                                            | -                                | -                       | (52)                           | -                                         | -                                  | -                                  | -                                      | 9,370                |
| Accrued employee compensation and benefits, including pension benefits, current portion          | -                                | -                       | -                              | -                                         | -                                  | -                                  | -                                      | 12,477               |
| Estimated third-party settlements, net                                                           | -                                | -                       | -                              | -                                         | -                                  | -                                  | -                                      | 7,886                |
| Current portion of long-term debt                                                                | -                                | -                       | -                              | -                                         | -                                  | -                                  | -                                      | -                    |
| 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                                                                                     | -                                | (4,370)                 | -                              | 15,314                                    | 7,163                              | (10,944)                           | -                                      | 196,093              |
| Attributable to CHRISTUS Health                                                                  | -                                | -                       | -                              | -                                         | -                                  | -                                  | -                                      | (2,497)              |
| Attributable to noncontrolling interest                                                          | -                                | (4,370)                 | -                              | 15,314                                    | 7,163                              | (10,944)                           | -                                      | 193,596              |
| Total unrestricted                                                                               | -                                | -                       | -                              | -                                         | 7,384                              | -                                  | -                                      | 77,773               |
| Temporarily restricted                                                                           | -                                | -                       | -                              | -                                         | 2,126                              | -                                  | -                                      | 2,053                |
| Permanently restricted                                                                           | -                                | (4,370)                 | -                              | 15,314                                    | 16,673                             | (10,944)                           | -                                      | 273,422              |
| Total net assets                                                                                 | 473,143                          | 1,289                   | \$ -                           | \$ 15,243                                 | \$ 17,039                          | \$ (10,944)                        | \$ -                                   | \$ 637,776           |
| Total liabilities and net assets                                                                 |                                  |                         |                                |                                           |                                    |                                    |                                        |                      |

# CHRISTUS Health

## Consolidating Financial Statements (continued)

June 30, 2014  
(In Thousands)

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

# CHRISTUS Health

## Consolidating Financial Statements (continued)

June 30, 2014  
(In Thousands)

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

# CHRISTUS Health

## Consolidating Financial Statements (continued)

June 30, 2014  
(In Thousands)

|                                                                                                  | Schumpert Health System | Schumpert Highland Hospital | Northern Louisiana MISO | Schumpert Foundation | Northern Louisiana Obligated Eliminations | Northern Louisiana Non-Obligated Eliminations | Southwestern Louisiana Region | St Patrick Hospital |
|--------------------------------------------------------------------------------------------------|-------------------------|-----------------------------|-------------------------|----------------------|-------------------------------------------|-----------------------------------------------|-------------------------------|---------------------|
| <b>Liabilities and net assets</b>                                                                |                         |                             |                         |                      |                                           |                                               |                               |                     |
| 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 |       |       |    |         |         |         |
|--------------------------------------------------------------------------------------------------|------------------------------|---------------------------------|------------------------------------|----------------------------|---------------------------------|-----------------------------------------------|---------------------------------------------------|--------------------------|-------|-------|----|---------|---------|---------|
| \$                                                                                               | 2                            | \$                              | –                                  | \$                         | (24)                            | \$                                            | 84                                                | \$                       | (194) | \$    | –  | \$      | 13,976  |         |
|                                                                                                  | –                            | –                               | –                                  | –                          | –                               | –                                             | –                                                 | –                        | (5)   | –     | –  | –       | 3,608   |         |
|                                                                                                  | –                            | –                               | –                                  | –                          | –                               | –                                             | –                                                 | –                        | –     | –     | –  | –       | 6,136   |         |
|                                                                                                  | –                            | –                               | –                                  | –                          | –                               | –                                             | –                                                 | –                        | –     | –     | –  | –       | 3,843   |         |
|                                                                                                  | –                            | –                               | –                                  | –                          | –                               | –                                             | –                                                 | –                        | –     | –     | –  | –       | –       |         |
| Total current liabilities                                                                        | 2                            | –                               | –                                  | (24)                       | 84                              | –                                             | 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                              | –                                             | 84                                                | –                        | (199) | –     | –  | –       | 140,264 |         |
| Net assets                                                                                       |                              |                                 |                                    |                            |                                 |                                               |                                                   |                          |       |       |    |         |         |         |
| Unrestricted                                                                                     |                              |                                 |                                    |                            |                                 |                                               |                                                   |                          |       |       |    |         |         |         |
| Attributable to CHRISTUS Health                                                                  | 1,822                        | –                               | 91                                 | –                          | (76)                            | –                                             | (76)                                              | –                        | 5,016 | –     | –  | (2,947) | 111,641 |         |
| Attributable to noncontrolling interest                                                          | –                            | –                               | –                                  | –                          | –                               | –                                             | –                                                 | –                        | 711   | –     | –  | –       | –       |         |
| Total unrestricted                                                                               | 1,822                        | –                               | 91                                 | –                          | (76)                            | –                                             | (76)                                              | –                        | 5,727 | –     | –  | (2,947) | 111,641 |         |
| Temporarily restricted                                                                           | –                            | –                               | –                                  | –                          | –                               | –                                             | –                                                 | –                        | –     | –     | –  | –       | 5,350   |         |
| Permanently restricted                                                                           | –                            | –                               | –                                  | –                          | –                               | –                                             | –                                                 | –                        | –     | –     | –  | –       | 371     |         |
| Total net assets                                                                                 | 1,822                        | –                               | 91                                 | –                          | (76)                            | –                                             | (76)                                              | –                        | 5,727 | –     | –  | (2,947) | 117,362 |         |
| Total liabilities and net assets                                                                 | \$                           | 1,824                           | \$                                 | –                          | \$                              | 67                                            | \$                                                | 8                        | \$    | 5,528 | \$ | –       | \$      | 257,626 |



# CHRISTUS Health

## Consolidating Financial Statements (continued)

June 30, 2014  
(In Thousands)

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

# CHRISTUS Health

## Consolidating Financial Statements (continued)

June 30, 2014  
(In Thousands)

|                                                                                                  | Stehlin<br>Foundation<br>for Cancer<br>Research | Emerald<br>Assurance | Grants and<br>Loans | Workers<br>Compensation | Insurance Fund | Information<br>Management | CHRISTUS<br>TechSource | Clinical<br>Engineering |
|--------------------------------------------------------------------------------------------------|-------------------------------------------------|----------------------|---------------------|-------------------------|----------------|---------------------------|------------------------|-------------------------|
| <b>Liabilities and net assets</b>                                                                |                                                 |                      |                     |                         |                |                           |                        |                         |
| 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<br>Retail Services | CHRISTUS<br>Foundation | Benefits  | Bond Fund  | Liability<br>Retention Trust | CHRISTUS<br>Health Plan | Health Plan<br>New Mexico | Health Plan<br>Louisiana |
|--------------------------------------------------------------------------------------------------|-----------------------------|------------------------|-----------|------------|------------------------------|-------------------------|---------------------------|--------------------------|
| <b>Liabilities and net assets</b>                                                                |                             |                        |           |            |                              |                         |                           |                          |
| Current liabilities                                                                              | \$ 161                      | \$ (2)                 | \$ 2,122  | \$ 10,466  | \$ 585                       | \$ 3,635                | \$ 104                    | \$ 90                    |
| Accounts payable and accrued expenses                                                            |                             |                        |           |            |                              |                         |                           |                          |
| 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<br>Dubuis<br>Health System | CHRISTUS<br>Homecare | St Joseph<br>Village | Uniformed<br>Services<br>Family<br>Health Plan | CHRISTUS<br>Corporate<br>Obligations<br>Eliminations | CHRISTUS<br>Corporate<br>Non-Obligations<br>Eliminations | International | CHRISTUS<br>Latin America<br>(Chile) |
|--------------------------------------------------------------------------------------------------|-------------------------------------|----------------------|----------------------|------------------------------------------------|------------------------------------------------------|----------------------------------------------------------|---------------|--------------------------------------|
| <b>Liabilities and net assets</b>                                                                |                                     |                      |                      |                                                |                                                      |                                                          |               |                                      |
| Current liabilities                                                                              |                                     |                      |                      |                                                |                                                      |                                                          |               |                                      |
| Accounts payable and accrued expenses                                                            | \$ 4,264                            | \$ 2,182             | \$ 7,455             | \$ 23,866                                      | \$ (1,023)                                           | \$ 238                                                   | \$ 57,317     | \$ -                                 |
| Accrued employee compensation and benefits, including pension benefits, current portion          | 1,271                               | 2,618                | 61                   | 183                                            | -                                                    | -                                                        | 11,589        | -                                    |
| Estimated third-party settlements, net                                                           | 2,601                               | -                    | -                    | -                                              | -                                                    | -                                                        | -             | -                                    |
| Current portion of long-term debt                                                                | 9                                   | -                    | 1,735                | 9                                              | (27,389)                                             | -                                                        | 3,849         | -                                    |
| Payable under security lending agreement                                                         | -                                   | -                    | -                    | -                                              | -                                                    | -                                                        | -             | -                                    |
| Total current liabilities                                                                        | 8,145                               | 4,800                | 9,251                | 24,058                                         | (28,412)                                             | 238                                                      | 72,755        | -                                    |
| Long-term debt, less current portion                                                             | -                                   | -                    | 17,831               | -                                              | (766,722)                                            | (10,052)                                                 | 39,853        | -                                    |
| Accrued pension benefits, long-term portion                                                      | -                                   | -                    | -                    | -                                              | -                                                    | -                                                        | -             | -                                    |
| Derivative financial instruments                                                                 | -                                   | -                    | -                    | -                                              | -                                                    | -                                                        | -             | -                                    |
| Other long-term obligations – primarily related to self-funded liabilities, less current portion | 3,801                               | -                    | 6,076                | -                                              | -                                                    | -                                                        | (2,090)       | -                                    |
| Total liabilities                                                                                | 11,946                              | 4,800                | 33,158               | 24,058                                         | (795,133)                                            | (9,814)                                                  | 110,519       | -                                    |
| Net assets                                                                                       |                                     |                      |                      |                                                |                                                      |                                                          |               |                                      |
| Unrestricted                                                                                     |                                     |                      |                      |                                                |                                                      |                                                          |               |                                      |
| Attributable to CHRISTUS Health                                                                  | (1,291)                             | (10,166)             | (5,778)              | 216,294                                        | 564                                                  | (56,630)                                                 | 158,087       | -                                    |
| Attributable to noncontrolling interest                                                          | -                                   | -                    | -                    | -                                              | -                                                    | -                                                        | 28,717        | -                                    |
| Total unrestricted                                                                               | (1,291)                             | (10,166)             | (5,778)              | 216,294                                        | 564                                                  | (56,630)                                                 | 186,804       | -                                    |
| Temporarily restricted                                                                           | -                                   | 146                  | 125                  | -                                              | -                                                    | -                                                        | -             | -                                    |
| Permanently restricted                                                                           | 18                                  | -                    | 1,202                | -                                              | -                                                    | -                                                        | -             | -                                    |
| Total net assets                                                                                 | (1,273)                             | (10,020)             | (4,451)              | 216,294                                        | 564                                                  | (56,630)                                                 | 186,804       | -                                    |
| Total liabilities and net assets                                                                 | \$ 10,673                           | \$ (5,220)           | \$ 28,707            | \$ 240,352                                     | \$ (794,570)                                         | \$ (66,444)                                              | \$ 297,322    | \$ -                                 |

# CHRISTUS Health

## Consolidating Financial Statements (continued)

June 30, 2014  
(In Thousands)

|                                                                                                  | CHRISTUS<br>Health Spa<br>(Chile) | Grupo<br>Muguerza<br>(Mexico) |
|--------------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------|
| <b>Liabilities and net assets</b>                                                                |                                   |                               |
| Current liabilities                                                                              | \$                                | \$ 57,317                     |
| Accounts payable and accrued expenses                                                            |                                   |                               |
| 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                                           | 1,534,429       | 167,464           | 167,464    | 146,529                | 99,529                | 29,936           | 12,275                   | 4,583                       |
| Services and other                                                           | 1,148,484       | 89,174            | 89,174     | 110,259                | 72,501                | 27,338           | 9,030                    | 1,249                       |
| Supplies                                                                     | 609,705         | 58,179            | 58,179     | 70,531                 | 55,174                | 12,395           | 2,502                    | 453                         |
| Depreciation and amortization                                                | 165,461         | 14,329            | 14,329     | 19,238                 | 14,283                | 3,584            | 1,242                    | 88                          |
| Interest                                                                     | 31,430          | 59                | 59         | 4,507                  | 3,545                 | 962              | —                        | —                           |
| Total expenses                                                               | 3,489,329       | 329,205           | 329,205    | 351,064                | 245,032               | 74,215           | 25,049                   | 6,373                       |
| Operating income (loss)                                                      | 62,302          | 7,054             | 7,054      | (7,079)                | 2,460                 | (8,877)          | (1,493)                  | 598                         |
| Non-operating investment gain (loss)                                         | 100,236         | 4,811             | 4,811      | —                      | —                     | —                | —                        | —                           |
| Loss on defeasance of debt                                                   | (11,047)        | —                 | —          | —                      | —                     | —                | —                        | —                           |
| Other non-operating (loss) gain                                              | (8,389)         | —                 | —          | (436)                  | (285)                 | (110)            | (41)                     | —                           |
| Revenues in excess (deficit) of expenses                                     | 143,102         | 11,865            | 11,865     | (7,515)                | 2,175                 | (8,987)          | (1,534)                  | 598                         |
| Less revenues in excess of expenses attributable to non-controlling interest | 18,772          | 6,789             | 6,789      | 315                    | —                     | —                | —                        | 293                         |
| Revenue in excess (deficit) of expenses attributable to CHRISTUS Health      | \$ 124,330      | \$ 5,076          | \$ 5,076   | \$ (7,830)             | \$ 2,175              | \$ (8,987)       | \$ (1,534)               | \$ 305                      |

# CHRISTUS Health

## Consolidating Financial Statements (continued)

June 30, 2014  
(In Thousands)

|                                                                              | Health<br>Ventures of<br>Southeast Texas | Southeast<br>Texas Pain<br>Management<br>Center | Southeast<br>Texas Service<br>Center | Foundation of<br>Southeast Texas | Southeast<br>Texas<br>Obligated<br>Eliminations | Southeast<br>Texas<br>Non-Obligated<br>Eliminations | Gulf Coast<br>Texas Region | St John<br>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                                              | -                                        | -                                               | -                                    | -                                | -                                               | -                                                   | -                          | -                   |
| Revenues in excess (deficit) of expenses                                     | (205)                                    | 48                                              | -                                    | 390                              | -                                               | -                                                   | (2,664)                    | (541)               |
| 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<br>Health and<br>Wellness Center | St Joseph<br>Hospital –<br>Houston | Houston<br>Metropolitan<br>Health Network | CHRISTUS<br>Foundation For<br>Healthcare | Gulf Coast<br>Service Center | West Houston<br>Real Estate<br>Development | Gulf Coast<br>Texas Obligated<br>Eliminations | Gulf Coast<br>Texas<br>Non-Obligated<br>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<br>Region | St Michael<br>Health Care<br>Center | St Michael<br>Atlanta | St Michael<br>Rehabilitation<br>Hospital | St Michael<br>Atlanta<br>Home Health | Arkansas<br>ICHN | Ark-La-Tex<br>Health Network | Ark-La-Tex<br>Obligated<br>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<br>Non-Obligated<br>Eliminations | Spohn<br>Region | Spohn<br>Shoreline | Spohn<br>Memorial | Spohn South | Spohn Kleberg<br>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<br>Region | Santa Rosa<br>General<br>Hospital | Santa Rosa<br>South Texas<br>Alliance | Santa Rosa<br>Children's<br>Hospital | Santa Rosa<br>Medical Center | Santa Rosa<br>Support<br>Services | Santa Rosa<br>Boerne | Santa Rosa<br>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<br>New Braunfels | Santa Rosa<br>Alamo Heights<br>Surgical<br>Hospital | Santa Rosa<br>Alamo Heights | Santa Rosa<br>Rehabilitation<br>Hospital | Santa Rosa<br>Partnership<br>Management<br>Services | Santa Rosa<br>New Braunfels<br>Surgery Center<br>Outpatient | Santa Rosa<br>Physician<br>Ambulatory<br>Surgery Center | Santa Rosa<br>Family<br>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<br>Alon  | Santa Rosa<br>Creekside | Santa Rosa<br>Equipment<br>Leasing | Santa Rosa<br>Foundation | Friends of<br>Santa Rosa<br>Foundation | Santa Rosa<br>Real Estate | Santa Rosa<br>Obligated<br>Eliminations | Santa Rosa<br>Non-Obligated<br>Eliminations |
|------------------------------------------------------------------------------|---------------------|-------------------------|------------------------------------|--------------------------|----------------------------------------|---------------------------|-----------------------------------------|---------------------------------------------|
| Revenues                                                                     |                     |                         |                                    |                          |                                        |                           |                                         |                                             |
| Patient service revenue (net of contractual allowances and discounts)        | \$ 8,071<br>(1,378) | \$ 12,795<br>(3,054)    | \$ -                               | \$ -                     | \$ -                                   | \$ -                      | \$ -                                    | \$ -                                        |
| Provision for bad debts                                                      | 6,693               | 9,741                   | -                                  | -                        | -                                      | -                         | -                                       | -                                           |
| Net patient service revenue less provision for bad debts                     | -                   | -                       | -                                  | -                        | -                                      | -                         | -                                       | -                                           |
| 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<br>Louisiana<br>Region | Schumpert<br>Health System | Schumpert<br>Hospital | Northern<br>Louisiana MISO | Schumpert<br>Foundation | Northern<br>Louisiana<br>Obligated<br>Eliminations | Northern<br>Louisiana<br>Non-Obligated<br>Eliminations | Southwestern<br>Louisiana<br>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<br>Hospital | Occupational<br>Health Services | CHRISTUS<br>Village –<br>Lake Charles | South Ryan<br>Development<br>Corporation | Southwestern<br>Louisiana PHO | Colomade<br>Endoscopy<br>Center, LLC | Southwestern<br>Louisiana<br>Obligated<br>Eliminations | Southwestern<br>Louisiana<br>Non-Obligated<br>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<br>Louisiana<br>Region | St. Frances<br>Cabrim Hospital | Coushatta<br>Health Care | St. Joseph<br>Nursing Home | St. Frances<br>Cabrim<br>Foundation | CHRISTUS<br>Health<br>Louisiana<br>Ministries | Heart Center of<br>Louisiana | Central<br>Louisiana<br>Obligated<br>Eliminations |
|------------------------------------------------------------------------------|--------------------------------|--------------------------------|--------------------------|----------------------------|-------------------------------------|-----------------------------------------------|------------------------------|---------------------------------------------------|
| Revenues                                                                     |                                |                                |                          |                            |                                     |                                               |                              |                                                   |
| Patient service revenue (net of contractual allowances and discounts)        | \$ 252,577                     | \$ 227,076                     | \$ 17,257                | \$ 8,244                   | \$ -                                | \$ -                                          | \$ -                         | \$ -                                              |
| Provision for bad debts                                                      | (18,141)                       | (16,518)                       | (1,452)                  | (171)                      | -                                   | -                                             | -                            | -                                                 |
| Net patient service revenue less provision for bad debts                     | 234,436                        | 210,558                        | 15,805                   | 8,073                      | -                                   | -                                             | -                            | -                                                 |
| Premium revenue                                                              | -                              | -                              | -                        | -                          | -                                   | -                                             | -                            | -                                                 |
| Other revenue including net gain on contributions to joint ventures          | 7,702                          | 6,300                          | 362                      | 53                         | 975                                 | 12                                            | -                            | -                                                 |
| Equity in income of unconsolidated organizations                             | 1,290                          | 1,290                          | -                        | -                          | -                                   | -                                             | -                            | -                                                 |
| Total revenues                                                               | 243,428                        | 218,148                        | 16,167                   | 8,126                      | 975                                 | 12                                            | -                            | -                                                 |
| Expenses                                                                     |                                |                                |                          |                            |                                     |                                               |                              |                                                   |
| Employee compensation and benefits                                           | 94,727                         | 83,790                         | 6,953                    | 3,972                      | -                                   | 12                                            | -                            | -                                                 |
| Services and other                                                           | 73,555                         | 62,872                         | 7,501                    | 2,542                      | 644                                 | (4)                                           | -                            | -                                                 |
| Supplies                                                                     | 43,379                         | 41,129                         | 1,136                    | 1,098                      | 16                                  | -                                             | -                            | -                                                 |
| Depreciation and amortization                                                | 14,540                         | 13,522                         | 727                      | 280                        | 7                                   | 4                                             | -                            | -                                                 |
| Interest                                                                     | 7,064                          | 7,064                          | -                        | -                          | -                                   | -                                             | -                            | -                                                 |
| Total expenses                                                               | 233,265                        | 208,377                        | 16,317                   | 7,892                      | 667                                 | 12                                            | -                            | -                                                 |
| Operating income (loss)                                                      | 10,163                         | 9,771                          | (150)                    | 234                        | 308                                 | -                                             | -                            | -                                                 |
| Non-operating investment gain (loss)                                         | 1                              | -                              | -                        | -                          | 1                                   | -                                             | -                            | -                                                 |
| Loss on defeasance of debt                                                   | -                              | -                              | -                        | -                          | -                                   | -                                             | -                            | -                                                 |
| Other non-operating (loss) gain                                              | (218)                          | (188)                          | (30)                     | -                          | -                                   | -                                             | -                            | -                                                 |
| Revenues in excess (deficit) of expenses                                     | 9,946                          | 9,583                          | (180)                    | 234                        | 309                                 | -                                             | -                            | -                                                 |
| Less revenues in excess of expenses attributable to non-controlling interest | -                              | -                              | -                        | -                          | -                                   | -                                             | -                            | -                                                 |
| Revenue in excess (deficit) of expenses attributable to CHRISTUS Health      | \$ 9,946                       | \$ 9,583                       | \$ (180)                 | \$ 234                     | \$ 309                              | \$ -                                          | \$ -                         | \$ -                                              |

# CHRISTUS Health

## Consolidating Financial Statements (continued)

June 30, 2014  
(In Thousands)

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

# CHRISTUS Health

## Consolidating Financial Statements (continued)

June 30, 2014  
(In Thousands)

|                                                                              | Clinical<br>Engineering | CHRISTUS<br>Retail Services | CHRISTUS<br>Foundation | Benefits  | Bond Fund  | Liability<br>Retention Trust | CHRISTUS<br>Health Plan | Health Plan<br>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<br>Louisiana | CHRISTUS<br>Dubois<br>Health System | CHRISTUS<br>Homecare | St Joseph<br>Village | Uniformed<br>Services<br>Family Health<br>Plan | CHRISTUS<br>Corporate<br>Obligated<br>Eliminations | CHRISTUS<br>Corporate<br>Non-Obligated<br>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<br>Latin America<br>(Chile) | CHRISTUS<br>Health Spa<br>(Chile) | Grupo<br>Muguerza<br>(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 |
|--------------------------------------------------------------------------------------------|-----------------|-------------------|------------|------------------------|-----------------------|------------------|--------------------------|-----------------------------|
| <b>Assets</b>                                                                              |                 |                   |            |                        |                       |                  |                          |                             |
| Current assets                                                                             |                 |                   |            |                        |                       |                  |                          |                             |
| Cash and cash equivalents                                                                  | \$ 282,389      | \$ 2,159          | \$ 2,159   | \$ 342,474             | \$ 334,255            | \$ 22,135        | \$ (17,073)              | \$ 432                      |
| Short-term investments and equity in managed funds                                         | 1,043,273       | 42,032            | 42,032     | —                      | —                     | —                | —                        | —                           |
| Assets whose use is limited or restricted, required for current liabilities                | 59,960          | —                 | —          | —                      | —                     | —                | —                        | —                           |
| Patient accounts receivable, net of allowance for doubtful accounts                        | 357,904         | 42,806            | 42,806     | 37,046                 | 27,379                | 7,339            | 2,022                    | 306                         |
| Notes and other receivables                                                                | 183,994         | 3,543             | 3,543      | 1,586                  | 900                   | 378              | (25)                     | —                           |
| Inventories                                                                                | 88,683          | 5,156             | 5,156      | 9,344                  | 6,565                 | 2,089            | 684                      | —                           |
| Securities pledged to creditors                                                            | 8,858           | —                 | —          | —                      | —                     | —                | —                        | —                           |
| Security lending collateral                                                                | 9,204           | —                 | —          | —                      | —                     | —                | —                        | —                           |
| Other current assets                                                                       | 65,226          | 2,362             | 2,362      | 1,048                  | 500                   | 167              | 381                      | —                           |
| Total current assets                                                                       | 2,099,491       | 98,058            | 98,058     | 391,498                | 369,599               | 32,108           | (14,011)                 | 738                         |
| Assets whose use is limited or restricted, less current portion                            | 708,174         | 18,310            | 18,310     | 2,248                  | —                     | —                | —                        | —                           |
| Property and equipment, net of accumulated depreciation                                    | 1,618,670       | 109,994           | 109,994    | 158,816                | 130,268               | 20,897           | 6,115                    | 1,471                       |
| Other assets                                                                               |                 |                   |            |                        |                       |                  |                          |                             |
| Investment in unconsolidated organizations                                                 | 37,302          | 3,625             | 3,625      | 1,775                  | 1,775                 | —                | —                        | —                           |
| Goodwill                                                                                   | 89,730          | 10,850            | 10,850     | —                      | —                     | —                | —                        | —                           |
| Beneficial interest in supporting unconsolidated organizations and other restricted assets | 68,792          | 7,039             | 7,039      | —                      | —                     | —                | —                        | —                           |
| Other assets                                                                               | 74,740          | 717               | 717        | 714                    | 685                   | 22               | 7                        | —                           |
| Total other assets                                                                         | 270,564         | 22,231            | 22,231     | 2,489                  | 2,460                 | 22               | 7                        | —                           |
| Total assets                                                                               | \$ 4,696,899    | \$ 248,593        | \$ 248,593 | \$ 555,051             | \$ 502,327            | \$ 53,027        | \$ (7,889)               | \$ 2,209                    |



# CHRISTUS Health

## Consolidating Financial Statements (continued)

June 30, 2013  
(In Thousands)

|                                                                                  | Health<br>Ventures of<br>Southeast Texas | Southeast<br>Texas Pain<br>Management<br>Center | Southeast<br>Texas Service<br>Center | Foundation of<br>Southeast Texas | Southeast<br>Texas<br>Obligated<br>Eliminations | Southeast<br>Texas Non-<br>Obligated<br>Eliminations | Gulf Coast<br>Texas Region | St. John<br>Hospital |
|----------------------------------------------------------------------------------|------------------------------------------|-------------------------------------------------|--------------------------------------|----------------------------------|-------------------------------------------------|------------------------------------------------------|----------------------------|----------------------|
| <b>Assets</b>                                                                    |                                          |                                                 |                                      |                                  |                                                 |                                                      |                            |                      |
| 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                    | -                                        | -                                               | -                                    | -                                | -                                               | -                                                    | -                          | -                    |
| Patent 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<br>Health and<br>Wellness Center | St Joseph<br>Hospital –<br>Houston | Houston<br>Metropolitan<br>Health Network | CHRISTUS<br>Foundation For<br>Healthcare | Gulf Coast<br>Service Center | West Houston<br>Real Estate<br>Development | Gulf Coast<br>Texas<br>Obligated<br>Eliminations | Gulf Coast<br>Texas<br>Non-Obligated<br>Eliminations | Ark-La-Tex<br>Region |
|--------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------|-------------------------------------------|------------------------------------------|------------------------------|--------------------------------------------|--------------------------------------------------|------------------------------------------------------|----------------------|
| <b>Assets</b>                                                                        |                                               |                                    |                                           |                                          |                              |                                            |                                                  |                                                      |                      |
| 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<br>current liabilities                     | –                                             | –                                  | –                                         | –                                        | –                            | –                                          | –                                                | –                                                    | –                    |
| Patient accounts receivable, net of allowance<br>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<br>current portion                   | –                                             | –                                  | –                                         | 29,767                                   | –                            | –                                          | –                                                | –                                                    | 3,208                |
| Property and equipment, net of accumulated<br>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<br>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<br>Health Care<br>Center | St Michael<br>Atlanta | St Michael<br>Rehabilitation<br>Hospital | St Michael<br>Atlanta<br>Home Health | Arkansas<br>ICHN | Ark-La-Tex<br>Health Network | Ark-La-Tex<br>Obligated<br>Eliminations | Ark-La-Tex<br>Non-Obligated<br>Eliminations |
|-----------------------------------------------------------------------------------|-------------------------------------|-----------------------|------------------------------------------|--------------------------------------|------------------|------------------------------|-----------------------------------------|---------------------------------------------|
| <b>Assets</b>                                                                     |                                     |                       |                                          |                                      |                  |                              |                                         |                                             |
| 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 |
|----------------------------------------------------------------------------------|--------------|-----------------|----------------|-------------|------------------------|----------------|-------------|-----------------------|
| <b>Assets</b>                                                                    |              |                 |                |             |                        |                |             |                       |
| 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                    | —            | —               | —              | —           | —                      | —              | —           | —                     |
| Patent 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<br>Membership<br>Agreement | Spohn Health<br>Network | Spohn<br>Health System<br>Payroll | Spohn<br>Investment<br>Corporation | Spohn<br>Development<br>Foundation | Spohn<br>Obligated<br>Eliminations | Spohn<br>Non-Obligated<br>Eliminations | Santa Rosa<br>Region |
|----------------------------------------------------------------------------------|----------------------------------|-------------------------|-----------------------------------|------------------------------------|------------------------------------|------------------------------------|----------------------------------------|----------------------|
| <b>Assets</b>                                                                    |                                  |                         |                                   |                                    |                                    |                                    |                                        |                      |
| Current assets                                                                   | \$ 189,733                       | \$ 1,309                | \$ —                              | \$ 14,055                          | \$ 2,358                           | \$ —                               | \$ —                                   | \$ 72,961            |
| Cash and cash equivalents                                                        | —                                | —                       | —                                 | —                                  | 10,100                             | —                                  | —                                      | 1,846                |
| Short-term investments                                                           | —                                | —                       | —                                 | —                                  | —                                  | —                                  | —                                      | —                    |
| Assets whose use is limited, required for current liabilities                    | —                                | —                       | —                                 | —                                  | —                                  | —                                  | —                                      | —                    |
| Patent 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<br>General<br>Hospital | Santa Rosa<br>South Texas<br>Alliance | Santa Rosa<br>Children's<br>Hospital | Santa Rosa<br>Medical Center | Santa Rosa<br>Support<br>Services | Santa Rosa<br>Boerne | Santa Rosa<br>Westover Hills | Santa Rosa<br>New Braunfels | Santa Rosa<br>Alamo Heights<br>Surgical<br>Hospital |
|--------------------------------------------------------------------------------------|-----------------------------------|---------------------------------------|--------------------------------------|------------------------------|-----------------------------------|----------------------|------------------------------|-----------------------------|-----------------------------------------------------|
| <b>Assets</b>                                                                        |                                   |                                       |                                      |                              |                                   |                      |                              |                             |                                                     |
| Current assets                                                                       |                                   |                                       |                                      |                              |                                   |                      |                              |                             |                                                     |
| Cash and cash equivalents                                                            | \$ -                              | \$ -                                  | \$ -                                 | \$ -                         | \$ 62,231                         | \$ -                 | \$ -                         | \$ -                        | \$ -                                                |
| Short-term investments                                                               | -                                 | -                                     | -                                    | -                            | -                                 | -                    | -                            | -                           | -                                                   |
| Assets whose use is limited, required for<br>current liabilities                     | -                                 | -                                     | -                                    | -                            | -                                 | -                    | -                            | -                           | -                                                   |
| Patient accounts receivable, net of allowance<br>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<br>current portion                   | -                                 | -                                     | -                                    | -                            | 375                               | -                    | -                            | -                           | -                                                   |
| Property and equipment, net of accumulated<br>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<br>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<br>Rehabilitation<br>Hospital | Santa Rosa<br>Partnership<br>Management<br>Services | Santa Rosa<br>New Braunfels<br>Outpatient<br>Surgery Center | Santa Rosa<br>Physician<br>Ambulatory<br>Surgery Center | Santa Rosa<br>Family<br>Health Center | South Texas<br>Health Alliance | Santa Rosa<br>Alon | Santa Rosa<br>Creekside |
|-----------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------|---------------------------------------|--------------------------------|--------------------|-------------------------|
| <b>Assets</b>                                                                     |                                          |                                                     |                                                             |                                                         |                                       |                                |                    |                         |
| 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<br>Equipment<br>Leasing | Santa Rosa<br>Foundation | Friends of<br>Santa Rosa<br>Foundation | Santa Rosa<br>Real Estate | Santa Rosa<br>Obligated<br>Eliminations | Santa Rosa<br>Non-Obligated<br>Eliminations | Northern<br>Louisiana<br>Region | Schumpert<br>Health System |
|----------------------------------------------------------------------------------|------------------------------------|--------------------------|----------------------------------------|---------------------------|-----------------------------------------|---------------------------------------------|---------------------------------|----------------------------|
| <b>Assets</b>                                                                    |                                    |                          |                                        |                           |                                         |                                             |                                 |                            |
| 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                    | —                                  | —                        | —                                      | —                         | —                                       | —                                           | —                               | —                          |
| Patent 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                                                                     | —                                  | —                        | —                                      | —                         | —                                       | —                                           | 2,907                           | 15                         |
| Investment in unconsolidated organizations                                       | —                                  | —                        | —                                      | —                         | —                                       | —                                           | —                               | —                          |
| 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<br>Highland<br>Hospital | Northern<br>Louisiana<br>MISO | Schumpert<br>Foundation | Northern<br>Louisiana<br>Obligated<br>Eliminations | Northern<br>Louisiana<br>Non-Obligated<br>Eliminations | Southwestern<br>Louisiana<br>Region | St Patrick<br>Hospital | Occupational<br>Health Services |
|----------------------------------------------------------------------------------|-----------------------------------|-------------------------------|-------------------------|----------------------------------------------------|--------------------------------------------------------|-------------------------------------|------------------------|---------------------------------|
| <b>Assets</b>                                                                    |                                   |                               |                         |                                                    |                                                        |                                     |                        |                                 |
| 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                    | -                                 | -                             | -                       | -                                                  | -                                                      | -                                   | -                      | -                               |
| Patent 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                      | -                                                  | -                                                      | -                                   | -                      | -                               |
| 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                                                                     | -                                 | -                             | -                       | -                                                  | -                                                      | -                                   | -                      | -                               |
| Total other assets                                                               | -                                 | 2,892                         | -                       | -                                                  | -                                                      | 828                                 | 4,055                  | -                               |
| Total assets                                                                     | \$ 499,801                        | \$ 4,363                      | \$ 7,557                | \$ -                                               | \$ (3,096)                                             | \$ 125,529                          | \$ 120,849             | \$ 1,633                        |
|                                                                                  |                                   |                               |                         |                                                    |                                                        |                                     |                        | \$ 1,640                        |

# CHRISTUS Health

## Consolidating Financial Statements (continued)

June 30, 2013  
(In Thousands)

|                                                                                  | CHRISTUS<br>Village –<br>Lake Charles | South Ryan<br>Development<br>Corporation | Southwestern<br>Louisiana<br>PHO | Colomade<br>Endoscopy<br>Center, LLC | Southwestern<br>Louisiana<br>Obligated<br>Eliminations | Southwestern<br>Louisiana<br>Non-Obligated<br>Eliminations | Central<br>Louisiana<br>Region | St. Frances<br>Cabrini Hospital |
|----------------------------------------------------------------------------------|---------------------------------------|------------------------------------------|----------------------------------|--------------------------------------|--------------------------------------------------------|------------------------------------------------------------|--------------------------------|---------------------------------|
| <b>Assets</b>                                                                    |                                       |                                          |                                  |                                      |                                                        |                                                            |                                |                                 |
| 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                             | –                               |
| Patent 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 pledged 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                                | –                                                      | –                                                          | 238,652                        | 228,542                         |

# CHRISTUS Health

## Consolidating Financial Statements (continued)

June 30, 2013  
(In Thousands)

|                                                                                   | Coushatta<br>Health Care | St Joseph<br>Nursing Home | St Frances<br>Cabrini<br>Foundation | CHRISTUS<br>Health<br>Louisiana<br>Ministries | Heart Center<br>of Louisiana | Central<br>Louisiana<br>Obligated<br>Eliminations | Central<br>Louisiana<br>Non-Obligated<br>Eliminations | Physician<br>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                       | \$ -                                              | \$ -                                                  | \$ (90,361)        |

# CHRISTUS Health

## Consolidating Financial Statements (continued)

June 30, 2013  
(In Thousands)

|                                                                                  |              | CHRISTUS   |          | Revenue Cycle |            | Supply Chain |                | Corporate |                 | Stellin |  |
|----------------------------------------------------------------------------------|--------------|------------|----------|---------------|------------|--------------|----------------|-----------|-----------------|---------|--|
|                                                                                  |              | Strategic  | Amatista | TLRA          | Business   | Management   | Cham           | office    | Foundation for  |         |  |
|                                                                                  |              | Growth     |          |               | Services   |              |                |           | 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              | -         | -               |         |  |
| Patent 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<br>Assurance | Grants and<br>Loans | Workers<br>Compensation | Insurance<br>Fund | Information<br>Management | CHRISTUS<br>TechSource | Clinical<br>Engineering | CHRISTUS<br>Retail Services |
|----------------------------------------------------------------------------------|----------------------|---------------------|-------------------------|-------------------|---------------------------|------------------------|-------------------------|-----------------------------|
| <b>Assets</b>                                                                    |                      |                     |                         |                   |                           |                        |                         |                             |
| 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               | —                   | —                       | —                 | —                         | —                      | —                       | —                           |
| Patent 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<br>Foundation | Benefits  | Bond Fund    | Liability<br>Retention Trust | CHRISTUS<br>Health Plan | Health Plan<br>New Mexico | Health Plan<br>Louisiana | CHRISTUS<br>Dubuq<br>Health System |
|-----------------------------------------------------------------------------------|------------------------|-----------|--------------|------------------------------|-------------------------|---------------------------|--------------------------|------------------------------------|
| <b>Assets</b>                                                                     |                        |           |              |                              |                         |                           |                          |                                    |
| 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<br>Homecare | St. Joseph<br>Village | Uniformed<br>Services<br>Family<br>Health Plan | CHRISTUS<br>Corporate<br>Obligations<br>Eliminations | CHRISTUS<br>Corporate<br>Non-Obligated<br>Eliminations | International | CHRISTUS<br>Latin America<br>(Chile) |
|----------------------------------------------------------------------------------|----------------------|-----------------------|------------------------------------------------|------------------------------------------------------|--------------------------------------------------------|---------------|--------------------------------------|
| <b>Assets</b>                                                                    |                      |                       |                                                |                                                      |                                                        |               |                                      |
| 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                    | —                    | —                     | —                                              | —                                                    | —                                                      | —             | —                                    |
| Patent 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 pledged to creditors                                                  | —                    | —                     | —                                              | —                                                    | —                                                      | —             | —                                    |
| Security lending collateral                                                      | —                    | —                     | —                                              | —                                                    | —                                                      | —             | —                                    |
| Other current assets                                                             | 134                  | —                     | 242                                            | —                                                    | —                                                      | 2,400         | —                                    |
| Total current assets                                                             | (3,117)              | 1,636                 | 234,341                                        | (2,255)                                              | (30)                                                   | 67,591        | —                                    |
| Assets whose use is limited or restricted, less current portion                  | 118                  | 124                   | —                                              | —                                                    | —                                                      | —             | —                                    |
| Property and equipment, net of accumulated depreciation                          | (62)                 | 25,100                | 252                                            | —                                                    | —                                                      | 103,513       | —                                    |
| Other assets                                                                     |                      |                       |                                                |                                                      |                                                        |               |                                      |
| Investment in unconsolidated organizations                                       | 494                  | —                     | —                                              | —                                                    | —                                                      | —             | —                                    |
| Goodwill                                                                         | 281                  | —                     | —                                              | —                                                    | —                                                      | 2,976         | —                                    |
| Beneficial interest in supporting organizations and other restricted assets      | —                    | 1,209                 | —                                              | —                                                    | —                                                      | —             | —                                    |
| Other assets                                                                     | —                    | —                     | —                                              | (947,115)                                            | (79,230)                                               | 7,673         | —                                    |
| Total other assets                                                               | 775                  | 1,209                 | —                                              | (947,115)                                            | (79,230)                                               | 10,649        | —                                    |
| Total assets                                                                     | \$ (2,286)           | \$ 28,069             | \$ 234,593                                     | \$ (949,370)                                         | \$ (79,260)                                            | \$ 181,753    | \$ —                                 |

# CHRISTUS Health

## Consolidating Financial Statements (continued)

June 30, 2013  
(In Thousands)

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

# CHRISTUS Health

## Consolidating Financial Statements (continued)

June 30, 2013  
(In Thousands)

|                                                                                                     | St Catherine<br>Health and<br>Wellness Center | St Joseph<br>Hospital –<br>Houston | Houston<br>Metropolitan<br>Health Network | CHRISTUS<br>Foundation For<br>Healthcare | Gulf Coast<br>Service Center | West Houston<br>Real Estate<br>Development | Gulf Coast<br>Texas Obligated<br>Eliminations | Gulf Coast<br>Texas<br>Non-Obligated<br>Eliminations | Ark-La-Tex<br>Region |
|-----------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------|-------------------------------------------|------------------------------------------|------------------------------|--------------------------------------------|-----------------------------------------------|------------------------------------------------------|----------------------|
| <b>Liabilities and net assets</b>                                                                   |                                               |                                    |                                           |                                          |                              |                                            |                                               |                                                      |                      |
| Current liabilities                                                                                 |                                               |                                    |                                           |                                          |                              |                                            |                                               |                                                      |                      |
| Accounts payable and accrued expenses                                                               | \$ 7,586                                      | \$ 598                             | \$ 62                                     | \$ 667                                   | \$ (4,440)                   | \$ 133                                     | \$ –                                          | \$ –                                                 | \$ 31,904            |
| Accrued employee compensation and<br>benefits, including pension benefits,<br>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<br>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<br>Health Care<br>Center | St Michael<br>Atlanta | St Michael<br>Rehabilitation<br>Hospital | St Michael<br>Atlanta Home<br>Health | Arkansas<br>ICHN | Ark-La-Tex<br>Health Network | Ark-La-Tex<br>Obligated<br>Eliminations | Ark-La-Tex<br>Non-Obligated<br>Eliminations |
|--------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------|------------------------------------------|--------------------------------------|------------------|------------------------------|-----------------------------------------|---------------------------------------------|
| <b>Liabilities and net assets</b>                                                                |                                     |                       |                                          |                                      |                  |                              |                                         |                                             |
| Current liabilities                                                                              | \$ 12,627                           | \$ 5,978              | \$ 11,688                                | \$ 690                               | \$ 252           | \$ 669                       | \$ -                                    | \$ -                                        |
| Accounts payable and accrued expenses                                                            |                                     |                       |                                          |                                      |                  |                              |                                         |                                             |
| 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 |
|--------------------------------------------------------------------------------------------------|--------------|-----------------|----------------|-------------|------------------------|----------------|-------------|-----------------------|
| <b>Liabilities and net assets</b>                                                                |              |                 |                |             |                        |                |             |                       |
| 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)

|                                                                                                  | Santa Rosa<br>Region | Santa Rosa<br>General<br>Hospital | Santa Rosa<br>South Texas<br>Alliance | Santa Rosa<br>Children's<br>Hospital | Santa Rosa<br>Medical Center | Santa Rosa<br>Support<br>Services | Santa Rosa<br>Boerne | Santa Rosa<br>Westover Hills | Santa Rosa<br>New Braunfels |
|--------------------------------------------------------------------------------------------------|----------------------|-----------------------------------|---------------------------------------|--------------------------------------|------------------------------|-----------------------------------|----------------------|------------------------------|-----------------------------|
| <b>Liabilities and net assets</b>                                                                |                      |                                   |                                       |                                      |                              |                                   |                      |                              |                             |
| 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                                                                                     | 183,407              | 30,502                            | (19,979)                              | 63,506                               | 31,813                       | (8,601)                           | 5,036                | 36,991                       | 39,456                      |
| Attributable to CHRISTUS Health                                                                  | (3,647)              | -                                 | -                                     | -                                    | -                            | -                                 | -                    | -                            | -                           |
| Attributable to noncontrolling interest                                                          | 179,760              | 30,502                            | (19,979)                              | 63,506                               | 31,813                       | (8,601)                           | 5,036                | 36,991                       | 39,456                      |
| Total unrestricted                                                                               | 60,478               | -                                 | -                                     | 60,375                               | 7                            | 96                                | -                    | -                            | -                           |
| Temporarily restricted                                                                           | 5,338                | -                                 | -                                     | 5,338                                | -                            | -                                 | -                    | -                            | -                           |
| Permanently restricted                                                                           | 245,576              | 30,502                            | (19,979)                              | 129,219                              | 31,820                       | (8,505)                           | 5,036                | 36,991                       | 39,456                      |
| Total net assets                                                                                 | \$ 626,775           | \$ 2,993                          | \$ 689                                | \$ 180,310                           | \$ 25,396                    | \$ 124,202                        | \$ 5,470             | \$ 130,778                   | \$ 80,181                   |
| Total liabilities and net assets                                                                 |                      |                                   |                                       |                                      |                              |                                   |                      |                              |                             |

# CHRISTUS Health

## Consolidating Financial Statements (continued)

June 30, 2013  
(In Thousands)

|                                                                                                  | Santa Rosa<br>Alamo Heights<br>Surgical<br>Hospital | Santa Rosa<br>Alamo Heights | Santa Rosa<br>Rehabilitation<br>Hospital | Santa Rosa<br>Partnership<br>Management<br>Services | Santa Rosa<br>New Braunfels<br>Outpatient<br>Surgery Center | Santa Rosa<br>Physician<br>Ambulatory<br>Surgery Center | Santa Rosa<br>Family Health<br>Center | South Texas<br>Health Care<br>Alliance |
|--------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------|------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------|---------------------------------------|----------------------------------------|
| <b>Liabilities and net assets</b>                                                                |                                                     |                             |                                          |                                                     |                                                             |                                                         |                                       |                                        |
| 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<br>Alon | Santa Rosa<br>Creekside | Santa Rosa<br>Equipment<br>Leasing | Santa Rosa<br>Foundation | Friends of<br>Santa Rosa<br>Foundation | Santa Rosa<br>Real Estate | Santa Rosa<br>Obligated<br>Eliminations | Santa Rosa<br>Non-Obligated<br>Eliminations |
|--------------------------------------------------------------------------------------------------|--------------------|-------------------------|------------------------------------|--------------------------|----------------------------------------|---------------------------|-----------------------------------------|---------------------------------------------|
| <b>Liabilities and net assets</b>                                                                |                    |                         |                                    |                          |                                        |                           |                                         |                                             |
| Current liabilities                                                                              | \$ 2,474           | \$ 5,521                | \$ (175)                           | \$ (45)                  | \$ (1,329)                             | \$ 589                    | \$ -                                    | \$ -                                        |
| Accounts payable and accrued expenses                                                            |                    |                         |                                    |                          |                                        |                           |                                         |                                             |
| 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<br>Louisiana<br>Region | Schumpert<br>Health System | Schumpert<br>Hospital | Northern<br>Louisiana MISO | Schumpert<br>Foundation | Northern<br>Louisiana<br>Obligated<br>Eliminations | Northern<br>Louisiana<br>Non-Obligated<br>Eliminations | Southwestern<br>Louisiana<br>Region |
|--------------------------------------------------------------------------------------------------|---------------------------------|----------------------------|-----------------------|----------------------------|-------------------------|----------------------------------------------------|--------------------------------------------------------|-------------------------------------|
| <b>Liabilities and net assets</b>                                                                |                                 |                            |                       |                            |                         |                                                    |                                                        |                                     |
| Current liabilities                                                                              |                                 |                            |                       |                            |                         |                                                    |                                                        |                                     |
| Accounts payable and accrued expenses                                                            | \$ 19,982                       | \$ (379,712)               | \$ 400,762            | \$ 1,897                   | \$ 131                  | \$ -                                               | \$ (3,096)                                             | \$ 12,773                           |
| Accrued employee compensation and benefits, including pension benefits, current portion          | 2,631                           | 2,200                      | 431                   | -                          | -                       | -                                                  | -                                                      | 1,371                               |
| Estimated third-party settlements                                                                | 15                              | 15                         | -                     | -                          | -                       | -                                                  | -                                                      | 496                                 |
| Current portion of long-term debt                                                                | 8,542                           | 8,542                      | -                     | -                          | -                       | -                                                  | -                                                      | 4,725                               |
| Payable under security lending agreement                                                         | -                               | -                          | -                     | -                          | -                       | -                                                  | -                                                      | -                                   |
| Total current liabilities                                                                        | 31,170                          | (368,955)                  | 401,193               | 1,897                      | 131                     | -                                                  | (3,096)                                                | 19,365                              |
| Long-term debt, less current portion                                                             | 59,749                          | 59,749                     | -                     | -                          | -                       | -                                                  | -                                                      | 30,252                              |
| Accrued pension benefits, long-term portion                                                      | -                               | -                          | -                     | -                          | -                       | -                                                  | -                                                      | -                                   |
| Derivative financial instruments                                                                 | -                               | -                          | -                     | -                          | -                       | -                                                  | -                                                      | -                                   |
| Other long-term obligations – primarily related to self-funded liabilities, less current portion | -                               | -                          | -                     | -                          | -                       | -                                                  | -                                                      | 154                                 |
| Total liabilities                                                                                | 90,919                          | (309,206)                  | 401,193               | 1,897                      | 131                     | -                                                  | (3,096)                                                | 49,771                              |
| Net assets                                                                                       |                                 |                            |                       |                            |                         |                                                    |                                                        |                                     |
| Unrestricted                                                                                     |                                 |                            |                       |                            |                         |                                                    |                                                        |                                     |
| Attributable to CHRISTUS Health                                                                  | 53,612                          | (48,488)                   | 98,583                | 2,466                      | 1,051                   | -                                                  | -                                                      | 72,935                              |
| Attributable to noncontrolling interest                                                          | -                               | -                          | -                     | -                          | -                       | -                                                  | -                                                      | 1,035                               |
| Total unrestricted                                                                               | 53,612                          | (48,488)                   | 98,583                | 2,466                      | 1,051                   | -                                                  | -                                                      | 73,970                              |
| Temporarily restricted                                                                           | 5,266                           | 494                        | 25                    | -                          | 4,747                   | -                                                  | -                                                      | 1,788                               |
| Permanently restricted                                                                           | 1,628                           | -                          | -                     | -                          | 1,628                   | -                                                  | -                                                      | -                                   |
| Total net assets                                                                                 | 60,506                          | (47,994)                   | 98,608                | 2,466                      | 7,426                   | -                                                  | -                                                      | 75,758                              |
| Total liabilities and net assets                                                                 | \$ 151,425                      | \$ (357,200)               | \$ 499,801            | \$ 4,363                   | \$ 7,557                | \$ -                                               | \$ (3,096)                                             | \$ 125,529                          |

# CHRISTUS Health

## Consolidating Financial Statements (continued)

June 30, 2013  
(In Thousands)

|                                                                                                  | St Patrick<br>Hospital | Occupational<br>Health Services | CHRISTUS<br>Village – Lake<br>Charles | South Ryan<br>Development<br>Corporation | Southwestern<br>Louisiana PHO | Colomade<br>Endoscopy<br>Center, LLC | Southwestern<br>Louisiana<br>Obligations<br>Eliminations | Southwestern<br>Louisiana Non-<br>Obligations<br>Eliminations |
|--------------------------------------------------------------------------------------------------|------------------------|---------------------------------|---------------------------------------|------------------------------------------|-------------------------------|--------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|
| <b>Liabilities and net assets</b>                                                                |                        |                                 |                                       |                                          |                               |                                      |                                                          |                                                               |
| 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<br>Louisiana<br>Region | St. Frances<br>Cabrini Hospital | Coushatta<br>Health Care | St. Joseph<br>Nursing Home | St. Frances<br>Cabrini<br>Foundation | CHRISTUS<br>Health<br>Louisiana<br>Ministries | Heart Center of<br>Louisiana | Central<br>Louisiana<br>Obligated<br>Eliminations |
|--------------------------------------------------------------------------------------------------|--------------------------------|---------------------------------|--------------------------|----------------------------|--------------------------------------|-----------------------------------------------|------------------------------|---------------------------------------------------|
| <b>Liabilities and net assets</b>                                                                |                                |                                 |                          |                            |                                      |                                               |                              |                                                   |
| 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<br>Louisiana Non-<br>Obligated<br>Eliminations | Physician<br>Group | Corporate and<br>Eliminations | CHRISTUS<br>Strategic<br>Growth | Amatista | TLR A    | Revenue Cycle<br>Business<br>Services | Supply Chain<br>Management |
|--------------------------------------------------------------------------------------------------|--------------------------------------------------------|--------------------|-------------------------------|---------------------------------|----------|----------|---------------------------------------|----------------------------|
| <b>Liabilities and net assets</b>                                                                |                                                        |                    |                               |                                 |          |          |                                       |                            |
| 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<br>office | Stehlin<br>Foundation for<br>Cancer Research | Emerald<br>Assurance | Grants and<br>Loans | Workers<br>Compensation | Insurance Fund | Information<br>Management | CHRISTUS<br>TechSource |
|--------------------------------------------------------------------------------------------------|---------------------|----------------------------------------------|----------------------|---------------------|-------------------------|----------------|---------------------------|------------------------|
| <b>Liabilities and net assets</b>                                                                |                     |                                              |                      |                     |                         |                |                           |                        |
| 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<br>Engineering | CHRISTUS<br>Retail Services | CHRISTUS<br>Foundation | Benefits  | Bond Fund    | Liability<br>Retention Trust | CHRISTUS<br>Health Plan | Health Plan<br>New Mexico |
|--------------------------------------------------------------------------------------------------|-------------------------|-----------------------------|------------------------|-----------|--------------|------------------------------|-------------------------|---------------------------|
| <b>Liabilities and net assets</b>                                                                |                         |                             |                        |           |              |                              |                         |                           |
| 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<br>Louisiana | CHRISTUS<br>Dubus Health<br>System | CHRISTUS<br>Homecare | St Joseph<br>Village | Uniformed<br>Services Family<br>Health Plan | CHRISTUS<br>Corporate<br>Eliminations | CHRISTUS<br>Corporate Non-<br>Obligated<br>Eliminations | International |
|--------------------------------------------------------------------------------------------------|--------------------------|------------------------------------|----------------------|----------------------|---------------------------------------------|---------------------------------------|---------------------------------------------------------|---------------|
| <b>Liabilities and net assets</b>                                                                |                          |                                    |                      |                      |                                             |                                       |                                                         |               |
| 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<br>Latin America<br>(Chile) | CHRISTUS<br>Health Spa<br>(Chile) | Grupo<br>Muguerza<br>(Mexico) |
|--------------------------------------------------------------------------------------------------|--------------------------------------|-----------------------------------|-------------------------------|
| <b>Liabilities and net assets</b>                                                                |                                      |                                   |                               |
| 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<br>Ventures of<br>Southeast Texas | Southeast<br>Texas Pain<br>Management<br>Center | Southeast<br>Texas Service<br>Center | Foundation of<br>Southeast Texas | Southeast Texas<br>Eliminations | Southeast Texas<br>Obligated<br>Eliminations | Southeast Texas<br>Non-Obligated<br>Eliminations | Gulf Coast<br>Texas Region | St. John<br>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<br>Health and<br>Wellness Center | St Joseph<br>Hospital –<br>Houston | Houston<br>Metropolitan<br>Health Network | CHRISTUS<br>Foundation For<br>Healthcare | Gulf Coast<br>Service Center | West Houston<br>Real Estate<br>Development | Gulf Coast<br>Texas Obligated<br>Eliminations | Gulf Coast<br>Texas Non-<br>Obligated<br>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<br>Region | St Michael<br>Health Care<br>Center | St Michael<br>Atlanta | St Michael<br>Rehabilitation<br>Hospital | Michael Atlanta<br>Home Health | Arkansas<br>ICHN | Ark-La-Tex<br>Health Network | Ark-La-Tex<br>Obligated<br>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<br>Non-Obligated<br>Eliminations | Spohn Region | Spohn<br>Shoreline | Spohn<br>Memorial | Spohn South | Spohn Kleberg<br>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<br>Region | Santa Rosa<br>General<br>Hospital | Santa Rosa<br>South Texas<br>Alliance | Santa Rosa<br>Children's<br>Hospital | Santa Rosa<br>Medical Center | Santa Rosa<br>Support<br>Services | Santa Rosa<br>Boerne | Santa Rosa<br>Westover Hills | Santa Rosa<br>New Braunfels |
|------------------------------------------------------------------------------|----------------------|-----------------------------------|---------------------------------------|--------------------------------------|------------------------------|-----------------------------------|----------------------|------------------------------|-----------------------------|
| Revenues                                                                     |                      |                                   |                                       |                                      |                              |                                   |                      |                              |                             |
| Patient service revenue (net of contractual allowances and discounts)        | \$ 643,403           | \$ 5,914                          | \$ 455                                | \$ 183,849                           | \$ 107,413                   | \$ -                              | \$ -                 | \$ 152,034                   | \$ 129,703                  |
| Provision for bad debts                                                      | (53,442)             | (405)                             | (21)                                  | (13,867)                             | (7,536)                      | -                                 | -                    | (18,198)                     | (11,208)                    |
| Net patient service revenue less provision for bad debts                     | 589,961              | 5,509                             | 434                                   | 169,982                              | 99,877                       | -                                 | -                    | 133,836                      | 118,495                     |
| Premium revenue                                                              | -                    | -                                 | -                                     | -                                    | -                            | -                                 | -                    | -                            | -                           |
| Other revenue including net gain on contributions to joint ventures          | 17,172               | 86                                | (72)                                  | 9,514                                | 724                          | -                                 | -                    | 1,128                        | 1,150                       |
| Equity in income of unconsolidated organizations                             | -                    | -                                 | -                                     | -                                    | -                            | -                                 | -                    | -                            | -                           |
| Total revenues                                                               | 607,133              | 5,595                             | 362                                   | 179,496                              | 100,601                      | -                                 | -                    | 134,964                      | 119,645                     |
| Expenses                                                                     |                      |                                   |                                       |                                      |                              |                                   |                      |                              |                             |
| Employee compensation and benefits                                           | 234,532              | 2,707                             | -                                     | 80,199                               | 37,880                       | -                                 | -                    | 49,224                       | 39,295                      |
| Services and other                                                           | 205,277              | 2,249                             | 386                                   | 72,571                               | 36,714                       | (57)                              | 128                  | 37,668                       | 37,512                      |
| Supplies                                                                     | 101,183              | 618                               | 34                                    | 25,707                               | 19,079                       | -                                 | -                    | 20,074                       | 20,959                      |
| Depreciation and amortization                                                | 38,027               | 2,742                             | 27                                    | 8,330                                | 4,129                        | -                                 | 143                  | 11,737                       | 6,154                       |
| Interest                                                                     | 18,236               | 116                               | -                                     | 3,018                                | 1,790                        | 57                                | -                    | 5,977                        | 4,874                       |
| Total expenses                                                               | 597,255              | 8,432                             | 447                                   | 189,825                              | 99,592                       | -                                 | 271                  | 124,680                      | 108,794                     |
| Operating income (loss)                                                      | 9,878                | (2,837)                           | (85)                                  | (10,329)                             | 1,009                        | -                                 | (271)                | 10,284                       | 10,851                      |
| Non-operating investment gain (loss)                                         | 255                  | -                                 | -                                     | 12                                   | 5                            | -                                 | -                    | 7                            | 6                           |
| Other non-operating (loss) gain                                              | 488                  | (86)                              | -                                     | 4                                    | 14                           | -                                 | -                    | -                            | 1                           |
| Revenues in excess (deficit) of expenses                                     | 10,621               | (2,923)                           | (85)                                  | (10,313)                             | 1,028                        | -                                 | (271)                | 10,291                       | 10,858                      |
| Less revenues in excess of expenses attributable to non-controlling interest | 5,241                | -                                 | -                                     | -                                    | -                            | -                                 | -                    | -                            | -                           |
| Revenue in excess (deficit) of expenses attributable to CHRISTUS Health      | \$ 5,380             | \$ (2,923)                        | \$ (85)                               | \$ (10,313)                          | \$ 1,028                     | \$ -                              | \$ (271)             | \$ 10,291                    | \$ 10,858                   |



# CHRISTUS Health

## Consolidating Financial Statements (continued)

June 30, 2013  
(In Thousands)

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

# CHRISTUS Health

## Consolidating Financial Statements (continued)

June 30, 2013  
(In Thousands)

|                                                                              | Santa Rosa<br>Alon | Santa Rosa<br>Creekside | Santa Rosa<br>Equipment<br>Leasing | Santa Rosa<br>Foundation | Friends of<br>Santa Rosa<br>Foundation | Santa Rosa<br>Real Estate | Santa Rosa<br>Obligated<br>Eliminations | Santa Rosa<br>Non-Obligated<br>Eliminations |
|------------------------------------------------------------------------------|--------------------|-------------------------|------------------------------------|--------------------------|----------------------------------------|---------------------------|-----------------------------------------|---------------------------------------------|
| Revenues                                                                     |                    |                         |                                    |                          |                                        |                           |                                         |                                             |
| Patient service revenue (net of contractual allowances and discounts)        | \$ 5,464<br>(434)  | \$ 4,643<br>(800)       | \$ -                               | \$ -                     | \$ -                                   | \$ -                      | \$ -                                    | \$ -                                        |
| Provision for bad debts                                                      | 5,030              | 3,843                   | -                                  | -                        | -                                      | -                         | -                                       | -                                           |
| Net patient service revenue less provision for bad debts                     | -                  | -                       | -                                  | -                        | -                                      | -                         | -                                       | -                                           |
| 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<br>Louisiana<br>Region | Schumpert<br>Health System | Schumpert<br>Hospital | Northern<br>Louisiana MISO | Schumpert<br>Foundation | North Louisiana<br>Obligated<br>Eliminations | North Louisiana<br>Non-Obligated<br>Eliminations | Southwestern<br>Louisiana<br>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<br>Hospital | Occupational<br>Health Services | CHRISTUS<br>Village—Lake<br>Charles | South Ryan<br>Development<br>Corporation | Southwestern<br>Louisiana PHO | Colomade<br>Endoscopy<br>Center, LLC | Southwestern<br>Louisiana<br>Obligated<br>Eliminations | Southwestern<br>Louisiana Non-<br>Obligated<br>Eliminations |
|------------------------------------------------------------------------------|-------------------------|---------------------------------|-------------------------------------|------------------------------------------|-------------------------------|--------------------------------------|--------------------------------------------------------|-------------------------------------------------------------|
| Revenues                                                                     |                         |                                 |                                     |                                          |                               |                                      |                                                        |                                                             |
| Patient service revenue (net of contractual allowances and discounts)        | \$ 122,035              | \$ —                            | \$ —                                | \$ —                                     | \$ —                          | \$ 1,648                             | \$ —                                                   | \$ —                                                        |
| Provision for bad debts                                                      | (7,556)                 | —                               | —                                   | —                                        | —                             | —                                    | —                                                      | —                                                           |
| Net patient service revenue less provision for bad debts                     | 114,479                 | —                               | —                                   | —                                        | —                             | 1,648                                | —                                                      | —                                                           |
| Premium revenue                                                              | —                       | —                               | —                                   | —                                        | —                             | —                                    | —                                                      | —                                                           |
| Other revenue including net gain on contributions to joint ventures          | 4,268                   | —                               | —                                   | 17                                       | —                             | 159                                  | —                                                      | (99)                                                        |
| Equity in income of unconsolidated organizations                             | —                       | 662                             | —                                   | —                                        | —                             | —                                    | —                                                      | —                                                           |
| Total revenues                                                               | 118,747                 | 662                             | —                                   | 17                                       | —                             | 1,807                                | —                                                      | (99)                                                        |
| Expenses                                                                     |                         |                                 |                                     |                                          |                               |                                      |                                                        |                                                             |
| Employee compensation and benefits                                           | 47,693                  | —                               | —                                   | (20)                                     | 22                            | 447                                  | —                                                      | —                                                           |
| Services and other                                                           | 36,788                  | 96                              | —                                   | 22                                       | 5                             | 393                                  | —                                                      | (99)                                                        |
| Supplies                                                                     | 29,085                  | —                               | —                                   | —                                        | —                             | 131                                  | —                                                      | —                                                           |
| Depreciation and amortization                                                | 6,097                   | —                               | —                                   | —                                        | —                             | 10                                   | —                                                      | —                                                           |
| Interest                                                                     | 2,725                   | —                               | —                                   | —                                        | —                             | —                                    | —                                                      | —                                                           |
| Total expenses                                                               | 122,388                 | 96                              | —                                   | 2                                        | 27                            | 981                                  | —                                                      | (99)                                                        |
| Operating income (loss)                                                      | (3,641)                 | 566                             | —                                   | 15                                       | (27)                          | 826                                  | —                                                      | —                                                           |
| Non-operating investment gain (loss)                                         | 35                      | —                               | —                                   | —                                        | —                             | —                                    | —                                                      | —                                                           |
| Other non-operating (loss) gain                                              | 192                     | —                               | —                                   | —                                        | —                             | —                                    | —                                                      | —                                                           |
| Revenues in excess (deficit) of expenses                                     | (3,414)                 | 566                             | —                                   | 15                                       | (27)                          | 826                                  | —                                                      | —                                                           |
| Less revenues in excess of expenses attributable to non-controlling interest | —                       | —                               | —                                   | —                                        | —                             | 249                                  | —                                                      | —                                                           |
| Revenue in excess (deficit) of expenses attributable to CHRISTUS Health      | \$ (3,414)              | \$ 566                          | \$ —                                | \$ 15                                    | \$ (27)                       | \$ 577                               | \$ —                                                   | \$ —                                                        |

# CHRISTUS Health

## Consolidating Financial Statements (continued)

June 30, 2013  
(In Thousands)

|                                                                              | Central<br>Louisiana<br>Region | St. Frances<br>Cabrini Hospital | Coushatta<br>Health Care | St. Joseph<br>Nursing Home | St. Frances<br>Cabrini<br>Foundation | CHRISTUS<br>Health<br>Louisiana<br>Ministries | Heart Center of<br>Louisiana | Central<br>Louisiana<br>Obligated<br>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<br>Louisiana Non-<br>Obligated<br>Eliminations | Physician<br>Group   | Corporate and<br>Eliminations | CHRISTUS<br>Strategic<br>Growth | Amatista | TLRA   | Revenue Cycle<br>Business<br>Services | Supply Chain<br>Management |
|------------------------------------------------------------------------------|--------------------------------------------------------|----------------------|-------------------------------|---------------------------------|----------|--------|---------------------------------------|----------------------------|
| Revenues                                                                     |                                                        |                      |                               |                                 |          |        |                                       |                            |
| Patient service revenue (net of contractual allowances and discounts)        | \$ -                                                   | \$ 54,653<br>(3,389) | \$ 56,088<br>(381)            | \$ -                            | \$ -     | \$ -   | \$ -                                  | \$ -                       |
| Provision for bad debts                                                      | -                                                      | 51,264               | 55,707                        | -                               | -        | -      | -                                     | -                          |
| Net patient service revenue less provision for bad debts                     | -                                                      | 656                  | 182,237                       | -                               | -        | -      | -                                     | -                          |
| Premium revenue                                                              | -                                                      | -                    | -                             | -                               | -        | -      | -                                     | -                          |
| 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<br>office | Stehlin<br>Foundation for<br>Cancer Research | Emerald<br>Assurance | Grants and<br>Loans | Workers<br>Compensation | Insurance Fund | Information<br>Management | CHRISTUS<br>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<br>Engineering | CHRISTUS<br>Retail Services | CHRISTUS<br>Foundation | Benefits  | Bond Fund | Liability<br>Retention Trust | CHRISTUS<br>Health Plan | Health Plan<br>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<br>Louisiana | CHRISTUS<br>Dubuis Health<br>System | CHRISTUS<br>Homecare | St Joseph<br>Village | Uniformed<br>Services Family<br>Health Plan | CHRISTUS<br>Corporate<br>Obligations<br>Eliminations | CHRISTUS<br>Corporate Non-<br>Obligations<br>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<br>Latin America<br>(Chile) | CHRISTUS<br>Health Spa<br>(Chile) | Grupo<br>Muguerza<br>(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                      |