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Part III

Statement of Program Service Accomplishments

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

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1

Briefly describe the organization's mission

As a founding hospital in the Lifespan health system, The Miriam Hospital (TMH) is committed to its mission Delivering health with care

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

☐ Yes ☒ No

If "Yes," describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4

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

4a

(Code) (Expenses \$ 314,299,129 including grants of \$ 530,229) (Revenue \$ 406,794,657)

Patient Care TMH offers expertise in cardiology, oncology, orthopedics, men's health, and minimally invasive surgery and is home to the State's first Joint Commission- certified Stroke Center and robotic surgery program Services and programs provided by TMH include general medicine, general surgery, emergency medicine, cardiovascular care, orthopedics, nuclear cardiology, radiology, laboratory, renal dialysis, urology, gastroenterology, endocrinology, gynecology, nephrology, neurology, ophthalmology, trauma care, computerized tomography, and magnetic resonance imaging (MRI) The Hospital is nationally known for its HIV/AIDS and behavioral and preventive medicine research, including weight control, physical activity, and smoking cessation (Continued on Schedule O)

4b

(Code) (Expenses \$ 26,753,967 including grants of \$) (Revenue \$ 22,966,967)

Research Since 1969, the level of research has increased from seven projects totaling \$127,000 involving nine investigators to 377 projects totaling \$26.8 million involving 79 investigators and 135 employees The following represents significant areas of research being conducted at TMH cancer treatment and prevention, epidemiological research, clinical trials in AIDS and HIV infection (including vaccine development), coronary heart disease, nutrition, exercise, weight control, and lifestyle risk factors affecting health TMH provided \$3.8 million in support of research activities in fiscal year 2014 (Continued on Schedule O)

4c

(Code) (Expenses \$ 23,008,017 including grants of \$) (Revenue \$ 3,061,974)

Medical Education TMH provides the setting for and substantially supports medical education in various clinical training and nursing programs TMH is designated as a major teaching affiliate of The Warren Alpert Medical School of Brown University The total cost of direct medical education provided by TMH exceeded the reimbursement received from third-party payors by \$19.9 million in fiscal year 2014 (Continued on Schedule O)

4d

Other program services (Describe in Schedule O)

(Expenses \$ including grants of \$) (Revenue \$)
























4e

Total program service expenses

364,061,113

Form 990 (2013)

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4 Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III 	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10 Yes	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b 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 Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a Yes	
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		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
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		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
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		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

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		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	264	
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.	3,101	
2b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).		Yes	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?		Yes	
3b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.			
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
4b If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			No
5b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			No
5c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?			
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?			No
6b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			
7 Organizations that may receive deductible contributions under section 170(c).			
7a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?			No
7b If "Yes," did the organization notify the donor of the value of the goods or services provided?			
7c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			No
7d If "Yes," indicate the number of Forms 8282 filed during the year.		0	
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?			No
7h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			No
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			No
9 Sponsoring organizations maintaining donor advised funds.			
9a Did the organization make any taxable distributions under section 4966?			No
9b Did the organization make a distribution to a donor, donor advisor, or related person?			No
10 Section 501(c)(7) organizations. Enter			
10a Initiation fees and capital contributions included on Part VIII, line 12.			
10b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.			
11 Section 501(c)(12) organizations. Enter			
11a Gross income from members or shareholders.			
11b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).			
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?			No
12b If "Yes," enter the amount of tax-exempt interest received or accrued during the year.			
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
13a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.			No
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		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O		
b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶Mary A Wakefield 593 Eddy Street Providence,RI 02903 (401)444-7093

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

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

Form **990** (2013)

Part VII

1b	Sub-Total	▼			
c	Total from continuation sheets to Part VII, Section A	▼			
d	Total (add lines 1b and 1c)	▼	2,923,225	4,331,512	1,075,820

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. 242

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
University Medicine Foundation 593 Eddy Street Providence RI 02903	Medical Services	10,004,866
University Surgical Associates 2 Dudley Street Providence RI 02905	Medical Services	3,467,711
Brown University 75 Waterman Street Providence RI 02912	Medical Services	2,162,724
Sodexo Inc 25 Royal Little Drive Providence RI 02904	Dietary/Cafe Service	1,616,371
APG Security Services 171 Service Avenue Ste 310 Warwick RI 02886	Security Services	991,026

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 ▶30

Part VIII

Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns 1a				
	b	Membership dues 1b				
	c	Fundraising events 1c				
	d	Related organizations 1d	4,964,776			
	e	Government grants (contributions) 1e	33,000			
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	78,738			
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f	5,076,514			
Program Service Revenue	2a	Direct Rev from Research				
		Business Code				
		900099	24,513,012	24,513,012		
	b	Laboratory	959,169		959,169	
	c	Patient Service Rev	388,328,773	388,328,773		
	d	Temp Restricted (SPFs)	631,176	631,176		
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f	414,432,130			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	3,779,036			3,779,036
	4	Income from investment of tax-exempt bond proceeds	4,482			4,482
	5	Royalties	0			
	6a	(i) Real				
		(ii) Personal				
		Gross rents	1,298,736			
		b Less rental expenses	947,563			
	c	Rental income or (loss)	351,173			
	d	Net rental income or (loss)	351,173		4,311	346,862
	7a	(i) Securities				
		(ii) Other				
		Gross amount from sales of assets other than inventory	314,048,547			
		b Less cost or other basis and sales expenses	313,539,686			
	c	Gain or (loss)	508,861			
	d	Net gain or (loss)	508,861			508,861
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18				
		a				
	b	Less direct expenses b				
	c	Net income or (loss) from fundraising events	0			
	9a	Gross income from gaming activities See Part IV, line 19				
		a				
	b	Less direct expenses b				
	c	Net income or (loss) from gaming activities	0			
	10a	Gross sales of inventory, less returns and allowances				
		a				
	b	Less cost of goods sold b				
	c	Net income or (loss) from sales of inventory	0			
		Miscellaneous Revenue	Business Code			
	11a	Cafeteria Revenue	722210	1,236,418	1,236,418	
	b	Indirect Rev from Grants	900099	4,749,132	4,749,132	
	c	Joint Program Revenue	900099	9,734,144	9,734,144	
	d	All other revenue		2,696,960	2,671,774	25,186
	e	Total. Add lines 11a-11d	18,416,654			
	12	Total revenue. See Instructions	442,568,850	431,864,429	988,666	4,639,241

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States. See Part IV, line 21.	530,229	530,229		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	0			
4	Benefits paid to or for members.	0			
5	Compensation of current officers, directors, trustees, and key employees.	672,439	672,439		
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0			
7	Other salaries and wages.	153,539,596	148,684,343	4,855,253	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	5,383,375	5,213,288	170,087	
9	Other employee benefits.	25,467,209	24,755,032	712,177	
10	Payroll taxes.	10,980,587	10,634,757	345,830	
11	Fees for services (non-employees):				
a	Management.	0			
b	Legal.	0			
c	Accounting.	0			
d	Lobbying.	1,089	1,089		
e	Professional fundraising services. See Part IV, line 17.	0			
f	Investment management fees.	633,434		633,434	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	22,808,267	22,699,827	108,440	
12	Advertising and promotion.	149,371	144,582	4,789	
13	Office expenses.	71,385,670	71,000,738	384,932	
14	Information technology.	0			
15	Royalties.	0			
16	Occupancy.	11,020,805	9,984,026	1,036,779	
17	Travel.	739,148	734,654	4,494	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19	Conferences, conventions, and meetings.	394,597	387,317	7,280	
20	Interest.	3,462,527		3,462,527	
21	Payments to affiliates.	0			
22	Depreciation, depletion, and amortization.	12,957,357		12,957,357	
23	Insurance.	2,234,757	2,234,757		
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	Purch Svs & Equip Cont	47,868,875	16,228,281	31,640,594	
b	Provision for bad debts	19,566,155	19,566,155		
c	License Fee	18,864,983	18,864,983		
d	Indirect Research & Other	13,045,649	11,718,808	1,326,841	
e	All other expenses	5,808	5,808		
25	Total functional expenses. Add lines 1 through 24e.	421,711,927	364,061,113	57,650,814	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			1	0
	2	Savings and temporary cash investments		14,008,834	2	25,236,988
	3	Pledges and grants receivable, net		1,122,854	3	1,204,369
	4	Accounts receivable, net		46,235,752	4	42,060,762
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	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			6	0
	7	Notes and loans receivable, net		179,793	7	179,793
	8	Inventories for sale or use		4,850,604	8	5,266,246
	9	Prepaid expenses and deferred charges		1,670,024	9	3,773,383
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a372,309,647			
	b	Less accumulated depreciation	10b184,798,039	174,929,118	10c	187,511,608
	11	Investments—publicly traded securities		76,419,159	11	80,560,340
	12	Investments—other securities See Part IV, line 11		37,994,435	12	42,070,601
	13	Investments—program-related See Part IV, line 11			13	0
	14	Intangible assets			14	0
	15	Other assets See Part IV, line 11		81,887,962	15	70,922,704
	16	Total assets. Add lines 1 through 15 (must equal line 34)		439,298,535	16	458,786,794
Liabilities	17	Accounts payable and accrued expenses		35,888,519	17	33,601,703
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		61,833,734	20	59,619,383
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		11,700,000	23	10,110,312
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		36,486,954	25	44,144,063
	26	Total liabilities. Add lines 17 through 25		145,909,207	26	147,475,461
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		248,255,042	27	263,666,420
	28	Temporarily restricted net assets		27,475,203	28	28,076,417
	29	Permanently restricted net assets		17,659,083	29	19,568,496
	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		293,389,328	33	311,311,333
	34	Total liabilities and net assets/fund balances		439,298,535	34	458,786,794

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	442,568,850
2	Total expenses (must equal Part IX, column (A), line 25)	2	421,711,927
3	Revenue less expenses Subtract line 2 from line 1	3	20,856,923
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	293,389,328
5	Net unrealized gains (losses) on investments	5	1,874,327
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	-4,809,245
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	311,311,333

Part XII Financial Statements and Reporting

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

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

2013

Open to Public Inspection

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.

Name of the organization The Minam Hospital	Employer identification number 05-0258905
--	--

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

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

1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____

5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)

8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9

☐

An organization that normally receives (1) more than 33¹/₃% 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 33¹/₃% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10

☐

An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated

e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box

g

☐

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

(i)

A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

(ii)

A family member of a person described in (i) above?

(iii)

A 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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

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

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

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

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

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

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

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

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

Part IV

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

Facts And Circumstances Test		
Return Reference	Explanation	

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 The Miram Hospital	Employer identification number 05-0258905
--	--

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 checked="" type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b	If "Yes," describe in Part IV	

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

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

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

Part II-A

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

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

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

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

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

Part II-B

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		1,089
j	Total. Add lines 1c through 1i.			1,089
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		No	

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

Return Reference	Explanation
Part II-B, Line 1i - Other Activities Description	The Miriam Hospital pays membership fees to the Hospital Association of Rhode Island (HARI), a portion of which is allocated to HARI's lobbying efforts

[illegible]

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization The Miriam Hospital	Employer identification number 05-0258905
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Part I

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

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

Part II

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

1

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

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

2

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

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

3

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

4

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

5

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

☐ Yes ☐ No

6

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

7

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

8

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

☐ Yes ☐ No

9

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

Part III

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

1a

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

b

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

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

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

2

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

a

Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

b

Assets included in Form 990, Part X ▶ \$ _____

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

Cat No 52283D

Schedule D (Form 990) 2013

Part III

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

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

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other
- 4
- Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 5
- During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?
- ☐ Yes

☐ No

Part IV

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

- 1a
- Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?
- ☐ Yes

☐ No
- b
- If "Yes," explain the arrangement in Part XIII and complete the following table
- | | |
|----|--------|
| | 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	117,435,496	111,167,306	97,696,217	96,830,355	73,337,707
b Contributions	30,903,911	33,540,223	35,666,188	25,953,487	40,371,010
c Net investment earnings, gains, and losses	5,559,275	6,309,324	10,411,008	678,572	8,097,713
d Grants or scholarships					
e Other expenditures for facilities and programs	29,572,596	33,581,357	32,606,107	25,766,197	24,976,075
f Administrative expenses					
g End of year balance	124,326,086	117,435,496	111,167,306	97,696,217	96,830,355

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

Board designated or quasi-endowment ▶ 84 700 %
- b

Permanent endowment ▶
- c

Temporarily restricted endowment ▶ 15 300 %
- The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a
- Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

b

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

3b

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

Part VI

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

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		4,273,457		4,273,457
b Buildings		216,852,379	87,510,212	129,342,167
c Leasehold improvements				
d Equipment		130,786,141	97,287,827	33,498,314
e Other		20,397,670		20,397,670
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				187,511,608

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	420,381,906
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	2e	
a	Net unrealized gains on investments	2a	1,874,327
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	-4,809,245
e	Add lines 2a through 2d	2e	-2,934,918
3	Subtract line 2e from line 1	3	423,316,824
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1	4c	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	633,434
b	Other (Describe in Part XIII)	4b	18,618,592
c	Add lines 4a and 4b	4c	19,252,026
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	442,568,850

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	402,459,901
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	2e	
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	402,459,901
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:	4c	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	633,434
b	Other (Describe in Part XIII)	4b	18,618,592
c	Add lines 4a and 4b	4c	19,252,026
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	421,711,927

Part XIII

Supplemental Information

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

Return Reference	Explanation
Part V, Line 4 Intended uses of the endowment fund	The Miriam Hospital's (TMH) unrestricted endowment consists of designated assets set aside by TMH's Board for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes. The largest temporarily restricted funds held by TMH are used to support: (1) the Women's Medicine Collaborative, a comprehensive, multidisciplinary center dedicated to meeting the health care needs of women, (2) the advancement of patient care, research, and education related to cardiology, (3) purchase of an upgraded surgical robot, (4) TMH's capital equipment and operating needs in providing services to patients, (5) the treatment and prevention of cancer, including the Cancer Patient Navigator Program, which assists cancer patients through the entire course of their care, (6) replacement of TMH's hybrid catheterization laboratory, (7) The Center for Prisoner Health and Human Rights, a program which seeks to improve the health and human rights of criminal justice populations through education, research, and advocacy, and (8) the Surgery Department's educational and investigational functions.
Part X FIN48 Footnote	TMH, as a not-for-profit corporation, is recognized under Section 501(c)(3) of the Internal Revenue Code and is exempt from Federal income taxes. TMH recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Changes in measurement are reflected in the period in which the change in judgment occurs. TMH did not recognize the effect of any income tax positions during the fiscal year ended September 30, 2014.
Part XI, Line 4b Other revenue amounts included on 990 but not included in F/S	Debt-financed rental expenses \$-16384 Non debt-financed rental expenses \$-931179 Provision for bad debts \$19566155
Part XII, Line 4b Other revenue amounts included on 990 but not included in F/S	Debt-financed rental expenses \$-16384 Non debt-financed rental expenses \$-931179 Provision for bad debts \$19566155

[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.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
The Miriam Hospital

Employer identification number
05-0258905

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 Activities 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) Sub-Saharan Africa	0	0	Program Services	Research	227,317
(2)					
(3)					
(4)					
(5)					
3a Sub-total					227,317
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)					227,317

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

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).

990 Schedule F, Supplemental Information

Return Reference	Explanation
Part I, Line 2 - Grantmakers Explanation For Monitoring Use of Funds Outside US	<p>When a foreign institution is the subrecipient of an award received by a Lifespan affiliate, the following procedures are followed. A subrecipient agreement is prepared and executed between the foreign institution and the Lifespan affiliate. The agreement describes the funding source, terms and conditions of the award, statement of work, payment method, and audit. The foreign institution prepares an invoice to the Lifespan affiliate for expenses incurred under the agreement. Once received, the invoice is approved by both the principal investigator at the Lifespan affiliate and the responsible research administrator in the Office of Research Administration. Check requests and wire transfer forms are prepared by the principal investigator, approved by the research administrator and forwarded to the Finance Department, where payment is processed to the foreign institution. Additionally, when the award is a federal award, a questionnaire is completed by the appropriate subrecipient, officially supplying information about the foreign institution's financial system and method of accounting for the award. A request is also made for the institution's audited financial statements. When a foreign individual is not associated with an institution, a Professional Services Agreement (PSA) is executed and the individual sends an invoice to the Lifespan affiliate principal investigator associated with the project or sponsored agreement that states the number of hours, dates of services, work performed, reimbursement for expenses, and compensation amount. The same approval process and payment is used as described above.</p>

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
The Minam Hospital

Employer identification number
05-0258905

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

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			12,945,985	3,246,397	9,699,588	2 410 %
b Medicaid (from Worksheet 3, column a)			44,822,852	39,190,797	5,632,055	1 400 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . .						
d Total Financial Assistance and Means-Tested Government Programs . .			57,768,837	42,437,194	15,331,643	3 810 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			322,953	40,735	282,218	0 070 %
f Health professions education (from Worksheet 5)			23,008,017	3,061,974	19,946,043	4 960 %
g Subsidized health services (from Worksheet 6)			13,625,017	5,919,757	7,705,260	1 920 %
h Research (from Worksheet 7)			26,753,967	22,966,967	3,787,000	0 940 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			120,672		120,672	0 030 %
j Total Other Benefits			63,830,626	31,989,433	31,841,193	7 920 %
k Total. Add lines 7d and 7j . .			121,599,463	74,426,627	47,172,836	11 730 %

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					
8	Workforce development					
9	Other					
10	Total					

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?

1

Yes

2

Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

2

4,314,337

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

1,158,618

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

86,848,084

6

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

6

87,694,391

7

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

7

-846,307

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

Part V

Facility Information

Section A. Hospital Facilities

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

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

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

Part V Facility Information (continued)

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)
The Miriam 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
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply)	1 Yes	
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a CHNA 20 <u>13</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3 Yes	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4 Yes	
5 Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5 Yes	
a <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>www.miriamhospital.org</u>		
b <input type="checkbox"/> Other website (list url) _____		
c <input checked="" type="checkbox"/> Available upon request from the hospital facility		
d <input checked="" type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)		
a <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b <input checked="" type="checkbox"/> Execution of the implementation strategy		
c <input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input checked="" type="checkbox"/> Prioritization of health needs in its community		
h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7 Yes	
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	No
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
9	Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care 200 0000% If "No," explain in Part VI the criteria the hospital facility used	10	Yes
11	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 0000% If "No," explain in Part VI the criteria the hospital facility used	11	Yes
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	12	Yes
a	<input checked="" type="checkbox"/> Income level		
b	<input checked="" type="checkbox"/> Asset level		
c	<input checked="" type="checkbox"/> Medical indigency		
d	<input checked="" type="checkbox"/> Insurance status		
e	<input checked="" type="checkbox"/> Uninsured discount		
f	<input checked="" type="checkbox"/> Medicaid/Medicare		
g	<input checked="" type="checkbox"/> State regulation		
h	<input checked="" type="checkbox"/> Residency		
i	<input type="checkbox"/> Other (describe in Part VI)		
13	Explained the method for applying for financial assistance?	13	Yes
14	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	14	Yes
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input checked="" type="checkbox"/> The policy was attached to billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available upon request		
g	<input checked="" type="checkbox"/> Other (describe in Part VI)		
Billing and Collections			
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	Yes
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP		
a	<input type="checkbox"/> Reporting to credit agency		
b	<input checked="" type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input checked="" type="checkbox"/> Other similar actions (describe in Section C)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged	17	Yes
a	<input type="checkbox"/> Reporting to credit agency		
b	<input checked="" type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input checked="" type="checkbox"/> Other similar actions (describe in Section C)		

Part V

Facility Information *(continued)*

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

☒

Notified individuals of the financial assistance policy on admission
- b**

☒

Notified individuals of the financial assistance policy prior to discharge
- c**

☒

Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- d**

☒

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

☐

Other (describe in Section C)

Policy Relating to Emergency Medical Care

	Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate why	Yes	
<div>a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions</div> <div>b <input type="checkbox"/> The hospital facility's policy was not in writing</div> <div>c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)</div> <div>d <input type="checkbox"/> Other (describe in Part VI)</div>		

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

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care		
<div>a <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged</div> <div>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</div> <div>c <input checked="" type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged</div> <div>d <input type="checkbox"/> Other (describe in Part VI)</div>		
21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		No
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Part VI		No

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? **17**

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

Part VI

Supplemental Information

Provide the following information

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

Form and Line Reference	Explanation
Part I, Line 3c - Charity Care Eligibility Criteria (FPG Is Not Used)	<p>The Miriam Hospital (the Hospital) uses a dual system for determining financial aid eligibility federal poverty guidelines and an asset test The financial screening process at the Hospital is intended to define probable eligibility for public assistance (Medicaid or Community Free Service ("CFS")) for those patients who do not have the means to pay for hospital services rendered, as follows 1 Upon patient indication of an inability to pay required monies, the patient is offered the financial screening option to determine eligibility for public assistance (Medicaid, CFS) 2 The application for CFS is completed and includes information relative to income, expense, and other available resources, and requires proof of such information which may include - most recently filed Federal income tax return and W-2 form(s)- copies of most recent savings and/or checking account statements- two most recently received payroll check stubs- copy of rent receipts for the last six months for proof of residency- copy of utility bills for the last month for proof of residency3 If the patient's financial situation falls within the guidelines for eligibility for Medicaid, Rite Care, or CFS, or if the patient has a long-term disability, the appropriate application process is completed (Assistance to complete such applications is available from the Patient Financial Advocates (PFA) Office at the Hospital)4 Uninsured patients receive a discount equal to the discount received by Medicare beneficiaries on Hospital charges Under Section 501(r)(5), the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care are the amounts generally billed to individuals who have Medicare insurance covering such care In no case was there a situation where an uninsured patient paid more than amounts charged through Medicare 5 Eligibility for CFS above the discount is provided for those applicants whose family gross income is at or below twice the Federal Poverty Guidelines, with a sliding scale for individuals up to three times the poverty level in effect at the time of application Full charity care applicants with assets worth more than \$9,400 for an individual (or \$14,100 for a family) may not qualify for care without charge, but will qualify for discounted care While the maximum 100% discount may not be available to all charity care applicants based on the results of their asset test, all uninsured patients who receive care are eligible for, at a minimum, the same charity care discount as provided by the Medicare program 6 For patients who qualify for less than 100% of the financial assistance program, a payment schedule is determined and agreed upon (discussed further below) Payment arrangements are established prior to service for non-urgent care 7 In either case, the final results of the financial screening are recorded in the comments section of the Hospital's billing system Requests for Payment Arrangements Patient Financial Advocates (PFA) will qualify patients that are receiving non-urgent, medically indicated procedures prior to services The PFA will request 75% to 100% of estimated discounted charges if the balance is under \$5,000 and 50% to 100% of estimated discounted charges if the estimated bill equals or exceeds \$5,000 For elective or non-urgent cases, the policy will require financial clearance prior to services or an exception from the Medical Director based on the clinical circumstances if the patient cannot meet the above payment agreement Patients who do not qualify for total or partial CFS, but who have difficulty in paying their bills after services are rendered, may request enrollment in a payment plan Eligibility for the payment plan includes the following guidelines 1 Immediate payment in full will result in financial hardship to the patient or the patient's family 2 Deposit of one-half of the estimated total bill is requested prior to admission 3 The minimum monthly payment of \$50 00 4 The maximum length of the payment plan is twenty-four months The Customer Service staff will set up the payment plan using the above guidelines as well as complete the necessary information on the "Payment Agreement" form and mail to the patient for signature Account documentation will be done online The pre-collect agency will be sent a copy of the payment agreement and all forms will be scanned into the PFS Optical Imaging System</p>

Form and Line Reference	Explanation
Part I, Line 7 - Explanation of Costing Methodology	<p>The Hospital's costing methodology used to calculate the amounts reported in Part I, Line 7 is as follows</p> <p>a) Financial assistance at cost- involves utilization of a ratio derived from dividing patient costs, as defined, by patient charges, as defined, and applying that percentage to total charity care charges Patient costs reported in the cost accounting system are calculated based on Medicare principles of reimbursement by reducing total operating expenses by items such as bad debt expense, the cost of medical education, internally funded research, subsidized health services, community services, charitable contributions, and other operating revenue Patient costs are then divided by patient charges to determine a ratio of cost to charges (RCC) This RCC is applied as the costing methodology for determining charity care expense</p> <p>b) Medicaid- Medicaid expense is determined at cost as calculated by the Hospital's cost accounting system The system applies historical costing methods applied to all patient segments based on various patient demographics and utilizations These costing standards exclude bad debt, charity care, and the Medicaid portion of costs of health professions education, which are reported on other areas of Line 7 These expenses include Medicaid provider taxes Direct offsetting revenue is reported as amounts received from Medicaid, as well as other payments which include reimbursement under Federal "Upper Payment Limit" (UPL) and "Disproportionate Share Hospital" (DSH) programs</p> <p>e) Community health improvement services and community benefit operations- Community benefit operations expense is recorded as direct expenses incurred as reported by the Hospital's Community Health Services Department Revenue received for these services is reported as direct offsetting revenue</p> <p>f) Health professions education- Health professions education expenses represent direct costs related to amounts associated with resident and intern programs utilized at the Hospital These costs are determined by reporting actual direct costs taken from the Medicare cost report Direct offsetting revenue is reported as any direct Medicare reimbursements received for such services provided, as reported in the Hospital's Medicare cost report</p> <p>g) Subsidized health services- Subsidized health services' community benefit expense is determined by the Hospital's cost accounting system These subsidized health services are recorded at cost in the Hospital's cost accounting system for all qualified subsidized health service divisions This expense is adjusted to remove all related Graduate Medical Education (GME) expenses, as well as bad debt, Medicaid, and charity costs already reported in the applicable sections of Line 7 Net patient service revenue is recorded as amounts received from various payer types related to these services Revenue associated with Medicare GME and Medicaid is excluded from the amount disclosed for subsidized health services</p> <p>h) Research- The Hospital conducts extensive medical research focused on the prevention and treatment of HIV/AIDS, obesity, cancer, diabetes, cardiac disease, neurological problems, orthopedic advancements, and mental health concerns For all internal and external research conducted, the costs associated with these activities is calculated by combining the direct and indirect costs as reported within the Hospital's cost accounting system Revenue received for these services is reported as direct offsetting revenue</p> <p>i) Cash and in-kind contributions for community benefit- Expenses for cash and in-kind contributions for community benefit are made by the Hospital, including an allocation of contributions made by Lifespan Corporation on the Hospital's behalf</p>

Form and Line Reference	Explanation
Part I, Line 7, Column F - Explanation of Bad Debt Expense	The calculation of percentages disclosed for Schedule H, Part I, Line 7, column (f) "percent of total expense", does not include bad debt expense Form 990, Part IX, Line 25 includes bad debt expense of \$ 19,566,155

Form and Line Reference	Explanation
Part III, Line 2 - Methodology Used To Estimate Bad Debt Expense	The amount reported as bad debt expense is determined by applying the ratio of cost to charges (RCC) to the total charges written off to bad debt. The RCC rate is determined using data from the Hospital's cost accounting system and is adjusted for medical education, internally funded research, subsidized health services, community services, and charitable contributions. Discounts and payments are applied to patient accounts before such account balances are transferred to bad debt.

Form and Line Reference	Explanation
Part III, Line 3 - Methodology of Estimated Amount & Rationale for Including in Community Benefit	Accounts pending transfer to bad debt are reviewed by the Hospital's patient advocate staff to determine qualification for financial assistance under the Hospital's policy. Accounts with insufficient information to determine eligibility are assigned a separate identifying code. These accounts are ultimately transferred to bad debt if the appropriate qualifying documentation is not received. The amount reported on Schedule H, Part III, Section A, Line 3 represents the account balances at charge written off to bad debt from the pending code, which are in turn converted to cost by applying the RCC rate as identified in Schedule H, Part III, Section A, Line 2.

Form and Line Reference	Explanation
Part III, Line 4 - Bad Debt Expense	<p>Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Hospital analyzes its past history and identifies its revenue trends for each of its major payors to estimate the appropriate allowance for doubtful accounts and the associated provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospital records a significant allowance for doubtful accounts and provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates, if applicable) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts. The Hospital's allowance for doubtful accounts for self-pay patients decreased from 81% of self-pay accounts receivable at September 30, 2013 to 78% of self-pay accounts receivable at September 30, 2014. The Hospital's self-pay write-offs for the years ended September 30, 2014 and 2013 amounted to approximately \$22,941,000 and \$23,542,000, respectively. The Hospital did not change its charity care or uninsured discount policies during the years ended September 30, 2014 and 2013, respectively. The Hospital provided \$19,566,155 for uncollectible patient accounts during the year ended September 30, 2014. The associated cost reported on Line 2 of Part III was determined by applying an operating cost to charge ratio (exclusive of community benefit costs and charges) to the provision amount.</p>

Form and Line Reference	Explanation
Part III, Line 8 - Explanation Of Shortfall As Community Benefit	Medicare shortfall has not been treated as a community benefit The source of the Medicare allowable costs reported on Part III, Section B, Line 6 is the Medicare cost report, Form 2552-10

Form and Line Reference	Explanation
Part III, Line 9b - Provisions On Collection Practices For Qualified Patients	The Hospital uses an outside pre-collection agency for all self-pay receivables. The pre-collection agency attempts to collect the debt for 120 days. During this time, three letters are sent to the patient's address of record and, for balances in excess of \$50, attempts are made to reach the patient by telephone. If the agency makes contact with the patient and the patient expresses an inability to pay, payment plans and/or Community Free Service are offered (Please refer to the Charity Care Eligibility Criteria and Additional Information sections for further detail on those processes). If the pre-collection agency is unsuccessful in contacting the patient or if no response is received within 120 days, the account is forwarded to a collection agency. The collection agency also sends statements and attempts to reach the patient via telephone. Again, if the agency makes contact with the patient and the patient expresses an inability to pay, payment plans and/or Community Free Service are offered. If no response is received, the claim is referred to small claims court, if warranted, and the patient is summoned to appear. If the patient does not appear, the Hospital will receive a judgment in its favor. If the Hospital learns that the claim has a related settlement, i.e., an automobile accident, the Hospital can put a lien on such settlement. Alternatively, if the collection agency deems the account uncollectible, it will be written off.

Form and Line Reference	Explanation
Part VI - Needs Assessment	<p>Lifespan's Office of Strategic Planning and Analysis performs population-based studies for the Hospital regarding the need for inpatient medical and surgical services for both adults and children and a wide range of outpatient services including primary care office visits, specialty care, emergency services, imaging, ambulatory surgery, and specific high technology services such as radiation therapy and bone marrow transplantation. A population-based study examines the growth and changes in the population, the resources in the community, and the changing prevalence of diseases. In addition to this approach, Lifespan Strategic Planning also examines experience with wait times, the level of staffing, and the changing standards of care. All of this information is used to assess the demand for additional services to provide access to high quality care. In addition to population approaches to assessing and estimating need, all specialties and services monitor demand at the service-specific level by considering changing patterns of care and methods of treatment for the specific medical problem, wait times for visits/queues, and community resources. The service leadership then goes through a review process to add staff, expanded hours, and/or new sub-components to round out core services on an as-needed basis. At times, expansion requires more space, equipment, and staff, but often accommodation of community demand is achieved through expanded hours. Facilities are added as needed to accommodate these expansions, but most often minor renovations of existing locations with better, more modern layouts and equipment allow for greater patient access. The RI State Certificate of Need program requires a focused study of need for all projects over \$5.25 million, which is an important part of the program development process across Lifespan. Based on a broad understanding of community health needs, the Hospital provides a wide range of services to both its primary and secondary service areas. Lifespan and its hospital affiliates monitor health trends in Rhode Island in an effort to identify areas of unmet demands regarding clinical services. For example, in 2006, the Hospital was the first in the region to use a new technology to remove clots quickly, mitigating the debilitating effects of stroke. Over the past three years, the Hospital has expanded its groundbreaking robotic surgery program. The Hospital is also home to the State's first Joint Commission-Certified Stroke Center.</p>

Form and Line Reference	Explanation
Part VI - Patient Education of Eligibility for Assistance	The Miriam Hospital has multilingual signage in the Hospital's main lobby and waiting areas which provides information on financial aid contacts. The Registration Department meets with patients at the outset of care to discuss eligibility for assistance. The Registration staff provides interested patients with a "Welcome" booklet which includes information on patient rights and responsibilities. The signage and booklets contain a telephone number which connects patients with Registration staff who can answer any additional questions that may arise after the patient has left the Hospital. Assistance eligibility is also summarized on the Hospital's website.

Form and Line Reference	Explanation
Part VI - Community Information	<p>The Miriam Hospital, located in Providence, Rhode Island, is a 247-bed nonprofit general acute care teaching hospital with university affiliation providing a comprehensive range of diagnostic and therapeutic services (excluding obstetrics) for the acute care of patients principally from Rhode Island and southeastern Massachusetts. As a complement to its role in service and education, the Hospital actively supports research. The Hospital is accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) and participates as a provider primarily in Medicare, Blue Cross, and Medicaid programs. The Hospital is also a member of Voluntary Hospitals of America, Inc. (VHA). In 1969, the Hospital and certain other Rhode Island hospitals entered into an affiliation agreement to participate jointly in various clinical training programs and research activities with The Warren Alpert Medical School of Brown University (Brown). The Hospital is designated as a major teaching affiliate of Brown. The goals of the partnership are to facilitate the expansion of joint educational and research programs in order to compete both clinically and academically. With respect to nursing education, the Hospital has developed formal and informal educational affiliations with a number of accredited New England colleges and universities. The Hospital does not receive any compensation from the various schools for providing a clinical setting for the student nurse training. The Hospital conducts extensive medical research and is in the forefront of biomedical health care delivery research and among the leaders nationally in National Institutes of Health programs.</p>

Form and Line Reference	Explanation
Part VI - Community Building Activities	The Hospital substantially subsidizes various health services including various clinics and certain other specialty services. The Hospital also provides numerous other services to the community for which charges are not generated. These services include certain emergency services, community health screenings for cardiac health, prostate cancer and other diseases, smoking cessation, immunization and nutrition programs, diabetes education, community health training programs, patient advocacy, foreign language translation, physician referral services, and charitable contributions.

Form and Line Reference	Explanation
Part VI - Explanation Of How Organization Furthers Its Exempt Purpose	The Hospital is governed by a Board of Trustees, which is composed of leaders of the local community elected by Lifespan Corporation. The Hospital's purpose is to at all times be operated exclusively as a tax-exempt charitable hospital and, as such, shall dispense medical and surgical aid and care to the sick and disabled of any race, creed, or color in keeping with Jewish ethical aspirations, shall act in a fashion designed to further, improve, and advance the science or art of health care delivery, patient care, and the knowledge, practice, and teaching of medicine and nursing, and assist in the advancement of medical research and investigation and in the improvement of medical teaching facilities and methods. The Hospital works collaboratively with physicians, its employees, other health care organizations, and the community to create a measurably healthier community through the provision of high quality, cost-effective, customer-focused health care services in an environment that promotes patient safety. The Hospital monitors the healthcare needs of its service area to ensure alignment of its resources with its mission. The Hospital measures the results of the programs and services it provides based on the value added to the community as well as the financial health of each program and its impact on the Hospital. The Hospital is organized and operated for the benefit of the community it serves.

Form and Line Reference	Explanation
Part VI - Affiliated Health Care System Roles and Promotion	<p>Lifespan's mission is delivering health with care. Lifespan is an academically based healthcare system at the forefront of medical care, continually engaging in research that will lead to medical breakthroughs. Lifespan affiliates provide comprehensive inpatient and outpatient medical, surgical, and psychiatric services for adults and children. Lifespan and its affiliates employ more than 13,700 people. The Lifespan system has approximately 2,400 physicians on the medical staffs of its affiliated hospitals, operates 1,155 licensed beds in four hospital complexes, and in 2014 generated approximately \$1.8 billion in total operating revenue. By each of these measures, Lifespan is Rhode Island's largest health system, serving a population of over 1.5 million. Three of its hospital members, Rhode Island Hospital (RIH), The Miriam Hospital (TMH), and Bradley Hospital (EPBH), are teaching affiliates of The Warren Alpert Medical School of Brown University, with 69 percent of the residents and fellows in this program based at RIH, TMH, and EPBH. Lifespan is a Rhode Island nonprofit corporation that is community-based and community-governed. As a nonprofit organization, Lifespan is run by a voluntary Board of Directors who are community representatives. Lifespan and all of its nonprofit hospital affiliates have received written notification from the Internal Revenue Service that they have been recognized as being organized and operated as entities described in Internal Revenue Code (IRC) Section 501(c)(3) and are generally exempt from income taxes under IRC Section 501(a). As of September 30, 2014, Lifespan Corporation employed approximately 840 full-time and part-time personnel, most of whom are located in Providence, RI. Lifespan Corporation provides support services to its affiliates, such as information services, telecommunications, risk management, legal, communications and public affairs, fundraising, facility development, strategic planning, internal audit/compliance, human resources, finance, payor contracting, and investment management, for which each affiliate is charged a fee equivalent to the costs incurred by Lifespan in providing these services. Corporate Authority and Role Lifespan Corporation has no members and is governed by its Board of Directors. The Board has responsibility for planning, directing, and establishing policies intended to assure the development and delivery of quality health services, professional education, and biomedical research on an integrated, cost-effective basis. The Board's powers include the power to set accounting policies for its affiliates, develop, negotiate, and approve all managed care agreements, develop affiliations with other institutions for educational and research purposes, and approve human resource plans, executive compensation, and benefits for system affiliates. The bylaws of TMH confer certain reserved powers on Lifespan to provide it with the means of effective oversight, coordination, and support of the system. Powers reserved to Lifespan as sole member include: to elect and remove trustees, to approve the election of and to remove certain officers, to approve the amendment of the Articles of Incorporation and Bylaws and other Charter documents, to approve strategic plans, to approve investment policies and any capital or operating budgets or material non-budgeted expenditures, and to authorize incurrence or guaranty of material indebtedness. For a complete listing of affiliated members of Lifespan's integrated healthcare delivery system, please refer to Schedule R.</p>

Form and Line Reference	Explanation
Part VI - States Where Community Benefit Report Filed	RI

Additional Data

Software ID: 13000170
Software Version: 2013v4.0
EIN: 05-0258905
Name: The Miriam Hospital

990 Schedule H, Supplemental Information

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.	
Form and Line Reference	Explanation
Part V, Line 3 - Account Input from Person Who Represent the Community	
Part V, Line 4 - List Other Hospital Facilities that Jointly Conducted Needs Assessment	Rhode Island HospitalEmma Pendleton Bradley HospitalNewport Hospital
Part V, Line 5c - Description of Making Needs Assessment Widely Available	A copy of the Community Health Needs Assessment report issued for The Miriam Hospital as of September 30, 2013 can be obtained by visiting http://www.lifespan.org/Lifespan-Community-Health-Needs-Assessment-Reports.aspx
Part V, Line 14g - Other Means Hospital Facility Publicized the Policy	An abbreviated version of the Hospital's financial assistance policy is posted in various admitting and outpatient areas of the Hospital. Additionally, registration personnel refer uninsured and/or low income patients to Patient Financial Counselors to discuss the policy and/or answer any questions they might have.
Part V, Line 16e - Other Collection Actions Against a Patient	Once an account balance or a portion thereof is classified as self-pay, it is placed with the Hospital's pre-collect company until the balance is paid in full, a monthly payment plan is in place, or insurance information is provided for billing. After 120 days, if there is no payment activity, the account qualifies for bad debt and the pre-collect company returns the account to Patient Financial Services, which in turn forwards it to a collection agency. The collection agency sends 3 to 5 notices to the patient requesting payment. If there are no responses after the notices are sent, collection calls are made. If there is no response after 120 days, the account is reviewed for legal action in the appropriate court. If there are no assets to pursue, the collection agency deems the account uncollectible and returns it to Patient Financial Services for write-off. Note: In accordance with Center for Medicare and Medicaid Services mandates, Medicare patient accounts are held 130 days from last payment, after which if there has been no activity, the account is referred to collection.
Part V, Line 17e - Other Collection Actions by Facility or Third Party Engaged	The Hospital engages third parties to perform certain collection actions on its behalf. A pre-collect company is used for all self-pay accounts. Additionally, a collection agency is used if there is no payment activity on such accounts after 120 days. The collection process is explained in further detail in the response to Question 16e above.

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

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

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

Name and address	Type of Facility (describe)
TMH Diagnostic Imaging Center 195 Collyer Street Suite 101 Providence,RI 02904	Outpatient Radiology
Cardiovascular Institute 950 Warren Avenue East Providence,RI 02914	Outpatient Radiology
Cardiovascular Institute 208 Collyer Street Suites 100 102 Providence,RI 02904	Outpatient Radiology
Womens Medicine Collaborative 146 West River Street Providence,RI 02904	Outpatient Radiology
TMH Immunology Research Center 14 Third Street 11 Fourth Street Providence,RI 02906	Outpatient Radiology
Cardiovascular Institute 1454 South County Trail Suite 2000 East Greenwich,RI 02818	Outpatient Radiology
TMH Weight Control & Diabetes Research 196 Richmond Street Providence,RI 02903	Outpatient Radiology
TMH Behavioral Medicine Research 1 Hoppin Street Providence,RI 02903	Outpatient Radiology
TMH Cardiac RehabPulmonary Rehab 208 Collyer Street Providence,RI 02904	Outpatient Radiology
TMH Laboratory 1 Hoppin Street Providence,RI 02903	Outpatient Radiology
TMH Outpatient Rehabilitation 195 Collyer Street Providence,RI 02904	Outpatient Radiology
TMH Laboratory 1 Commerce Street Lincoln,RI 02865	Outpatient Radiology
TMH Laboratory 400 Bald Hill Road Warwick,RI 02886	Outpatient Radiology
TMH Immunology Center 1125 North Main Street Providence,RI 02904	Outpatient Radiology
RISE TB Clinic 14 Third Street Providence,RI 02906	Outpatient Radiology

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

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

Name and address	Type of Facility (describe)
TMH Behavioral Medicine Clinic 146 West River Street Providence, RI 02904	Outpatient Radiology
TMH Pre-admission Testing Center 208 Collyer Street Third Floor Providence, RI 02904	Outpatient Radiology

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
The Miriam 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.

OMB No 1545-0047

2013

Open to Public
Inspection

Employer identification number

05-0258905

Part I General Information on Grants and Assistance

1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No

2

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

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) Brown University 164 Angell Street Providence,RI 02912	05-0258809	501(c)(3)	153,264	0			General Support
(2) City of Providence 25 Dorrance Street Providence,RI 02903	05-6000329	Gov't Org	216,000	0			Payment in lieu of taxes
(3) Festival Ballet Providence 825 Hope Street Providence,RI 02906	05-0377245	501(c)(3)	7,910	0			General Support
(4) Groundwork Providence 8 Third Street Providence,RI 02906	05-0397766	501(c)(3)	12,500	0			General Support
(5) Mt Hope Learning Center 140 Cypress Street Providence,RI 02906	05-0502405	501(c)(3)	12,500	0			General Support
(6) Mt Hope Neighborhood Assoc 199 Camp Street Providence,RI 02906	22-2599257	501(c)(3)	9,500	0			General Support
(7) Summit Neighborhood Assoc Box 41092 Providence,RI 02940	05-0465260	501(c)(3)	25,000	0			General Support
(8) Thundermist Health Center 191 Social Street Woonsocket,RI 02895	05-0355097	501(c)(3)	53,100	0			Health Program Support

2

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

8

3

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

0

Part III

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

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

Part IV

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

Return Reference	Explanation
Additional Supplemental Information	The Miriam Hospital is committed to community programs and provides support to various charitable organizations in Rhode Island. Donations are made to organizations recognized by the IRS as being described in IRC Section 501(c)(3). All contributions are approved by management and are made to organizations whose missions and goals align with those of the Hospital. In 2012, Lifespan, on behalf of Rhode Island Hospital and The Miriam Hospital, reached an agreement with the City of Providence, Rhode Island to make voluntary payments to help stabilize the city's financial health. Lifespan has always maintained a strong commitment to Providence through its many community-based programs, as well as through the charity care it provides. As an organization, Lifespan understands that Providence's fiscal health is vital to the economic health of the entire State of Rhode Island. The agreement is a groundbreaking partnership that demonstrates Lifespan's commitment to help ensure a strong and vital Providence.

Additional Data

Software ID: 13000170
Software Version: 2013v4.0
EIN: 05-0258905
Name: The Miriam 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
Brown University 164 Angell Street Providence, RI 02912	05-0258809	501(c)(3)	153,264	0			General Support

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
City of Providence 25 Dorrance Street Providence,RI 02903	05-6000329	Gov't Org	216,000	0			Payment in lieu of taxes

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
Festival Ballet Providence 825 Hope Street Providence, RI 02906	05-0377245	501(c)(3)	7,910	0			General Support

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Groundwork Providence 8 Third Street Providence,RI 02906	05-0397766	501(c)(3)	12,500	0			General Support

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Mt Hope Learning Center 140 Cypress Street Providence,RI 02906	05-0502405	501(c)(3)	12,500	0			General Support

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Mt Hope Neighborhood Assoc 199 Camp Street Providence,RI 02906	22-2599257	501(c)(3)	9,500	0			General Support

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Summit Neighborhood Assoc Box 41092 Providence,RI 02940	05-0465260	501(c)(3)	25,000	0			General Support

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Thundermist Health Center 191 Social Street Woonsocket, RI 02895	05-0355097	501(c)(3)	53,100	0			Health Program Support

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.
▶ Attach to Form 990. ▶ See separate instructions.

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
The Miram Hospital

Employer identification number
05-0258905

Part I

Questions Regarding Compensation

	Yes	No
<div><div>1a</div><div>Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items</div><div><div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input checked="" 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	No

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
Part I, Line 1a Relevant information in regards to selections on 1a	Tax Indemnification and Gross-up Payments The Lifespan Executive Long Term Disability program provides financial protection to designated Lifespan executives in the event that they become disabled. Premiums are paid to the insurance carrier by the insureds on an after tax basis to allow for income replacement at a reasonable cost. The income associated with the premiums is grossed-up to cover the total cost of the benefit as provided in the Lifespan Executive Benefit Plan and is included in Medicare wages, more specifically on Schedule J, Part II, Column B (iii). Also, The Miriam Hospital purchased professional liability prior acts coverage for certain newly-hired physicians employed in calendar year 2013. Premiums were paid to insurance carriers by the insureds on an after tax basis. The income associated with the premiums is grossed-up to cover the total cost of the benefit as provided in their employment contracts and is included in Medicare wages, more specifically on Schedule J, Part II, Column B (iii).

Additional Data

Software ID: 13000170
Software Version: 2013v4.0
EIN: 05-0258905
Name: The Miriam 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				
Arthur J Sampson President	(i) (ii)	385,699		81,846	79,830	16,880	564,255	54,031
Barry L Sharaf MD Physician	(i) (ii)	382,026	69,770	16,555	14,715	18,820	501,886	
Brian G Abbott MD Physician	(i) (ii)	376,975	72,399	7,918	14,715	2,587	474,594	
George R McKendall MD Physician	(i) (ii)	353,813	118,259	15,610	14,715	22,523	524,920	
Jinnette D Abbott MD Physician	(i) (ii)	383,264	80,321	19,475	14,715	22,102	519,877	
Jonathan Elion MD Trustee	(i) (ii)	18,330		2,810	550		21,690	
Kathleen Hittner MD President & CEO	(i) (ii)			780,583			780,583	780,583
Kenneth E Arnold Secretary	(i) (ii)	471,520		101,427	12,750	17,691	603,388	
Kenneth S Korr MD Physician	(i) (ii)	310,890	135,151	13,113	14,715	21,455	495,324	
Maria P Ducharme Chief Nursing Officer	(i) (ii)	209,582		27,166	46,562	20,810	304,120	12,757
Mary A Wakefield Treasurer	(i) (ii)	570,570		103,496	359,872	16,760	1,050,698	76,672
Penelope H Dennehy Director	(i) (ii)	191,948	6,318	7,399	10,199	12,181	228,045	
Robert W Corwin MD Chief Medical Officer	(i) (ii)	254,894		54,904	6,375	16,830	333,003	
Timothy J Babineau MD Trustee	(i) (ii)	942,401	237,500	444,746	271,520	25,948	1,922,115	118,412

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
The Miriam Hospital

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Employer identification number
05-0258905

Part I

Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	RI Health & Ed Bldg Corp	52-1300173	762243SS3	02-14-2006	40,725,126	See Schedule K, Part VI		X		X	X	
B	RI Health & Ed Bldg Corp	52-1300173	762243K36	03-30-2009	19,582,506	See Schedule K, Part VI		X		X	X	

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	8,490,060							
2	Amount of bonds legally defeased	37,924,625							
3	Total proceeds of issue	40,725,126		19,582,506					
4	Gross proceeds in reserve funds			1,954,828					
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	348,652		288,639					
8	Credit enhancement from proceeds	968,829		339,121					
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds			12,380,113					
11	Other spent proceeds	39,407,645							
12	Other unspent proceeds			4,619,805					
13	Year of substantial completion	2006							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X		X				
15	Were the bonds issued as part of an advance refunding issue?	X			X				
16	Has the final allocation of proceeds been made?	X			X				
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III

Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X				
2	Are there any lease arrangements that may result in private business use of bond-financed property?	X			X				

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X				
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?	X		X					
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?	X		X					
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 320 %		0 500 %					
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 750 %							
6	Total of lines 4 and 5	1 070 %		0 500 %					
7	Does the bond issue meet the private security or payment test?		X		X				
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X					

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X		X				
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X		X				
b	Exception to rebate?		X		X				
c	No rebate due?	X		X					
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?								
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X				
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was the hedge terminated?								

Part IV

Arbitrage (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X				
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X		X				
7	Has the organization established written procedures to monitor the requirements of section 148?	X		X					

Part V

Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
	Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X		X					

Part VI

Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation
Part VI	Schedule K, Part I, Lines A & B, Column (f) The proceeds of the Series 2006A Bonds were used (i) to advance refund a portion of the \$214,585,000 Hospital Financing Revenue Bonds, Lifespan Obligated Group Issue, Series 1996, (ii) to advance refund a portion of the \$78,000,000 Hospital Financing Revenue Bonds, Lifespan Obligated Group Issue, Series 2002, and (iii) to pay certain expenses incurred in connection with the issuance of the Series 2006A Bonds The proceeds of the Series 2009A Bonds are being used for the purposes of financing projects consisting of (i) the acquisition, construction, renovation, expansion and equipping of certain hospital and related health care facilities owned and operated or to be owned and operated by one or more of Rhode Island, The Miriam, or Emma Pendleton Bradley Hospitals, located at and in the vicinity of the Hospital Campuses, (ii) equipping, furnishing, and improving facilities and other depreciable assets used in health care operations on the Hospital Campuses, (iii) the funding of a debt service reserve fund for the Bonds, and (iv) and the payment of certain expenses of issuance with respect to the Bonds Schedule K, Part IV, Line 2c For the 2006 Lifespan Obligated Group bond issuance, a rebate computation was performed on May 31, 2014 which reflected no rebate due For the 2009 Lifespan Obligated Group bond issuance, a rebate computation was performed on May 31, 2014 which reflected no rebate due

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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

OMB No 1545-0047
2013
Open to Public Inspection

Name of the organization
The Miram Hospital

Employer identification number
05-0258905

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) Marilyn J Weigner	Employee	444,943	Employee Comp		No
(2) Roberts Carroll Feldste	Partner	205,929	Legal Services		No
(3) Citizens Asset Finance	Off /Trustee	1,777,338	Debt Financing		No

Part V Supplemental Information

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

Return Reference	Explanation
Schedule L, Part V Supplemental Information	* The spouse of Pamela Harrop, MD, Trustee, is employed as a physician at The Miriam Hospital (TMH) In fiscal year 2014, TMH paid Marilyn J Weigner \$444,943 for her services * Edward Feldstein, Trustee, is a partner in Roberts, Carroll, Feldstein and Peirce, a law firm that provides legal services to a sister company, Lifespan Risk Services The common parent of TMH and Lifespan Risk Services is Lifespan Corporation During fiscal year 2014, Lifespan Risk Services paid Roberts, Carroll, Feldstein and Peirce \$205,929 for services related to TMH matters *Lawrence Aubin, Vice Chair, and Shivan Subramaniam, Trustee, are Directors of Citizens Bank (Citizens) In 2013, Rhode Island Hospital (RIH), The Miriam Hospital (TMH), and Emma Pendleton Bradley Hospital (EPBH) entered into a master lease and loan and security agreement (the 2013 Financing) with Citizens Asset Finance, an affiliate of Citizens RIH, TMH, and Bradley are jointly and severally liable for repayment of the 2013 Financing TMH made debt service and interest payments (1 66%) of \$1,777,338 in fiscal year 2014

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury

Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at
www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public
Inspection

Name of the organization The Miram Hospital	Employer identification number 05-0258905
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Return Reference	Explanation
Form 990, Part VI, Line 2 Description of Business or Family Relationship of Officers, Directors, Et	Kenneth E. Arnold, Secretary, Timothy J. Babineau, MD, Trustee, and Mary A. Wakefield, Treasurer, are officers of related for-profit corporations. Mr. Arnold and Ms. Wakefield are officers of Lifespan Management Services Organization, Inc. (MSO) and Lifespan Risk Services, Inc. Dr. Babineau and Ms. Wakefield are officers of VNA Technicare, Inc. (VNA). Additionally, Scott B. Laurans, Chair, is an officer of VNA. Lawrence Aubin, Vice Chair, and Shivan Subramaniam, Trustee, are Directors of Citizens Bank. Jonathan Fain, Trustee, is the CEO of Teknor Apex Co. Bertram Lederer, Trustee, is a Director of Teknor Apex Co.

Return Reference	Explanation
Form 990, Part VI, Line 6 Explanation of Classes of Members or Shareholder	Lifespan Corporation is the sole corporate member of The Miriam Hospital

Return Reference	Explanation
Form 990, Part VI, Line 7a How Members or Shareholders Elect Governing Body	<p>Effective October 23, 2012, the Board of Directors of Lifespan and the Boards of Trustees of Rhode Island Hospital, The Miriam Hospital (TMH), New port Health Care Corporation, New port Hospital, and Emma Pendleton Bradley Hospital approved a restructuring of their governance. The restructuring has increased governance effectiveness and has streamlined governance operation, as well as provided a single strategic perspective for the Lifespan system hospitals. Pursuant to the restructuring, the bylaws of each of the affiliates were amended such that the composition of the boards of trustees of each of the hospitals and New port Health Care Corporation is defined as those persons serving from time to time as the directors of Lifespan. As a result, the Boards of each entity are comprised of the same individuals. The Board of each entity retains its responsibilities and authorities notwithstanding the revision in its composition. The Board of Directors of Lifespan consists of not less than fourteen nor more than thirty-one directors, including the President and CEO of Lifespan, who serves ex-officio with vote, and the following ex-officio voting directors: the Chairs of Rhode Island Hospital Foundation, The Miriam Hospital Foundation, New port Hospital Foundation, Bradley Hospital Foundation, and Gateway Foundation, each of whom, by extension, serves as a trustee of each of the hospitals. Additionally, the bylaws of TMH confer certain reserved powers on Lifespan to provide it with the means of effective oversight, coordination, and support of the system. Powers reserved to Lifespan include: to elect and remove TMH trustees and to approve the election of and to remove certain officers.</p>

Return Reference	Explanation
Form 990, Part VI, Line 7b Describe Decisions of Governing Body Approval by Members or Shareholders	As noted above, the TMH Board is comprised of the same individuals who serve on the Lifespan Board. Lifespan has the responsibility for planning, directing, and establishing policies intended to assure the development and delivery of quality health services on an integrated, cost-effective basis. Powers reserved to Lifespan, in addition to those noted above, include to approve amendment of the Articles of Incorporation and Bylaws and other charter documents, to approve strategic plans, to approve investment policies and any capital or operating budgets or material non-budgeted expenditures, and to authorize incurrence or guaranty of material indebtedness.

Return Reference	Explanation
Form 990, Part VI, Line 11b Form 990 Review Process	<p>The preparation and filing of the Form 990 and supporting schedules is the responsibility of the Chief Financial Officer and Lifespan's Finance Department, with review by Lifespan's tax advisors, KPMG LLP. The Form 990 is prepared by the accounting staff upon completion of Lifespan's annual independent audit and reviewed by the Corporate Services Tax Compliance Manager. Further review is performed by the Director of Finance and the Vice President of Finance - Corporate Services. Once the draft Form 990 is complete, the Tax Compliance Manager forwards it with all supporting worksheets to KPMG, which then reviews the completed form in detail. The Tax Compliance Manager answers questions as they arise and provides additional information as needed. KPMG provides the Tax Compliance Manager with any recommended changes which are reviewed, and if agreed upon, are incorporated into the return. The draft Form 990 is then provided to the Chief Financial Officer for final management review. Prior to filing the return with the Internal Revenue Service, a copy of the entire form, along with a video presentation detailing form highlights, are posted to the Hospital's Board of Trustees website portal in advance of its next Board meeting, at which all questions and concerns of the members of the Board are addressed by the Chief Financial Officer and incorporated into the Form 990 when appropriate. Once the Form 990 is complete and ready to be filed, the members of the Board are notified via email that a copy of the final version of the Form 990 is accessible through the same password protected website portal. The Chief Financial Officer is authorized to file the Form 990.</p>

Return Reference	Explanation
Form 990, Part VI, Line 19 Other Organization Documents Publicly Available	Lifespan and the Lifespan Obligated Group, which consists of The Miriam Hospital, RIH and Affiliates, Emma Pendleton Bradley Hospital, Rhode Island Hospital Foundation, and The Miriam Hospital Foundation, currently make their annual and quarterly consolidated financial statements available to the public via DAC (Digital Assurance Certification LLC), a disclosure dissemination agent for issues of tax-exempt bonds which electronically posts and transmits Lifespan's financial information to repositories and investors alike. In addition, copies of TMH's Articles of Incorporation, Bylaws, and Conflict of Interest Policy are available upon request from the office of the Lifespan Chief Financial Officer, either in person or by mail.

Return Reference	Explanation
Other Changes In Net Assets Or Fund Balances - Other Decreases	Change in funded status of pension and other postretirement = -\$6029300

Return Reference	Explanation
Other Changes In Net Assets Or Fund Balances - Other Increases	Donated equipment = \$268842

Return Reference	Explanation
Other Changes In Net Assets Or Fund Balances - Other Increases	Increase in Net Assets of TMHF = \$951213

Return Reference	Explanation
	<p>The Center's team-based approach provides state-of-the-art care for patients who have or are at risk for cancers of the upper gastrointestinal tract, such as pancreatic cancer, cancer of the esophagus, and tumors involving the liver. The gastrointestinal cancer care services available through the Comprehensive Cancer Center provide care for patients who have or are at risk for the following types of cancer: bile duct, esophagus, gallbladder, endocrine, and cystic tumors of the pancreas, liver, and stomach. TMH also offers medical nutrition therapy on an outpatient basis designed to help prevent and control gastrointestinal disorders.</p>

Return Reference	Explanation
	<p>The Leonard and Adele R Decof Family Comprehensive Cancer Center at TMH This Comprehensive Cancer Center brings together world-renowned physicians and a team of specialists from Rhode Island Hospital (RIH), TMH, and Newport Hospital (NH), forming a multidisciplinary team whose level of knowledge and experience are unparalleled in the State of Rhode Island TMH, as a part of the Comprehensive Cancer Center, provides state-of-the-art care for patients with cancer Award-Winning CareTMH has received many awards and distinctions, including (1) the Quality Oncology Practice Initiative certification, demonstrating commitment to excellence and ongoing quality improvement practice, (2) Commission on Cancer three-year accreditation with commendation, and (3) Blue Distinction Center for Complex and Rare Cancers by Blue Cross and Blue Shield of Rhode IslandThe Total Joint CenterThe Total Joint Center at The Miriam Hospital (the Center) is dedicated to providing the most technologically advanced and specialized procedures focused on the replacement of joints and rehabilitation and care in treating diseases of, or injuries to, hips, knees, and shoulders TMH is a Blue Cross Blue Shield Blue Distinction Center for Knee and Hip Replacement, which is a designation given to hospitals that demonstrate an expertise in quality care by meeting objective clinical measures, resulting in better outcomes for patients In 2014, the Center earned The Joint Commission's Gold Seal of Approval for its knee and total hip replacement programs The certification recognizes the Center's compliance with national standards for health care quality and safety in a disease-specific care set by The Joint Commission It also acknowledges the Center's dedication to continuous compliance with The Joint Commission's state-of-the-art standards Medical and surgical services at the Center are provided in a personalized, caring environment within the context of an academic medical center All services focus on the patient experience from initial consultation through recovery Multidisciplinary medical teams include many dedicated specialists - surgeons, internal medicine specialists, anesthesiologists, nurses, rehabilitation therapists, and social workers who work with patients from diagnosis to treatment to follow-up care The physical therapy and nursing teams work together after surgery to get patients moving for faster recovery, and physicians, nurses, and therapists work collaboratively to follow up care Each patient benefits from individualized treatment plans and rehabilitation to aid recovery and restore functionality as quickly as possible Whenever possible, minimally invasive surgical techniques are used to perform surgery These techniques have dramatically improved the quality of the post-operative and recovery experience for the patient In certain cases, computer navigation technology is used for knee and hip replacement surgeries Computer navigation can assist the surgeon and improve the level of accuracy, bringing the precision of bone cuts and implant alignment in joint replacement surgery to a whole new level of accuracy, reliability, and longevity Award-Winning Stroke CareIn 2014, The Miriam Hospital received the Get With The Guidelines-Stroke Gold-Plus Quality Achievement Award for using American Heart Association/American Stroke Association quality improvement measures when treating stroke patients The distinction acknowledges TMH's commitment to quality care TMH treats more than 600 stroke patients each year and has received the Gold or Gold Plus designation for stroke care every year since 2008 The Get With The Guidelines-Stroke quality program embodies adoption of the latest research-based treatment guidelines intended to speed recovery and reduce death and disability among stroke patients To receive the award, TMH met specific quality achievement measures for the rapid diagnosis and treatment of stroke patients These measures include achieving and sustaining 85 percent or higher adherence to specific evidence-based guidelines over 24 consecutive months and aggressively using medications and risk-reduction therapies aimed at reducing death and disability and improving the lives of patients who have had a stroke Intensive Care Unit Beacon AwardAlso in 2014, the Intensive Care Unit at TMH attained a silver-level Beacon Award for Excellence from The American Association of Critical-Care Nurses (AACN) The three-year award recognizes the hospital for its exceptional patient care and improved patient outcomes, as well as practices that follow the AACN's six Healthy Work Environment Standards Receiving the Beacon Award affirms the remarkable commitment that the TMH nursing staff and the entire interdisciplinary team provide to its critically ill patients This consistent emphasis on improved quality of care naturally leads to improved patient outcomes In 2013, Lifespan also brought new treatments to Rhode Island, invested in tec</p>

Return Reference	Explanation
	<p>hnology that enhanced its surgical capabilities, and extended its services beyond the wall s of its hospitals. TMH became the first hospital in Rhode Island to perform thoracic surg ery using minimally invasive robotic technology and opened the Kidney Stone Center, the on ly center of its kind in the State, bringing together a team of nephrologists, urologists, and dietitians all under one roof. In 2013, TMH was named the top hospital in Rhode Island and southeastern Massachusetts for the second consecutive year, according to U S News & World Report. TMH was recognized as high performing in eight medical specialties, includin g cancer, diabetes/endocrinology, gastroenterology and surgery, geriatrics, nephrology, ne urology and neurosurgery, pulmonology, and urology. Environmental Partnership AwardTMH has received the "Partner Recognition Award" from Practice Greenhealth, a health care membersh ip community that promotes efficiency and environmental stewardship while improving patien t safety and care.</p>

Return Reference	Explanation
	<p>TMH has been named among the nation's 100 top hospitals for cardiovascular care by Thompson Healthcare. Thompson's annual study identifies hospitals that are setting benchmark levels of performance for cardiovascular services throughout the nation. It recognizes the hospitals and their management teams for superior clinical, operational, and financial performance in the area of cardiovascular service. TMH's cardiac surgery department is led by four board-certified cardiothoracic surgeons, each able to perform a wide variety of cardiac, thoracic, and peripheral vascular procedures. They represent more than ninety years of cumulative experience. Anesthesiologists dedicated to the management of complex cardiothoracic and vascular procedures provide each patient with the latest measures of intraoperative therapy and assessment. Every patient is monitored with a transesophageal echocardiogram (sonogram). TMH's team of surgeons, anesthesiologists, and cardiologists works closely together. This cooperative approach has led to outstanding results at all levels of complexity. Thanks to the latest evolution in surgical technology, physicians now have an effective alternative to traditional open surgery and laparoscopy that allows them to provide patients with the best of both approaches. This alternative is the da Vinci Surgical System and TMH uses this technology to treat different types of cancer.</p>

Return Reference	Explanation
	<p>TMH's surgeons are leaders in their field. TMH, as part of an academic medical center, prizes the mastery of new technologies in order to improve the quality of life for patients. TMH surgeons have successfully performed over 1,000 procedures using the da Vinci surgical system and have made its use a cornerstone of cancer treatment at TMH. The Hospital's Adult Outpatient Behavioral Medicine Services help individuals improve health through behavior change. Services are offered to help patients adjust to chronic medical conditions, including their associated physical and emotional distress, modify unhealthy ways of living (for example, smoking cessation) to help prevent the onset or progression of disease, and treat mood and anxiety disorders that interfere with management of medical conditions. Services are available to help individuals with behavioral and psychosocial management of medical conditions such as headache, pain, cancer, heart disease (including those with implanted cardiac devices), pulmonary disease, and diabetes. The Weight Management Program provides comprehensive, medically supervised treatment for mild, moderate, and severely overweight adults. Specialized programs are also available for adolescents and diabetics. Treatment combines medical monitoring, behavioral therapy, exercise instruction, three levels of calorie reduction, and nutrition education. The Hospital's clinicians include surgical oncologists, medical oncologists, radiation oncologists, hematologists, pathologists, physical therapists, radiologists, nurses, clinical social workers, patient advocates, pharmacists, and nutritionists. These dedicated specialists work with patients every step of the way, from diagnosis to treatment to follow-up care. To help patients and their families cope with breast cancer, TMH offers the Breast Health Navigator Program. The program assists breast cancer patients through the entire course of their cancer care with breast health navigators, registered nurses trained in oncology who possess an in-depth understanding of breast cancer and the process undergone by patients. They guide patients through diagnosis, treatment, and recovery, while helping them make informed decisions and cope with the variety of issues they face. TMH and RIH were named Blue Distinction Centers for Complex and Rare Cancers by Blue Cross and Blue Shield of Rhode Island. TMH and RIH are the only two hospitals in the State to receive this distinction. Blue Distinction Centers for Complex and Rare Cancers are facilities within participating Blue Cross and Blue Shield network service areas that offer comprehensive inpatient cancer care programs for adults, delivered by multidisciplinary teams with subspecialty training and distinguished clinical expertise in treating complex and rare subtypes of cancer. TMH and RIH have both been recognized for excellence in treating esophageal, gastric, liver, pancreatic, rectal, and thyroid cancer. The division of gastrointestinal and liver pathology is committed to providing high quality diagnostic services for gastrointestinal and liver diseases in patients. Collectively, gastrointestinal cancers are among the most common form of malignancies suffered today, affecting nearly a quarter of a million Americans each year. To address this, the Comprehensive Cancer Center has brought together nationally recognized leaders in the treatment and research of gastrointestinal cancers.</p>

Return Reference	Explanation
Form 990, Part I, Line 6	Volunteers support and contribute to the mission of TMH every day. They are able to learn, meet other dedicated volunteers, better understand the healthcare environment, and gain personal satisfaction knowing they are making a difference to patients, families, visitors, and vendors alike. Volunteer opportunities are available for both teens and adults in a wide variety of positions, including greeters, family liaisons, emergency room support, gift shop support, nurse aides, office support, pet therapy, physical therapy, patient visitors, recovery room support, art therapy, and central transporters. Volunteers also transport students and serve as guides, escorts, and interpreter aides.

Return Reference	Explanation
Form 990, Part III, 4a, continued	<p>TMH is licensed to operate 247 acute care beds by the Rhode Island Department of Health. Notable medical accomplishments of TMH include performance of Rhode Island's first lung operation, first kidney transplant, and first aortic valvuloplasty (a procedure to clear blocked heart valves). In 2014, TMH discharged 16,033 inpatients, logged more than 61,000 visits in its Emergency Department, and performed more than 11,500 inpatient and outpatient surgical procedures. Services provided in 2014 represent over 63,500 inpatient days and more than 90,000 clinic visits. TMH is staffed by more than 775 affiliated physicians, approximately 50 full-time house staff (medical school graduates), a nursing staff of 500, and more than 1,100 health care employees. In total, TMH employs nearly 2,800 people. TMH is a major teaching affiliate for The Warren Alpert Medical School of Brown University, providing clinical rotations for residents. TMH provides full charity care for individuals at or below twice the federal poverty level, with a sliding scale for individuals up to three times the poverty level. In addition, a substantial discount is offered to all other uninsured patients equal to the Medicare program. The Hospital determines the cost associated with providing charity care by aggregating the applicable direct and indirect costs, including compensation and benefits, supplies, and other operating expenses, based on data from its costing system. The total net cost, excluding medical education and research, incurred by the Hospital to provide charity care amounted to \$9,699,588 in fiscal 2014. Charges forgone, based on established rates, amounted to \$29,569,752. TMH substantially subsidized various health services including psychiatry, HIV, tuberculosis, and men's health clinics at a net cost of \$7,705,260 in fiscal year 2014. TMH also provides numerous other services to the community for which charges are not generated. These services include certain emergency services, community health screenings for cardiac health, prostate cancer and other diseases, smoking cessation, immunization and nutrition programs, diabetes education, community health training programs, patient advocacy, foreign language translation, physician referral services, and charitable contributions. The net cost of these services amounted to \$282,218 in fiscal year 2014. TMH subsidizes the cost of treating patients who receive government assistance where reimbursement is below cost. Medicaid is a means-tested health insurance program, jointly funded by state and federal governments. States administer the program and set rules for eligibility, benefits, and provider payments within broad federal guidelines. The program provides health care coverage to low-income children and families, pregnant women, long-term unemployed adults, seniors, and persons with disabilities. Eligibility is determined by a variety of factors, which include income relative to the federal poverty line, age and immigration status, and assets.</p>

Return Reference	Explanation
Form 990, Part III, 4b	<p>In 1969, TMH and certain other Rhode Island hospitals entered into an affiliation agreement to participate jointly in various clinical training programs and research activities with Brown Medical School, renamed The Warren Alpert Medical School of Brown University (Brown). The goals of the partnership are to facilitate the expansion of joint educational and research programs to compete both clinically and academically. The Hospital participates in Brown programs in internal medicine and medicine subspecialties, general surgery and surgical subspecialties, psychiatry, emergency medicine, orthopedics, and dermatology. The Hospital provides stipends to residents and physician fellows while in training. The Hospital is also a participating clinical training site for residents from other programs in anesthesiology, pediatric dentistry, family medicine, infectious disease, obstetrics/gynecology (OB/Gyn) and OB/Gyn subspecialties, otolaryngology, podiatry, psychiatry, geriatric psychiatry, orthopedics, rheumatology, and radiation oncology. In addition, TMH Behavioral Medicine, in collaboration with Brown, sponsors research and clinical psychology training programs for interns, postdoctoral fellows, and faculty trainees. With respect to nursing education, the Hospital has developed educational affiliations with the University of Rhode Island College of Nursing, Rhode Island College School of Nursing, Community College of Rhode Island (CCRI), Salve Regina University, Boston College, Yale University, Regis College, Simmons College, St. Joseph's Health Services School of Nursing, the University of Massachusetts campuses at Dartmouth, Boston, Amherst, and Worcester, the University of Connecticut, New England Technical Institute, Northeastern University, Walden University, Georgetown University School of Nursing and Health Studies, and the University of Pennsylvania, as well as other Schools of Nursing, pursuant to which their nursing students obtain clinical training and experience at the Hospital. The Hospital does not receive any compensation from the various schools for providing a clinical setting for the student nurse training. The Hospital sponsors training programs for a variety of allied health care professionals including required clinical and fieldwork experiences in physical, speech, and occupational therapy to university students in each discipline through contracts with the various universities. The Hospital serves as a clinical training site for students from CCRI for the vascular and cardiology ultrasound programs and also provides training experiences for students in diagnostic radiology, medical technology, phlebotomy, and social work. The Hospital serves as a clinical training site for students from The Nuclear Medicine Institute of the University of Findlay (Ohio). The Hospital has clinical affiliations/student clinical training programs for pharmacy students provided through contracts with a number of colleges and universities.</p>

Return Reference	Explanation
Form 990, Part III, 4c	<p>TMH conducts extensive medical research and is in the forefront of biomedical health care delivery research and among the leaders nationally in National Institutes of Health programs Major areas of research include Cancer - TMH conducts clinical and behavioral research focusing on the many facets of cancer including prevention, education, and therapeutics which are supported by the National Cancer Institute, CALGB, and NSABP TMH is a participating hospital in the Brown University-sponsored Cancer Oncology Group (BrUCOG) AIDS - As part of the Lifespan/Tufts/Brown Center for AIDS Research (CFAR), division researchers engage in clinical, basic, and translational research designed to improve the prevention and treatment of HIV/AIDS, with a major focus on women, racial and ethnic minorities, and individuals with substance abuse problems The Lifespan/Tufts/Brown CFAR is a joint research effort among Brown University and Tufts University and their affiliated hospitals and centers It is one of 19 centers located at academic medical centers throughout the United States that are part of the national CFAR program of the National Institutes of Health The program emphasizes the importance of interdisciplinary collaboration, especially between basic and clinical investigators, and also encourages training and mentoring of young investigators as well as an inclusion of women and minorities HIV - At TMH, research focuses on the treatment and prevention of HIV infections, especially in hard-to-reach populations, both in the U S and abroad There are international sites located in Cambodia, India, Kenya, Indonesia, The Philippines, and South Africa The Lifespan/Tufts/Brown Center for AIDS Research conducts clinical, basic, and translational research programs The TB Clinic performs research in the area of co-infections of HIV and tuberculosis The Centers for Behavioral and Preventive Medicine aims to improve health through behavioral change and the integration of behavioral and biomedical science using clinical, community, and laboratory-based research The Centers' research bridges biomedical, sociobehavioral, and population/public health scientific disciplines Faculty members are committed to both basic research on discovering the mechanisms underlying behavioral factors in health and illness (e g , examining the stress response among children and adolescents, neuroimaging of AIDS, and other medical conditions), as well as to applied research on the translation of these discoveries for clinical and community health improvement Programs range from those that focus on primary prevention (e g , promoting tobacco cessation, preventing weight gain, increasing physical activity, and HIV/AIDS prevention) to improving the effectiveness of treatment and enhancing quality of life in populations such as cancer survivors and patients enrolled in cardiac rehabilitation programs</p>

Return Reference	Explanation
Form 990, Part VI, Section A, Line 1b	<p>*Michael G Ehrlich, MD, Trustee, is the President of University Orthopedics, Inc Rhode Island Hospital contracts with University Orthopedics for various services *David Gorelick, Trustee, is an officer of Aquidneck Medical Associates, a physician practice which has a professional service contract with New port Hospital *Shivan Subramaniam, Trustee, is the CEO of FM Global Lifespan purchases property insurance coverage from Factory Mutual Insurance Company, a member of FM Global *Brian J Zink, MD, Trustee, received taxable tuition reimbursement from Rhode Island Hospital</p>

Return Reference	Explanation
Form 990, Part VI, Section B, Line 12c	<p>Lifespan Corporation has a Conflict of Interest Policy that is applicable to all affiliates, including The Miriam Hospital, and administered by Lifespan's Corporate Compliance Department as follows: Each designated person subject to Lifespan's conflict of interest policy is required to provide Lifespan with an initial disclosure statement and thereafter an annual statement attesting that (i) the designated person has read and is familiar with this policy, and (ii) the designated person and, to the best of his/her knowledge, family members, have not in the past engaged in, are not presently engaging in, or plan to engage in, any activity which contravenes this policy. If, at any time during the course of employment or association, a designated person has reason to believe that an existing or contemplated activity may contravene this policy, the person shall submit a full written description of the activity to the Lifespan Compliance Officer or the Office of the General Counsel to seek a determination as to whether the contemplated activity does or does not contravene this policy. This requirement shall be acknowledged as part of the annual performance evaluation process. If the activity in question involves either the Chief Executive Officer, the Senior Vice President and General Counsel, or a Trustee, a full written disclosure must be made to, and a determination sought from, the Chairman of the Board of Directors of Lifespan Corporation. Annually, the Lifespan Compliance Officer shall review and report to the Lifespan Executive Corporate Compliance Committee and to the Lifespan Audit and Compliance Committee on the administration of this policy. Failure on the part of any designated person to comply with this policy, including failure to submit in a timely fashion the conflict of interest disclosure statement, will be grounds for removal from his/her position and/or termination of his/her employment with Lifespan.</p>

Return Reference	Explanation
Form 990, Part VI, Section B, Lines 15 a&b	<p>The following applies to Lifespan and all of its affiliates, including The Miriam Hospital EXECUTIVE COMPENSATIONLifespan's executive compensation philosophy balances appropriate stewardship of resources and the need to be competitive in recruiting and retaining talented individuals. It incorporates market-competitive and performance-related principles, and covers the President and CEO of Lifespan as well as other officers, senior management, and key employees. Lifespan's executive compensation program complies both with law and with contemporary ethical norms, and is administered consistent with the organization's tax-exempt status under Section 501(c)(3) of the Internal Revenue Code (IRC) and the avoidance of transactions subject to intermediate sanctions under Section 4958 of the IRC. Executive compensation is also administered consistent with Lifespan's Corporate Compliance Policy on Excess Benefit Transactions. The Compensation Committee of the Lifespan Corporation Board of Directors (the Committee), comprised of disinterested Lifespan and affiliate Board members, is responsible for diligent oversight of executive compensation to ensure compliance with IRC requirements. Its duties include:</p> <ul style="list-style-type: none"> * Approving eligibility for participation in the executive compensation program * Approving changes in compensation for existing executive participants * Approving guidelines, such as salary ranges and contract terms, on appropriate levels of compensation for other key employees * Approving new, and modifying or terminating existing, executive compensation plans including, but not limited to, annual incentive and executive benefit plans * Approving performance objectives associated with Lifespan's annual incentive plan, including measuring points, and using audited actual performance relative to these objectives as a precondition to approving the payment of any awards under the plan * Authorizing periodic performance benchmark studies to be conducted for purposes of assessing Lifespan's performance within the healthcare industry and the degree to which total remuneration levels at Lifespan are generally commensurate with Lifespan performance relative to healthcare industry performance * Conducting an annual performance review of Lifespan's Chief Executive Officer. The Chair of the Committee conducts and documents this review, based on his/her observations and interpretation of feedback from members of the Board of Directors * Selecting and engaging qualified, independent, third-party compensation valuation consultants that the Committee charges with rendering opinions with respect to the reasonableness and comparability of compensation as well as the comparative organizations against which compensation is assessed, in accordance with relevant sections of the IRC and Lifespan's executive compensation philosophy. The independent consultants are not engaged by management to perform any services for Lifespan without prior approval by the Committee. Lifespan's Chief Executive Officer works closely with the Committee to make recommendations on the above topics and keep the Committee informed about contemplated compensation changes for executives and other key employees, as well as candidates for these roles. The CEO also provides periodic updates to the Committee regarding Lifespan's performance relative to compensation-related performance objectives. The Committee's deliberations and actions are documented in minutes prepared for each meeting. <p>PROCESS FOR DETERMINING COMPENSATION</p> <p>Valuation of Total Cash and Total Remuneration. No less frequently than annually, the Committee receives and reviews a total cash compensation valuation of all existing executive compensation program participants prepared by its independent compensation consultant. Annually, the Committee also receives and reviews a total remuneration valuation of all existing executive compensation participants.</p>

Return Reference	Explanation
Form 990, Part VI, Section B, Lines 15 a&b cont	<p>Base Salary Actions The CEO recommends any salary adjustments for participants in the executive compensation program, using the results of the valuation study and his/her assessment of individual performance or other pertinent information, for the Committee's consideration New Participants in Executive Compensation Program With respect to compensation offers for individuals expected to participate in the executive compensation program, the Office of the President works with the Committee's independent compensation consultant or relies on information previously provided by the consultant to establish a range of reasonable cash compensation within which recruitment is expected to conclude with acceptance of a reasonable compensation offer</p>

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
The Minam Hospital

Employer identification number
05-0258905

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.					
(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.							
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
See Additional Data Table							

Part III

Identification of Related Organizations Taxable as a Partnership

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

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

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) Lifespan MSO Inc 167 Point Street Providence, RI 02903 05-0508717	Mgmnt Services	RI	Lifespan Corp	C Corp					No
(2) Lifespan Risk Services Inc 167 Point Street Providence, RI 02903 05-0459767	Risk Mgmnt	RI	Lifespan Corp	C Corp					No
(3) VNA Technicare Inc 622 George Washington Highway Lincoln, RI 02865 05-0472710	DME Sales	RI	LDS Inc	C Corp					No
(4) Gateway Professional Group Inc 249 Roosevelt Avenue Pawtucket, RI 02860 05-0498391	Psychotherapy	RI	Gateway Healthcare	C Corp					No

Part V

Transactions With Related Organizations

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

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

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

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

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

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

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

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

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

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

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

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

[illegible]

Part VII

Supplemental Information

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

Return Reference	Explanation
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Additional Data

Software ID: 13000170

Software Version: 2013v4.0

EIN: 05-0258905

Name: The Miriam Hospital

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity?	
						Yes	No
(1) Alternative Living Concepts 249 Roosevelt Avenue Pawtucket, RI 02860 05-0442015	Housing for Elderly and Mentally Ill	RI	501(c)(3)	9	Gateway Healthcare Inc		No
(1) Bayberry Courts Inc 249 Roosevelt Avenue Pawtucket, RI 02860 20-4590384	Housing for Elderly and Mentally Ill	RI	501(c)(3)	9	Gateway Healthcare Inc		No
(2) Bradley Hospital Foundation 167 Point Street Providence, RI 02903 05-0500688	Philanthropic Activities	RI	501(c)(3)	7	Lifespan Corporation		No
(3) Capital City Community Centers Inc 249 Roosevelt Avenue Pawtucket, RI 02860 05-0259090	Daycare Services	RI	501(c)(3)	7	Gateway Healthcare Inc		No
(4) Emma Pendleton Bradley Hospital 1011 Veterans Memorial Parkway East Providence, RI 02915 05-0258806	Pediatric Psych Health Care Services	RI	501(c)(3)	3	Lifespan Corporation		No
(5) Families Reaching Into Each New Day Inc 249 Roosevelt Avenue Pawtucket, RI 02860 05-0504841	Bereavement Services for Children	RI	501(c)(3)	7	Gateway Healthcare Inc		No
(6) Gateway Foundation 249 Roosevelt Avenue Pawtucket, RI 02860 46-4002163	Philanthropic Activities	RI	Applied For		Lifespan Corporation		No
(7) Gateway Healthcare Inc 249 Roosevelt Avenue Pawtucket, RI 02860 05-0309043	Subs Abuse & Psych Health Care Svcs	RI	501(c)(3)	9	Lifespan Corporation		No
(8) Hospital Properties Inc 167 Point Street Providence, RI 02903 22-2869743	Property Management	RI	501(c)(4)	N/A	Lifespan Corporation		No
(9) Human Services Realty Inc 249 Roosevelt Avenue Pawtucket, RI 02860 05-0398161	Housing for Elderly and Mentally Ill	RI	501(c)(2)	N/A	Gateway Healthcare Inc		No
(10) JM Apartments Inc 249 Roosevelt Avenue Pawtucket, RI 02860 05-0435537	Housing for Elderly and Mentally Ill	RI	501(c)(3)	9	Gateway Healthcare Inc		No
(11) Lifespan Corporation 167 Point Street Providence, RI 02903 22-2861978	Holding Company/ Mgmnt Services	RI	501(c)(3)	11	NA		No
(12) Lifespan Diversified Services Inc 167 Point Street Providence, RI 02903 05-0258935	Holding Company/ Mgmnt Services	RI	501(c)(3)	11	Lifespan Corporation		No
(13) Lifespan Foundation 167 Point Street Providence, RI 02903 05-0493219	Philanthropic Activities	RI	501(c)(3)	7	Lifespan Corporation		No
(14) Lifespan of Massachusetts Inc c/o Archstone Law 245 Winter St Waltham, MA 02451 04-3408517	Holding Company	RI	501(c)(3)	11	Lifespan Corporation		No
(15) Lifespan Physician Group Inc 167 Point Street Providence, RI 02903 05-0389801	Health Care Services	RI	501(c)(3)	9	Lifespan Corporation		No
(16) Lifespan School Solutions Inc 167 Point Street Providence, RI 02903 46-4910847	Educational Services	RI	Applied For		Emma Pendleton Bradley Hospital		No
(17) LJR Corporation 249 Roosevelt Avenue Pawtucket, RI 02860 03-0508346	Housing for Elderly and Mentally Ill	RI	501(c)(3)	9	Gateway Healthcare Inc		No
(18) Mill River Community Housing Corporation 249 Roosevelt Avenue Pawtucket, RI 02860 05-0427152	Housing for Elderly and Mentally Ill	RI	501(c)(3)	9	Gateway Healthcare Inc		No
(19) Newport Health Care Corporation 11 Friendship Street Newport, RI 02840 22-2535537	Holding Company/ Mgmnt Services	RI	501(c)(3)	7	Lifespan Corporation		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(21) Newport Health Property Management Inc 11 Friendship Street Newport, RI 02840 22-2335539	Property Management	RI	501(c)(3)	11	Newport Health Care Corporation		No
(1) Newport Hospital 11 Friendship Street Newport, RI 02840 05-0258914	Health Care Services	RI	501(c)(3)	3	Lifespan Corporation		No
(2) Newport Hospital Foundation Inc 11 Friendship Street Newport, RI 02840 22-2535533	Philanthropic Activities	RI	501(c)(3)	7	Lifespan Corporation		No
(3) NHCC Medical Associates Inc 11 Friendship Street Newport, RI 02840 05-0472268	Health Care Services	RI	501(c)(3)	11	Lifespan Corporation		No
(4) Obed Apartments Inc 249 Roosevelt Avenue Pawtucket, RI 02860 05-0422771	Housing for Elderly and Mentally Ill	RI	501(c)(3)	9	Gateway Healthcare Inc		No
(5) Pathways Inc 249 Roosevelt Avenue Pawtucket, RI 02860 05-0393004	Housing for Elderly and Mentally Ill	RI	501(c)(3)	9	Gateway Healthcare Inc		No
(6) Rhode Island Hospital 593 Eddy Street Providence, RI 02903 05-0258954	Health Care Services	RI	501(c)(3)	3	Lifespan Corporation		No
(7) Rhode Island Hospital Foundation 167 Point Street Providence, RI 02903 05-0468736	Philanthropic Activities	RI	501(c)(3)	7	Lifespan Corporation		No
(8) RIH Ventures 593 Eddy Street Providence, RI 02903 05-0448686	Parking Facilities/Phlebotomy Services	RI	501(c)(3)	11	Lifespan Corporation		No
(9) Shore Courts Inc 249 Roosevelt Avenue Pawtucket, RI 02860 05-0504003	Housing for Elderly and Mentally Ill	RI	501(c)(3)	9	Gateway Healthcare Inc		No
(10) The Autism Project 1516 Atwood Avenue Johnston, RI 02919 05-0512037	Services for Children with Autism	RI	501(c)(3)	9	Gateway Healthcare Inc		No
(11) The Miriam Hospital Foundation 167 Point Street Providence, RI 02903 05-0377502	Philanthropic Activities	RI	501(c)(3)	7	Lifespan Corporation		No
(12) The Miriam Hospital Womens Assoc 164 Summit Avenue Providence, RI 02906 05-0268165	Patient Support	RI	501(c)(3)	11	Lifespan Corporation		No
(13) TLR Realty 249 Roosevelt Avenue Pawtucket, RI 02860 04-3742771	Housing for Elderly and Mentally Ill	RI	501(c)(3)	9	Gateway Healthcare Inc		No
(14) Wentworth Corporation 249 Roosevelt Avenue Pawtucket, RI 02860 05-0488520	Housing for Elderly and Mentally Ill	RI	501(c)(3)	9	Gateway Healthcare Inc		No
(15) Westerly Courts Inc 249 Roosevelt Avenue Pawtucket, RI 02860 61-1439766	Housing for Elderly and Mentally Ill	RI	501(c)(3)	9	Gateway Healthcare Inc		No
(16) JRR Housing 249 Roosevelt Avenue Pawtucket, RI 02860 26-3121266	Housing for Elderly and Mentally Ill	RI	501(c)(3)	9	Gateway Healthcare Inc		No
(17) RI Sound Enterprises Insurance Co Ltd 65 Front Street Hamilton HM 12 BD	Offshore Insurance Captive	BD	N/A	N/A	Lifespan Corporation		No



THE MIRIAM HOSPITAL

Financial Statements

September 30, 2014 and 2013

(With Independent Auditors' Report Thereon)

THE MIRIAM HOSPITAL

Financial Statements

September 30, 2014 and 2013

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KPMG LLP
6th Floor, Suite A
100 Westminster Street
Providence, RI 02903-2321

Independent Auditors' Report

The Board of Trustees
The Miriam Hospital:

We have audited the accompanying financial statements of The Miriam Hospital, which comprise the statements of financial position as of September 30, 2014 and 2013, and the related statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance 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 from material misstatement, whether due to fraud or error.

Auditors' 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 financial position of The Miriam Hospital as of September 30, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP

Providence, Rhode Island
February 19, 2015

THE MIRIAM HOSPITAL

Statements of Financial Position

September 30, 2014 and 2013

(In thousands)

Assets	2014	2013	Liabilities and Net Assets	2014	2013
Current assets			Current liabilities		
Cash and cash equivalents	\$ 25,237	\$ 14,009	Accounts payable	\$ 15,830	\$ 18,524
Patient accounts receivable	55,687	64,179	Accrued employee benefits and compensation	14,206	13,488
Less allowance for doubtful accounts	<u>(13,626)</u>	<u>(17,943)</u>	Other accrued expenses	4,816	4,594
Net patient accounts receivable	42,061	46,236	Current portion of long-term debt	3,820	3,689
Other receivables	<u>4,754</u>	<u>2,431</u>	Current portion of estimated third-party payor settlements	3,789	1,598
Total receivables	46,815	48,667	Estimated health care benefit self-insurance costs	<u>2,274</u>	<u>4,061</u>
Assets limited as to use	155	155	Total current liabilities	44,735	45,954
Inventories	5,266	4,851	Long-term debt, net of current portion	65,909	69,845
Prepaid expenses and other current assets	<u>224</u>	<u>362</u>	Estimated third-party payor settlements, net of current portion	5,693	5,065
Total current assets	77,697	68,044	Accrued pension liability	30,726	24,714
Interest in net assets of The Miriam Hospital Foundation	60,375	59,424	Other liabilities	<u>413</u>	<u>332</u>
Assets limited as to use	131,773	135,358	Total liabilities	147,476	145,910
Less amount required to meet current obligations	<u>(155)</u>	<u>(155)</u>	Net assets		
Noncurrent assets limited as to use	131,618	135,203	Unrestricted	263,666	248,255
Property and equipment, net	187,512	174,929	Temporarily restricted	28,076	27,475
Other assets			Permanently restricted	<u>19,569</u>	<u>17,659</u>
Deferred financing costs, net	1,249	1,381	Total net assets	311,311	293,389
Other noncurrent assets	<u>336</u>	<u>318</u>			
Total other assets	<u>1,585</u>	<u>1,699</u>			
Total assets	\$ <u>458,787</u>	\$ <u>439,299</u>	Total liabilities and net assets	\$ <u>458,787</u>	\$ <u>439,299</u>

See accompanying notes to financial statements

THE MIRIAM HOSPITAL
Statements of Operations and Changes in Net Assets
Years ended September 30, 2014 and 2013
(In thousands)

	<u>2014</u>	<u>2013</u>
Unrestricted revenues and other support:		
Patient service revenue, net of contractual allowances	\$ 389,288	\$ 404,092
Provision for bad debts	<u>(19,566)</u>	<u>(27,557)</u>
Net patient service revenue	369,722	376,535
Other revenue	19,786	15,456
Endowment earnings contributed toward community benefit	3,676	3,391
Net assets released from restrictions used for operations	1,629	1,685
Net assets released from restrictions used for research	<u>24,513</u>	<u>27,307</u>
Total unrestricted revenues and other support	<u>419,326</u>	<u>424,374</u>
Operating expenses:		
Compensation and benefits	218,851	219,513
Supplies and other expenses	97,783	113,415
Purchased services	50,417	50,326
Depreciation and amortization	13,063	11,948
Interest	3,462	3,435
License fees	<u>18,865</u>	<u>18,045</u>
Total operating expenses	<u>402,441</u>	<u>416,682</u>
Income from operations	<u>16,885</u>	<u>7,692</u>
Nonoperating gains and losses:		
Net realized (losses) gains on board-designated investments	(605)	1,838
Other nonoperating losses, net	<u>(20)</u>	<u>(52)</u>
Total nonoperating (losses) gains, net	<u>(625)</u>	<u>1,786</u>
Excess of revenues over expenses	<u>\$ 16,260</u>	<u>\$ 9,478</u>

THE MIRIAM HOSPITAL

Statements of Operations and Changes in Net Assets (Continued)

Years ended September 30, 2014 and 2013

(In thousands)

	<u>2014</u>	<u>2013</u>
Unrestricted net assets		
Excess of revenues over expenses	\$ 16,260	\$ 9,478
Other changes in unrestricted net assets		
Change in funded status of pension and other postretirement plans, other than net periodic pension and postretirement benefit costs	(6,029)	10,195
Net change in unrealized gains on investments available for sale	1,592	74
Net assets released from restrictions used for purchase of property and equipment	3,431	4,589
Donated equipment	269	—
(Decrease) increase in interest in net assets of The Miriam Hospital Foundation	(112)	268
Increase in unrestricted net assets	<u>15,411</u>	<u>24,604</u>
Temporarily restricted net assets		
Gifts, grants, and bequests	26,597	29,157
Income from restricted investments	90	120
(Decrease) increase in interest in net assets of The Miriam Hospital Foundation	(847)	1,069
Transfers from The Miriam Hospital Foundation	3,570	4,097
Net assets released from restrictions	(29,573)	(33,581)
Net realized and unrealized gains on investments	764	841
Increase in temporarily restricted net assets	<u>601</u>	<u>1,703</u>
Permanently restricted net assets		
Increase in interest in net assets of The Miriam Hospital Foundation	1,910	4,702
Increase in permanently restricted net assets	<u>1,910</u>	<u>4,702</u>
Increase in net assets	17,922	31,009
Net assets, beginning of year	<u>293,389</u>	<u>262,380</u>
Net assets, end of year	<u>\$ 311,311</u>	<u>\$ 293,389</u>

See accompanying notes to financial statements

THE MIRIAM HOSPITAL
Statements of Cash Flows
Years ended September 30, 2014 and 2013
(In thousands)

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Increase in net assets	\$ 17,922	\$ 31,009
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Change in funded status of pension and other postretirement plans, other than net periodic pension and postretirement benefit costs	6,029	(10,195)
Net realized and unrealized gains on investments	(1,751)	(2,753)
Undistributed portion of change in interest in net assets of The Miriam Hospital Foundation	(951)	(6,039)
Transfers from The Miriam Hospital Foundation	(3,570)	(4,097)
Depreciation and amortization	13,063	11,948
Provision for estimated health care benefit self-insurance costs	24,160	25,452
Decrease in liabilities for estimated health care benefit self-insurance costs resulting from claims paid	(25,947)	(24,258)
Net decrease (increase) in patient accounts receivable	4,175	(4,796)
(Decrease) increase in accounts payable	(2,694)	3,192
Increase in accrued employee benefits and compensation	718	2,130
Increase (decrease) in estimated third-party payor settlements	2,819	(251)
(Decrease) increase in all other current and noncurrent assets and liabilities, net	(2,448)	5,302
Net cash provided by operating activities	<u>31,525</u>	<u>26,644</u>
Cash flows from investing activities		
Purchase of property and equipment	(25,514)	(27,887)
Net decrease (increase) in funds held by third parties under long-term debt agreements	10,476	(9,101)
Other net increases in assets limited as to use	(5,140)	(3,515)
Net cash used in investing activities	<u>(20,178)</u>	<u>(40,503)</u>
Cash flows from financing activities		
Proceeds from issuance of long-term debt	—	11,700
Payments on long-term debt	(3,689)	(1,997)
Transfers from The Miriam Hospital Foundation	3,570	4,097
Net cash (used in) provided by financing activities	<u>(119)</u>	<u>13,800</u>
Net increase (decrease) in cash and cash equivalents	11,228	(59)
Cash and cash equivalents, beginning of year	14,009	14,068
Cash and cash equivalents, end of year	<u>\$ 25,237</u>	<u>\$ 14,009</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	<u>\$ 3,625</u>	<u>\$ 3,538</u>

See accompanying notes to financial statements

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(1) Description of Organization

The Miriam Hospital (the Hospital), located in Providence, Rhode Island, is a 247-bed nonprofit general acute care teaching hospital with university affiliation providing a comprehensive range of diagnostic and therapeutic services for the acute care of patients principally from Rhode Island and southeastern Massachusetts. As a complement to its role in service and education, the Hospital actively supports research. The Hospital is accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) and participates as a provider primarily in Medicare, Blue Cross, and Medicaid programs. The Hospital is also a member of Voluntary Hospitals of America, Inc. (VHA).

Effective August 9, 1994, the Hospital and Rhode Island Hospital (RIH) of Providence, RI (719 beds) implemented a plan which included the creation of a not-for-profit parent company, Lifespan Corporation. Each hospital continues to maintain its own identity, as well as its own campus and its own name. Lifespan, the sole member of the Hospital and RIH, has the responsibility for strategic planning and initiatives, capital and operating budgets, and overall governance of the consolidated organization.

The Board of Directors of Lifespan Corporation and the Boards of Trustees of the Hospital, RIH, Newport Health Care Corporation (NHCC), Newport Hospital, and Emma Pendleton Bradley Hospital (EPBH) approved a restructuring of their governance, effective October 23, 2012. The restructuring has increased governance effectiveness and has streamlined governance operation, as well as provided a single strategic perspective for the Lifespan system hospitals. Pursuant to the restructuring, the composition of the Boards of Trustees of each of the hospitals and of NHCC is defined as those persons serving from time to time as the directors of Lifespan Corporation. As a result, the Boards of each entity are comprised of the same individuals. The Board of each entity retains its responsibilities and authorities notwithstanding the revision in its composition. The composition of the Boards of Trustees of the respective hospital foundations is not impacted by this restructuring; however, the chairs of the four hospital foundations serve ex officio as directors of Lifespan Corporation, and by extension, as trustees of each of the hospitals.

Under an affiliation agreement effective July 1, 2013, Lifespan Corporation became the sole corporate member of Gateway Healthcare, Inc. (Gateway). While Gateway continues to maintain its corporate identity, its Board of Directors is comprised of those persons serving as the directors of Lifespan Corporation.

In 2009, Lifespan announced its intention to combine the Hospital and RIH into a single hospital with two campuses. The Miriam Hospital Foundation and Rhode Island Hospital Foundation remain as separate entities. The hospitals continue to integrate clinical programs and services.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(2) Charity Care and Other Community Benefits

The total net cost of charity care and other community benefits provided by the Hospital for the years ended September 30, 2014 and 2013 is summarized in the following table:

	<u>2014</u>	<u>2013</u>
Charity care	\$ 6,773	\$ 12,365
Medical education, net	12,335	13,476
Research	3,787	3,704
Subsidized health services	7,309	7,040
Unreimbursed Medicaid costs	6,482	8,160
Community health improvement services and community benefit operations	<u>403</u>	<u>475</u>
Total	<u>\$ 37,089</u>	<u>\$ 45,220</u>

Charity Care

The Hospital provides full charity care for individuals at or below twice the federal poverty level, with a sliding scale for individuals up to four times the poverty level. In addition, a substantial discount consistent with Medicare program reimbursement is offered to all other uninsured patients. The Hospital determines the costs associated with providing charity care by aggregating the applicable direct and indirect costs, including compensation and benefits, supplies, and other operating expenses, based on data from its costing system. The total cost, excluding medical education and research, incurred by the Hospital to provide charity care amounted to \$6,773 and \$12,365 in 2014 and 2013, respectively. The decline in 2014 is due largely to the January 1, 2014 expansion of Medicaid eligibility and the growth of health insurance exchanges. Charges forgone, based on established rates, amounted to \$29,570 and \$49,617 in 2014 and 2013, respectively.

Medical Education

The Hospital provides the setting for and substantially supports medical education in various clinical training and nursing programs. The total cost of medical education provided by the Hospital exceeded the reimbursement received from third-party payors by \$12,335 and \$13,476 in 2014 and 2013, respectively.

In 1969, the Hospital and certain other Rhode Island hospitals entered into an affiliation agreement to participate jointly in various clinical training programs and research activities with Brown Medical School, renamed The Warren Alpert Medical School of Brown University (Brown). In 2010, Brown named Rhode Island Hospital its Principal Teaching Hospital. The Hospital and EPBH continue to be designated as major teaching affiliates. The goals of the partnership are to facilitate the expansion of joint educational and research programs in order to compete both clinically and academically.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(2) Charity Care and Other Community Benefits (continued)

The Hospital participates in Brown programs in internal medicine and medicine subspecialties, general surgery and surgical subspecialties, psychiatry, emergency medicine, orthopedics, and dermatology. The Hospital provides stipends to residents and physician fellows while in training.

The Hospital is also a participating clinical training site for residents from other programs in anesthesiology, pediatric dentistry, family medicine, infectious disease, obstetrics/gynecology (OB/Gyn) and OB/Gyn subspecialties, otolaryngology, podiatry, psychiatry, geriatric psychiatry, orthopedics, rheumatology, and radiation oncology. In addition, TMH Behavioral Medicine, in collaboration with Brown, sponsors research and clinical psychology training programs for interns, postdoctoral fellows, and faculty trainees.

With respect to nursing education, the Hospital has developed educational affiliations with the University of Rhode Island College of Nursing; Rhode Island College School of Nursing; Community College of Rhode Island (CCRI); Salve Regina University; Boston College; Yale University; Regis College; Simmons College; St. Joseph's Health Services' School of Nursing; the University of Massachusetts campuses at Dartmouth, Boston, Amherst, and Worcester; the University of Connecticut; New England Technical Institute; Northeastern University; Walden University; Georgetown University School of Nursing and Health Studies; and the University of Pennsylvania, as well as other Schools of Nursing, pursuant to which their nursing students obtain clinical training and experience at the Hospital. The Hospital does not receive any compensation from the various schools for providing a clinical setting for the student nurse training.

The Hospital sponsors training programs for a variety of allied health care professionals including required clinical and fieldwork experiences in physical, speech, and occupational therapy to university students in each discipline through contracts with the various universities. The Hospital serves as a clinical training site for students from CCRI for the vascular and cardiology ultrasound programs and also provides training experiences for students in diagnostic radiology, medical technology, phlebotomy, and social work. The Hospital serves as a clinical training site for students from The Nuclear Medicine Institute of the University of Findlay (Ohio).

The Hospital has clinical affiliations/student clinical training programs for pharmacy students provided through contracts with a number of colleges and universities.

Research

The Hospital conducts extensive medical research and is in the forefront of biomedical health care delivery research and among the leaders nationally in the National Institutes of Health programs. The Hospital also sponsors a significant level of these research activities, as indicated in the table on page 7.

Federal support accounts for approximately 90% of all externally funded research at the Hospital. Researchers focus on clinical trials which investigate prevention and treatment of HIV/AIDS, obesity, cancer, diabetes, cardiac disease, and mental health concerns.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(2) Charity Care and Other Community Benefits (continued)

Subsidized Health Services

The Hospital substantially subsidizes various health services including the following programs: psychiatry, tuberculosis, and certain other specialty services.

Unreimbursed Medicaid Costs

The Hospital subsidizes the cost of treating patients who receive government assistance where reimbursement is below cost. Medicaid is a means-tested health insurance program, jointly funded by state and federal governments. States administer the program and set rules for eligibility, benefits, and provider payments within broad federal guidelines. The program provides health care coverage to low-income children and families, pregnant women, long-term unemployed adults, seniors, and persons with disabilities. Eligibility is determined by a variety of factors, which include income relative to the federal poverty line, age and immigration status, and assets. The unreimbursed Medicaid costs do not include any allocation of medical education or research costs.

Community Health Improvement Services and Community Benefit Operations

The Hospital also provides numerous other services to the community for which charges are not generated. These services include certain emergency services, community health screenings for cardiac health, prostate cancer and other diseases, smoking cessation, immunization and nutrition programs, diabetes education, community health training programs, patient advocacy, foreign language translation, physician referral services, and charitable contributions.

(3) Summary of Significant Accounting Policies

(a) Basis of Presentation

The financial statements are prepared on the accrual basis of accounting.

The Hospital considers events and transactions that occur after the statement of financial position date, but before the financial statements are issued, to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. These financial statements were issued on February 19, 2015 and subsequent events have been evaluated through that date.

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(c) Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid debt instruments with maturities of three months or less when purchased, excluding amounts limited as to use by board-designation or other arrangements under trust agreements.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(3) Summary of Significant Accounting Policies (continued)

(d) Investments and Investment Income

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Subtopic 820-10, *Fair Value Measurements and Disclosures* (ASC 820-10), defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants as of the measurement date. ASC 820-10 establishes a fair value hierarchy that prioritizes inputs used to measure fair value into three levels:

- Level 1 – quoted prices (unadjusted) in active markets that are accessible at the measurement date;
- Level 2 – observable prices that are based on inputs not quoted in active markets, but which are corroborated by market data; and
- Level 3 – unobservable inputs that are used when little or no market data is available.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In determining fair value, the Hospital utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

Following is a description of the valuation methodologies used for investments measured at fair value:

Cash and short-term investments: Valued at the net asset value (NAV) reported by the financial institution, with maturities of three months or less when purchased.

U S government/agency and corporate obligations: Valued using market quotations or prices obtained from independent pricing sources which may employ various pricing methods to value the investments, including matrix pricing based on quoted prices for securities with similar coupons, ratings and maturities. These investments are designated by the Hospital as trading securities.

Corporate equity securities: Valued at the closing prices reported by an active market in which the individual securities are traded. These investments are designated by the Hospital as trading securities.

Collective investment funds: Investments in collective investment funds with monthly pricing and liquidity are valued using NAV as reported by the investment manager, which approximates the market values of the underlying investments within the fund or realizable value as estimated by the investment manager. Otherwise, such investments are recorded at historical cost. The Hospital has applied the accounting guidance in Accounting Standards Update No. 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* (ASU 2009-12), which permits the use of NAV or its equivalent reported by each underlying alternative investment fund as a practical expedient to estimate the fair value of the investment. These investments are generally

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(3) Summary of Significant Accounting Policies (continued)

redeemable or may be liquidated at NAV under the original terms of the subscription agreements or operations of the underlying funds. Also, because the Hospital uses NAV as a practical expedient to estimate fair value, the level in the fair value hierarchy in which each fund's fair value measurement is classified is based primarily on the Hospital's ability to redeem its interest in the fund at or near the date of the statement of financial position. Accordingly, the inputs or methodology used for valuing or classifying investments for financial reporting purposes are not necessarily an indication of the risk associated with those investments or a reflection on the liquidity of each fund's underlying assets and liabilities.

Investments of less than 5% in limited partnerships are recorded at historical cost. Investments of 5% or more in limited partnerships, limited liability corporations, or similar investments are accounted for using the equity method.

Investments designated by the Hospital as trading securities are reported at fair value, with gains or losses resulting from changes in fair value recognized in the statements of operations and changes in net assets as realized gains or losses on investments. For investment securities other than trading, a decline in the market value of the security below its cost that is designated to be other than temporary is recognized through an impairment charge classified as a realized loss, and a new cost basis is established.

Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments other than those designated as trading securities are excluded from the excess of revenues over expenses.

Realized gains or losses on sales of investments are determined by the average cost method. Realized gains or losses on unrestricted investments are recorded as nonoperating gains or losses; realized gains or losses on restricted investments are recorded as an addition to or deduction from the appropriate restricted net asset category.

Investment income from funds held by third parties under long-term debt agreements is recorded as other revenue. The Hospital maintains a spending policy for certain of its board-designated funds which provides that investment income from such funds is recorded within unrestricted revenues as endowment earnings contributed toward community benefit.

(e) *Assets Limited as to Use*

Assets limited as to use primarily include designated assets set aside by the Hospital's Board for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes, and assets whose use by the Hospital has been limited by grantors or donors to a specific purpose, as well as assets held by third parties under long-term debt agreements. Amounts required to meet current liabilities of the Hospital are reported in current assets in the statements of financial position.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(3) Summary of Significant Accounting Policies (continued)

(f) Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is computed over the estimated useful life of each class of depreciable asset using the straight-line method. Buildings and improvements lives range from 5 to 40 years and equipment lives range from 3 to 20 years. Certain software development costs are amortized using the straight-line method over a period of five years.

(g) Deferred Financing Costs

Deferred financing costs, which relate to the issuance of long-term bonds payable to the Rhode Island Health and Educational Building Corporation (RIHEBC), are being amortized ratably over the periods the bonds are outstanding.

(h) Goodwill and Indefinite-Lived Intangible Assets

Goodwill and intangible assets determined to have indefinite lives are not subject to amortization. Goodwill and indefinite-lived intangible assets are reviewed for impairment on an annual basis or more frequently if circumstances indicate a potential impairment exists or has occurred.

(i) Temporarily Restricted Net Assets

Temporarily restricted net assets contain grantor or donor-imposed stipulations as to the timing of their availability or use for a particular purpose, including research activities. These net assets are released from restrictions when the specified time elapses or when actions have been taken to meet the restrictions.

(j) Excess of Revenues over Expenses

The statements of operations and changes in net assets include excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include the change in the funded status of pension and other postretirement plans, the net change in unrealized gains on investments available-for-sale, net assets released from restrictions used for purchase of property and equipment, and the change in interest in net assets of The Miriam Hospital Foundation.

(k) Net Patient Service Revenue

The Hospital provides care to patients under Medicare, Medicaid, managed care, and commercial insurance contractual arrangements. The Hospital has agreements with many third-party payors that provide for payments to the Hospital at amounts less than its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with some third-party payors.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(3) Summary of Significant Accounting Policies (continued)

Medicare and Medicaid utilize prospective payment systems for most inpatient hospital services rendered to program beneficiaries based on the classification of each case into a diagnostic-related group (DRG). Outpatient hospital services are primarily paid using an ambulatory payment classification system.

The majority of payments from managed care and commercial insurance companies are based upon fixed fee arrangements, some of which follow a DRG-based approach, while others employ a combination of per diem rates and specific case rates for inpatient services, along with fixed fees applicable to outpatient services.

Settlements and adjustments arising under reimbursement arrangements with some third-party payors, primarily Medicare, Medicaid, and Blue Cross, are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. The Hospital has classified a portion of accrued estimated third-party payor settlements as long-term because such amounts, by their nature or by virtue of regulation or legislation, will not be paid within one year. Changes in the Medicare and Medicaid programs, such as the reduction of reimbursement, could have an adverse impact on the Hospital.

(1) Provision for Bad Debts

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Hospital analyzes its past history and identifies its revenue trends for each of its major payors to estimate the appropriate allowance for doubtful accounts and the associated provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospital records a significant allowance for doubtful accounts and provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates, if applicable) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Hospital's allowance for doubtful accounts for self-pay patients decreased from 81% of self-pay accounts receivable at September 30, 2013 to 78% of self-pay accounts receivable at September 30, 2014. The Hospital's self-pay writeoffs for the years ended September 30, 2014 and 2013 amounted

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(3) Summary of Significant Accounting Policies (continued)

to \$22,941 and \$23,542, respectively. The Hospital did not change its charity care or uninsured discount policies during the years ended September 30, 2014 and 2013, respectively.

(m) Charity Care

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue (see note 2).

(n) Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. The gifts are reported as temporarily restricted support that increases this net asset class if they are received with stipulations that limit the use of the assets. When a donor or grantor restriction expires, that is, when a stipulated purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of operations and changes in net assets as net assets released from restrictions.

(o) Inventories

Inventories, consisting primarily of medical/surgical supplies and pharmaceuticals, are stated at the lower of cost or market.

(p) Estimated Self-Insurance Costs

The Hospital participates in Lifespan self-insurance programs with other Lifespan affiliates for losses arising from professional liability/medical malpractice, general liability, and workers' compensation claims, as well as health benefits to its employees. The Hospital has recorded provisions for estimated claims, which are based on the Hospital's own experience. The provisions for self-insured losses include estimates of the ultimate costs for both reported claims and claims incurred but not reported.

(q) Fair Value of Financial Instruments

The carrying amounts recorded in the statements of financial position for cash and cash equivalents, patient accounts receivable, assets limited as to use, accounts payable, accrued expenses, estimated third-party payor settlements, and estimated health care benefit self-insurance costs approximate their respective fair values. The estimated fair values of the Hospital's assets limited as to use, pension-related assets, and long-term debt are disclosed in notes 5, 7, and 10, respectively.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(4) Disproportionate Share

The Hospital is a participant in the State of Rhode Island's Disproportionate Share Program, established in 1995 to assist hospitals which provide a disproportionate amount of uncompensated care. Under the program, Rhode Island hospitals, including the Hospital, receive federal and state Medicaid funds as additional reimbursement for treating a disproportionate share of low income patients. Total payments to the Hospital under the Disproportionate Share Program aggregated \$9,533 and \$7,823 in 2014 and 2013, respectively, and are reflected as part of net patient service revenue in the accompanying statements of operations and changes in net assets.

For periods beyond 2017, the federal government is scheduled to change the level of federal matching funds for the Disproportionate Share Program. Accordingly, it may be necessary for the State of Rhode Island to modify the program and the reimbursement to Rhode Island hospitals under the program. At this time, the scope of such modifications or their effect on the Hospital cannot be reasonably determined.

(5) Investments

The composition of assets limited as to use at September 30, 2014 and 2013 is set forth in the following table:

	2014	2013
Unrestricted board-designated funds	\$ 105,261	\$ 100,059
Funds held by third parties under long-term debt agreements	7,447	17,923
Temporarily restricted funds	19,065	17,376
Total	<u>\$ 131,773</u>	<u>\$ 135,358</u>

Assets limited as to use at September 30 are classified as follows:

	2014	2013
Available-for-sale	\$ 84,771	\$ 90,540
Trading	47,002	44,818
Total	<u>\$ 131,773</u>	<u>\$ 135,358</u>

Assets limited as to use are classified as trading securities if the buy/sell decision with respect to each portfolio security is the responsibility of an external investment manager. All other assets limited as to use are classified as available-for-sale securities.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(5) Investments (continued)

Fair Value

The following tables summarize the Hospital's investments and assets held in trust by major category within the ASC 820-10 fair value hierarchy as of September 30, 2014 and 2013, as well as related strategy and liquidity/notice requirements:

	2014				Redemption or liquidation	Days' notice
	Level 1	Level 2	Level 3	Total		
U S equities						
Large cap value	\$ 9,683	\$ —	\$ —	\$ 9,683	Daily	One
Mid-cap value	6,295	—	—	6,295	Daily	One
Large cap growth	8,435	—	—	8,435	Daily	One
Marketable alternatives						
Multiple strategies	—	2,760	—	2,760	Quarterly	Sixty-five
Long-short equity	—	8,356	1,027	9,383	Monthly - Annually	Forty-five - Sixty
Absolute return strategies	—	13,971	2,595	16,566	Monthly - Annually	Five - Sixty-five
International equities						
Developed markets	1,455	15,975	—	17,430	Daily - Monthly	One - Seven
Emerging markets	2,344	5,787	—	8,131	Daily - Monthly	One - Ten
Commodities						
Energy	1,339	—	—	1,339	Daily	One
Various	—	2,361	39	2,400	Daily - Illiquid	One - N/A
Real estate	—	1,995	—	1,995	Monthly	Fifteen
Fixed income						
U S Treasuries	5,608	—	—	5,608	Daily - Weekly	One - Five
U S Treasury inflation-protected	—	2,281	—	2,281	Daily	Two
U S Government and agency	—	3,053	—	3,053	Daily - Weekly	One
Domestic bonds	—	13,107	—	13,107	Daily - Weekly	One
Global bonds	—	3,204	—	3,204	Daily	Five
Cash and short-term investments	1,694	—	—	1,694	Daily	One
	36,853	72,850	3,661	113,364		
Held by third parties under long-term debt agreements (note 10)	7,447	—	—	7,447		
Total	\$ 44,300	\$ 72,850	\$ 3,661	\$ 120,811		

Investment subscriptions in transit at September 30, 2014 in the real estate category above amount to \$1,995.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(5) Investments (continued)

	2013				Redemption or liquidation	Days' notice
	Level 1	Level 2	Level 3	Total		
U.S. equities						
Large cap value	\$ 8,282	\$ —	\$ —	\$ 8,282	Daily	One
Mid-cap value	6,331	—	—	6,331	Daily	One
Large cap growth	4,704	—	—	4,704	Daily	One
Marketable alternatives						
Multiple strategies	—	14,137	—	14,137	Quarterly	Sixty-five
Absolute return strategies	—	7,479	—	7,479	Monthly	Five
International equities						
Developed markets	4,328	11,741	—	16,069	Daily - Monthly	One - Seven
Emerging markets	2,125	5,177	—	7,302	Daily - Monthly	One - Ten
Commodities						
Energy	1,276	—	—	1,276	Daily	One
Various	—	2,336	36	2,372	Daily - Illiquid	One - N/A
Real estate	2,149	—	—	2,149	Daily	Three
Fixed income						
U.S. Treasuries	3,458	—	—	3,458	Daily - Weekly	One - Five
U.S. Treasury inflation-protected	—	2,116	—	2,116	Daily	Two
U.S. Government and agency	—	3,448	—	3,448	Daily - Weekly	One
Domestic bonds	—	7,519	—	7,519	Daily - Weekly	One
Global bonds	3,089	10,676	—	13,765	Daily	One - Five
Cash and short-term investments	3,023	—	—	3,023	Daily	One
	38,765	64,629	36	103,430		
Held by third parties under long-term debt agreements (note 10)	17,923	—	—	17,923		
Total	\$ 56,688	\$ 64,629	\$ 36	\$ 121,353		

Investments held by third parties under long-term debt agreements consist of money market funds invested in U.S. Government and agency obligations and other high-quality, short-term debt securities.

Investments of less than 5% in collective investment funds which do not have monthly pricing or liquidity are recorded at historical cost. Investments of less than 5% in limited partnerships are also recorded at historical cost. The aggregate historical cost of these investments, which is less than market value as reported by investment managers, amounted to \$10,962 at September 30, 2014 and \$14,005 at September 30, 2013.

Most investments classified in Levels 2 and 3 consist of shares or units in investment funds as opposed to direct interests in the funds' underlying holdings, which may be marketable. Because the NAV reported by each fund is used as a practical expedient to estimate the fair value of the Hospital's interest therein, its classification in Level 2 or 3 is based on the Hospital's ability to redeem its interest at or near the date of the statement of financial position. If the interest can be redeemed in ninety days or less, the investment is generally classified in Level 2. The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each investment's underlying assets and liabilities.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(5) Investments (continued)

There were no transfers between Level 1 and Level 2 fair value measurements during the years ended September 30, 2014 and 2013.

The following table presents the Hospital's activity for the years ended September 30, 2014 and 2013 for investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as defined in ASC 820-10:

		2014		
		Marketable alternatives	Commodities	Total
Fair value at October 1, 2013	\$	—	\$ 36	\$ 36
Purchases		3,622	—	3,622
Net unrealized gains		—	3	3
Fair value at September 30, 2014	\$	<u>3,622</u>	\$ <u>39</u>	\$ <u>3,661</u>
2013				
		Commodities		
Fair value at October 1, 2012	\$	39		
Net unrealized losses		<u>(3)</u>		
Fair value at September 30, 2013	\$	<u>36</u>		

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(5) Investments (continued)

Investment Income, Gains and Losses

Investment income, gains and losses for cash equivalents and assets limited as to use are comprised of the following for the years ended September 30:

	<u>2014</u>	<u>2013</u>
Other revenue:		
Investment income	\$ <u>39</u>	\$ <u>31</u>
Endowment earnings contributed toward community benefit:		
Interest and dividend income	\$ <u>3,676</u>	\$ <u>3,391</u>
Nonoperating gains and losses:		
Net realized (losses) gains on board-designated investments	\$ <u>(605)</u>	\$ <u>1,838</u>
Other changes in unrestricted net assets:		
Net change in unrealized gains on investments available for sale	\$ <u>1,592</u>	\$ <u>74</u>
Changes in temporarily restricted net assets:		
Income from restricted investments	\$ <u>90</u>	\$ <u>120</u>
Net realized and unrealized gains on investments	<u>764</u>	<u>841</u>
	\$ <u>854</u>	\$ <u>961</u>

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(5) Investments (continued)

Liquidity

Investments as of September 30, 2014 and 2013 are summarized below based on when they may be redeemed or sold:

	<u>2014</u>	<u>2013</u>
Investment redemption or sale period:		
Daily	\$ 55,155	\$ 70,317
Weekly	11,041	10,356
Monthly	34,898	24,397
Quarterly	13,947	14,137
One-to-five years	3,776	155
Locked-up until liquidation	<u>1,994</u>	<u>1,991</u>
Total	<u>\$ 120,811</u>	<u>\$ 121,353</u>

Locked-up until liquidation includes the trustee-held debt service reserve fund under the 2009A bond indenture agreement (note 10).

Commitments

Venture capital, private equity, and certain energy and real estate investments are made through limited partnerships. Under the terms of these agreements, the Hospital is obligated to remit additional funding periodically as capital or liquidity calls are exercised by the manager. These partnerships have a limited existence, generally ten years, and such agreements may provide for annual extensions for the purpose of disposing portfolio positions and returning capital to investors. However, depending on market conditions, the inability to execute the fund's strategy, and other factors, a manager may extend the terms of a fund beyond its originally anticipated existence or may wind the fund down prematurely. The Hospital cannot anticipate such changes because they are based on unforeseen events, but should they occur they may result in less liquidity or return from the investment than originally anticipated. As a result, the timing and amount of future capital or liquidity calls expected to be exercised in any particular future year is uncertain. The aggregate amount of unfunded commitments associated with the above noted investment categories as of September 30, 2014 was \$1,771.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(5) Investments (continued)

Investments with Unrealized Losses

Information regarding investments with unrealized losses at September 30, 2014 and 2013 is presented below, segregated between those that have been in a continuous unrealized loss position for less than twelve months and those that have been in a continuous unrealized loss position for twelve or more months:

	Less than 12 months		12 months or longer		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
September 30, 2014						
Unrestricted board-designated and temporarily restricted funds						
Collective investment funds	\$ 10,835	\$ 303	\$ 2,361	\$ 159	\$ 13,196	\$ 462
Total temporarily impaired securities	\$ 10,835	\$ 303	\$ 2,361	\$ 159	\$ 13,196	\$ 462
September 30, 2013						
Unrestricted board-designated and temporarily restricted funds						
Collective investment funds	\$ 4,461	\$ 97	\$ 3,089	\$ 127	\$ 7,550	\$ 224
Total temporarily impaired securities	\$ 4,461	\$ 97	\$ 3,089	\$ 127	\$ 7,550	\$ 224

The Hospital reviewed the above investments with unrealized losses and determined that no impairment was considered to be other than temporary. In the evaluation of whether an impairment is other than temporary, the Hospital considers the reasons for the impairment, its ability and intent to hold the investment until the market price recovers, the severity and duration of the impairment, current market conditions, and expected future performance.

Endowments

The Hospital's endowment consists of individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the Hospital to function as endowments. Investments associated with endowment funds, including funds designated by the Hospital to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

Endowments (continued)

Endowment funds consist of the following at September 30, 2014:

	Unrestricted board- designated	Temporarily restricted	Total
Donor-restricted endowment funds	\$ —	\$ 19,065	\$ 19,065
Internally board-designated endowment funds	105,261	—	105,261
Total endowment funds	<u>\$ 105,261</u>	<u>\$ 19,065</u>	<u>\$ 124,326</u>

Endowment funds consist of the following at September 30, 2013:

	Unrestricted board- designated	Temporarily restricted	Total
Donor-restricted endowment funds	\$ —	\$ 17,376	\$ 17,376
Internally board-designated endowment funds	100,059	—	100,059
Total endowment funds	<u>\$ 100,059</u>	<u>\$ 17,376</u>	<u>\$ 117,435</u>

Changes in endowment funds for the year ended September 30, 2014 are as follows:

	Unrestricted board- designated	Temporarily restricted	Total
Endowment funds, October 1, 2013	\$ 100,059	\$ 17,376	\$ 117,435
Interest and dividend income	3,718	90	3,808
Net realized and unrealized gains	987	764	1,751
Cash gifts, grants, and bequests	—	26,838	26,838
Transfers from The Miriam Hospital Foundation	—	3,570	3,570
Net assets released from restrictions	—	(29,573)	(29,573)
Deposits	497	—	497
Endowment funds, September 30, 2014	<u>\$ 105,261</u>	<u>\$ 19,065</u>	<u>\$ 124,326</u>

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

Endowments (continued)

Changes in endowment funds for the year ended September 30, 2013 are as follows:

	Unrestricted board- designated	Temporarily restricted	Total
Endowment funds, October 1, 2012	\$ 94,215	\$ 16,952	\$ 111,167
Interest and dividend income	3,435	120	3,555
Net realized and unrealized gains	1,912	841	2,753
Cash gifts, grants, and bequests	—	28,947	28,947
Transfers from The Miriam Hospital Foundation	—	4,097	4,097
Net assets released from restrictions	—	(33,581)	(33,581)
Deposits	497	—	497
Endowment funds, September 30, 2013	<u>\$ 100,059</u>	<u>\$ 17,376</u>	<u>\$ 117,435</u>

(a) Return Objectives and Risk Parameters

Lifespan has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets, including both donor-restricted funds and unrestricted board-designated funds. Under this policy, as approved by Lifespan, the endowment assets are invested in a manner that is intended to produce results that exceed the total benchmark return while assuming a moderate level of investment risk. The Hospital expects its endowment funds, over a full market cycle, to provide an average annual real rate of return of approximately 5% plus inflation annually. Actual returns in any given year or period of years may vary from this amount.

(b) Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, Lifespan relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Lifespan targets a diversified asset allocation that places emphasis on investments in public equity, marketable alternatives, real assets, and fixed income to achieve its long-term return objectives within prudent risk constraints.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(6) Property and Equipment

Property and equipment, by major category, is as follows at September 30:

	2014	2013
Land and improvements	\$ 4,273	\$ 4,288
Buildings and improvements	216,854	207,236
Equipment	130,786	124,155
	<u>351,913</u>	<u>335,679</u>
Less accumulated depreciation and amortization	184,798	173,519
	<u>167,115</u>	<u>162,160</u>
Construction in progress	20,397	12,769
Property and equipment, net	<u>\$ 187,512</u>	<u>\$ 174,929</u>

Depreciation and amortization expense for the years ended September 30, 2014 and 2013 amounted to \$13,063 and \$11,948, respectively.

The estimated cost of completion of the Hospital's portion of Lifespan's multi-year information systems conversion project approximated \$9,200 at September 30, 2014 (see note 10).

The estimated cost of completion of construction in progress approximated \$1,600 at September 30, 2014, comprised of various projects. In addition, the Hospital has several building renovation projects pending contractual commitments with an estimated cost of completion of approximately \$3,300.

(7) Pension and Other Postretirement Benefits

Pension Benefits

Lifespan Corp. sponsors the Lifespan Corporation Retirement Plan (the Plan), which was established effective January 1, 1996 when the Rhode Island Hospital Retirement Plan merged into The Miriam Hospital Retirement Plan (the TMH Plan). Upon completion of the merger, the new plan was renamed and is governed by provisions of the Plan. Each employee who was a participant in the TMH Plan and was an eligible employee on January 1, 1996 continues to be a participant on and after January 1, 1996, subject to the provisions of the Plan. Employees are included in the Plan on the first of the month which is the later of their first anniversary of employment or the attainment of age 18.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(7) Pension and Other Postretirement Benefits (continued)

The Plan is intended to constitute a plan described in Section 414(k) of the Internal Revenue Code, under which benefits are derived from employer contributions based on the separate account balances of participants in addition to the defined benefits provided under the Plan, which are based on an employee's years of credited service and annual compensation. Lifespan's funding policy is to contribute amounts to the Plan sufficient to meet minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code as amended, plus such additional amounts as may be determined to be appropriate by Lifespan. Lifespan may also make certain discretionary matching contributions to participant account balances included in Plan assets based on salary deferral elections of participants.

Substantially all employees of Lifespan Corporation who meet the above requirements are eligible to participate in the Plan.

The provisions of FASB ASC Topic 715, *Compensation-Retirement Benefits: Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans* (ASC 715), require an employer to recognize in its statement of financial position an asset for a benefit plan's overfunded status or a liability for a plan's underfunded status, and to recognize changes in that funded status in the year in which the changes occur through changes in unrestricted net assets. The funded-status amount is measured as the difference between the fair value of plan assets and the projected benefit obligation including all actuarial gains and losses and prior service cost. Based on September 30, 2014 and 2013 funded-status amounts for the Hospital's portion of the Plan, the Hospital recorded a decrease in unrestricted net assets of \$5,735 in 2014 and an increase in unrestricted net assets of \$10,333 in 2013.

The estimated amounts that will be amortized from unrestricted net assets into net periodic pension cost in 2015 are as follows:

Net actuarial loss	\$	1,271
Prior service cost		27
	\$	<u>1,298</u>

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(7) Pension and Other Postretirement Benefits (continued)

The following tables set forth the Plan's projected benefit obligation and the fair value of plan assets.

	<u>2014</u>	<u>2013</u>
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	\$ 601,633	\$ 638,739
Service cost	22,051	25,801
Interest cost	31,272	26,657
Actuarial loss (gain)	47,968	(66,235)
Benefits paid	<u>(38,156)</u>	<u>(23,329)</u>
Projected benefit obligation at end of year	<u>\$ 664,768</u>	<u>\$ 601,633</u>

The accumulated benefit obligation at the end of 2014 and 2013 was \$593,805 and \$538,986, respectively.

	<u>2014</u>	<u>2013</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	\$ 429,006	\$ 394,336
Actual return on plan assets	25,334	27,380
Employer contributions	32,029	30,619
Benefits paid	<u>(38,156)</u>	<u>(23,329)</u>
Fair value of plan assets at end of year	<u>\$ 448,213</u>	<u>\$ 429,006</u>

The funded status of the Plan and amounts recognized in Lifespan's consolidated statements of financial position at September 30, pursuant to ASC Topic 715 (as opposed to ERISA), are as follows:

	<u>2014</u>	<u>2013</u>
Funded status, end of year:		
Fair value of plan assets	\$ 448,213	\$ 429,006
Projected benefit obligation	<u>664,768</u>	<u>601,633</u>
	<u>\$ (216,555)</u>	<u>\$ (172,627)</u>

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(7) Pension and Other Postretirement Benefits (continued)

Amounts recognized in the Hospital's statements of financial position at September 30, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Accrued pension liability	\$ <u>30,726</u>	\$ <u>24,714</u>
	<u>2014</u>	<u>2013</u>
Amounts not yet reflected in net periodic pension cost and included in unrestricted net assets:		
Prior service benefit	\$ 3,924	\$ 4,465
Accumulated net actuarial loss	<u>(176,517)</u>	<u>(133,360)</u>
Amounts not yet recognized as a component of net periodic pension cost	(172,593)	(128,895)
Accumulated net periodic pension cost in excess of employer contributions	<u>(43,962)</u>	<u>(43,732)</u>
Net amount recognized	\$ <u>(216,555)</u>	\$ <u>(172,627)</u>
	<u>2014</u>	<u>2013</u>
Sources of change in unrestricted net assets:		
Net (loss) gain arising during the year	\$ (6,612)	\$ 8,703
Amortizations:		
Net actuarial loss	850	1,603
Prior service cost	<u>27</u>	<u>27</u>
Total unrestricted net asset (loss) gain recognized during the year	\$ <u>(5,735)</u>	\$ <u>10,333</u>

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(7) Pension and Other Postretirement Benefits (continued)

Net Periodic Pension Cost

Components of net periodic pension cost are as follows for the years ended September 30:

	2014	2013
Service cost	\$ 22,051	\$ 25,801
Interest cost	31,272	26,657
Expected return on plan assets	(30,259)	(29,571)
Amortization of net actuarial loss	9,735	15,544
Amortization of prior service benefit	(541)	(541)
Net periodic pension cost for Lifespan	\$ 32,258	\$ 37,890
Net periodic pension cost for the Hospital	\$ 5,401	\$ 6,287

The following weighted average assumptions were used by the Plan's actuary to determine net periodic pension cost and benefit obligations:

	2014	2013
Discount rate for benefit obligations	4.33%	4.88%
Discount rate for net periodic pension cost	4.88%	3.66%
Rate of compensation increase	4.50%	4.50%
Expected long-term rate of return on Plan assets	7.50%	7.75%

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(7) Pension and Other Postretirement Benefits (continued)

The asset allocation for the Plan at September 30, 2014 and 2013, and the target allocation for 2015, by asset category, are as follows:

Asset category	Target allocation 2015	Percentage of plan assets September 30	
		2014	2013
U.S. equities	20.0%	17.3%	15.7%
Marketable alternatives	23.0%	13.4	14.5
International equities	20.0%	23.9	16.5
Venture capital	—	0.7	0.8
Commodities	3.0%	4.4	6.2
Real estate	1.5%	1.3	2.0
Fixed income	31.5%	31.2	39.3
Cash and cash equivalents	1.0%	7.8	5.0
Total		100.0%	100.0%

The asset allocation table above does not include \$107,702 and \$102,832 of Plan assets at September 30, 2014 and 2013, respectively, attributable to the separate savings account balances of participants which are managed in various mutual funds by Fidelity Investments (Fidelity).

The overall financial objective of the Plan is to meet present and future obligations to beneficiaries, while minimizing long-term contributions to the Plan (by earning an adequate, risk-adjusted return on Plan assets), with moderate volatility in year-to-year contribution levels.

The primary investment objective of the Plan is to attain the expected long-term rate of return on Plan assets in support of the above objective. The Plan's specific investment objective is to attain an average annual real total return (net of investment management fees) of at least 4.75% over the long term (rolling five-year periods). Real total return is the sum of capital appreciation (or loss) and current income (dividends and interest) adjusted for inflation as measured by the Consumer Price Index.

Lifespan employs a rigorous process to annually determine the expected long-term rate of return on Plan assets which is only changed based on significant shifts in economic and financial market conditions. This estimate is primarily driven by actual historical asset-class returns along with our long-term outlook for a globally diversified portfolio. Asset allocations are regularly updated based on evaluations of future market returns for each asset class.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(7) Pension and Other Postretirement Benefits (continued)

Fair Value

The following tables summarize the Plan's investments by major category within the ASC 820-10 fair value hierarchy as of September 30, 2014 and 2013, as well as related strategy and liquidity/notice requirements:

	2014				Redemption or liquidation	Days' notice
	Level 1	Level 2	Level 3	Total		
U.S. equities						
Large cap value	\$ 19,212	\$ —	\$ —	\$ 19,212	Daily	One
Mid-cap value	20,446	—	—	20,446	Daily	Three
Large cap growth	18,639	—	—	18,639	Daily	One
Marketable alternatives						
Multiple strategies	—	39,272	—	39,272	Quarterly-Annually	Sixty - Ninety-five
Long-short equity	—	2,000	—	2,000	Quarterly	Sixty
Absolute return strategies	—	27,173	—	27,173	Monthly-Semiannually	Five - Ninety
International equities						
Developed markets	25,443	40,366	—	65,809	Daily - Monthly	One - Seven
Emerging markets	—	15,621	—	15,621	Monthly	Ten
Venture capital	—	—	5,005	5,005	Illiquid	N/A
Commodities						
Energy	6,221	—	—	6,221	Daily	One
Various	—	6,624	—	6,624	Daily	One
Real estate	—	3,500	—	3,500	Monthly	Fifteen
Fixed income						
U.S. Treasuries	18,670	—	—	18,670	Daily	One
U.S. Government and agency	—	1,266	—	1,266	Daily	One
Domestic bonds	—	57,238	—	57,238	Daily	One
Global bonds	—	28,205	—	28,205	Monthly	Fifteen
Cash and short-term investments	5,610	—	—	5,610	Daily	One
Fidelity mutual funds	107,702	—	—	107,702	Daily	One
Total	\$ 221,943	\$ 221,265	\$ 5,005	\$ 448,213		

Investment subscriptions in transit at September 30, 2014 included in the above major categories are as follows:

Absolute return strategies	\$15,900
Real estate	3,500
Long-short equity	2,000

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(7) Pension and Other Postretirement Benefits (continued)

	2013				Redemption or liquidation	Days' notice
	Level 1	Level 2	Level 3	Total		
U.S. equities						
Large cap value	\$ 17,349	\$ —	\$ —	\$ 17,349	Daily	One
Mid-cap value	17,239	—	—	17,239	Daily	Three
Large cap growth	16,381	—	—	16,381	Daily	One
Marketable alternatives						
Multiple strategies	—	36,527	—	36,527	Quarterly-Annually	Ninety-Ninety-five
Absolute return strategies	—	10,844	—	10,844	Monthly	Five
International equities						
Developed markets	—	39,060	—	39,060	Monthly	Five - Seven
Emerging markets	—	14,942	—	14,942	Daily	One
Venture capital	—	—	5,786	5,786	Illiquid	N/A
Commodities						
Energy	10,653	—	—	10,653	Daily	One
Various	—	6,953	—	6,953	Daily	One
Real estate	4,925	—	—	4,925	Daily	Three
Fixed income						
U.S. Treasuries	10,119	—	—	10,119	Daily	One
U.S. Treasury inflation-protected	—	14,347	—	14,347	Daily	Two
U.S. Government and agency	—	9,813	—	9,813	Daily	One
Domestic bonds	—	44,556	—	44,556	Daily	One
Global bonds	21,152	28,218	—	49,370	Daily - Monthly	One - Fifteen
Cash and short-term investments	17,310	—	—	17,310	Daily	One
Fidelity mutual funds	102,832	—	—	102,832	Daily	One
Total	\$ 217,960	\$ 205,260	\$ 5,786	\$ 429,006		

There were no transfers between Level 1 and Level 2 fair value measurements during the years ended September 30, 2014 and 2013.

The following tables set forth a summary of changes in the fair value of the Plan's Level 3 investments for the years ended September 30, 2014 and 2013:

	2014	2013
Venture capital:		
Fair value at October 1, 2013	\$ 5,786	\$ 7,889
Unrealized losses, net	(399)	(1,580)
Purchases	10	14
Sales/redemptions	(2,303)	(2,299)
Realized gains, net	1,911	1,762
Fair value at September 30, 2014	\$ 5,005	\$ 5,786

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(7) Pension and Other Postretirement Benefits (continued)

Expected Cash Flows

Information about the expected cash flows for the Plan is as follows:

Employer contributions		
2015 (required for Lifespan)	\$	35,208
2015 (required for the Hospital)		5,748
Expected benefit payments		
2015	\$	36,265
2016		30,425
2017		30,405
2018		31,352
2019		35,157
2020 through 2024		202,134

Management evaluates its Plan assumptions annually and the expected employer contributions in 2015 could increase.

Other Postretirement Benefits

In addition to providing pension benefits, the Hospital provides certain health care benefits to retired employees. As of December 31, 2004, health care postretirement benefits were eliminated for all active employees of the Hospital with fewer than fifteen years of consecutive service.

The Hospital recognizes in its statements of financial position an asset for a benefit plan's overfunded status or a liability for a plan's underfunded status, and recognizes changes in that funded status in the year in which the changes occur through changes in unrestricted net assets. The funded-status amount is measured as the difference between the fair value of plan assets and the benefit obligation including all actuarial gains and losses and prior service cost. Based on September 30, 2014 and 2013 funded-status amounts for the Hospital's postretirement benefit plan, the Hospital recorded decreases in unrestricted net assets of \$294 in 2014 and \$138 in 2013, respectively. Approximately \$4 of prior service cost will be amortized from unrestricted net assets into net periodic postretirement benefit income in 2015.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(7) Pension and Other Postretirement Benefits (continued)

Benefit Obligations

	<u>2014</u>	<u>2013</u>
Change in accumulated postretirement benefit obligation:		
Accumulated postretirement benefit obligation at beginning of year	\$ 40	\$ 133
Interest cost	1	3
Benefits paid	(5)	(29)
Actuarial loss (gain)	135	(67)
	<u>171</u>	<u>40</u>
Accumulated postretirement benefit obligation at end of year	\$ <u>171</u>	\$ <u>40</u>

Funded Status

The Hospital has never funded its other postretirement benefit obligations. The funded status of the postretirement benefit plan, reconciled to the amount reported in the statements of financial position, follows:

	<u>2014</u>	<u>2013</u>
Benefit obligations	\$ 171	\$ 40
Funded status	\$ <u>(171)</u>	\$ <u>(40)</u>
Accrued postretirement benefit cost recognized in the statements of financial position	\$ <u>171</u>	\$ <u>40</u>

Amounts recognized in the statements of financial position at September 30, 2014 and 2013 consist of:

	<u>2014</u>	<u>2013</u>
Accrued postretirement benefit cost:		
Current (included in accrued employee benefits and compensation)	\$ 7	\$ 6
Noncurrent (included in other liabilities)	164	34
Total accrued postretirement benefit cost	\$ <u>171</u>	\$ <u>40</u>

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(7) Pension and Other Postretirement Benefits (continued)

	2014	2013
	<hr/>	<hr/>
Amounts not yet reflected in net periodic postretirement benefit income and included in unrestricted net assets:		
Prior service benefit	\$ —	\$ 159
Accumulated net actuarial (loss) gain	<hr/> (50)	<hr/> 84
Amounts not yet recognized as a component of net periodic postretirement benefit (cost) income	(50)	243
Accumulated net periodic postretirement benefit cost	<hr/> (121)	<hr/> (283)
Net amount recognized	\$ <u><u>(171)</u></u>	\$ <u><u>(40)</u></u>
	<hr/>	<hr/>
	2014	2013
	<hr/>	<hr/>
Sources of change in unrestricted net assets:		
Net (loss) gain arising during the year	\$ (135)	\$ 67
Amortizations:		
Net actuarial gain	—	(1)
Prior service benefit	<hr/> (159)	<hr/> (204)
Total unrestricted net asset loss recognized during the year	\$ <u><u>(294)</u></u>	\$ <u><u>(138)</u></u>

Net Periodic Postretirement Benefit Income

Components of net periodic postretirement benefit income are as follows for the years ended September 30:

	2014	2013
	<hr/>	<hr/>
Interest cost	\$ 1	\$ 3
Amortization of net actuarial gain	—	(1)
Amortization of prior service benefit	<hr/> (159)	<hr/> (204)
Net periodic postretirement benefit income	\$ <u><u>(158)</u></u>	\$ <u><u>(202)</u></u>

The following weighted average assumptions were used by the plan's actuary to determine net periodic postretirement benefit income and benefit obligations:

	2014	2013
	<hr/>	<hr/>
Discount rate for benefit obligations	4.33%	4.88%
Discount rate for net periodic postretirement benefit income	4.88%	3.66%

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(8) Patient Service Revenue and Related Reimbursement

The Hospital recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). The following is an approximate percentage breakdown of gross patient service revenue by payor type for the years ended September 30:

	2014	2013
Medicare and Senior Care	52%	50%
Blue Cross	19	20
Medicaid and RIte Care	11	8
Managed care	11	12
Commercial, self-pay, and other	7	10
	100%	100%

The Hospital grants credit to patients, most of whom are local residents. The Hospital generally does not require collateral or other security in extending credit to patients; however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans or policies (e.g., Medicare, Medicaid, Blue Cross, managed care, or commercial insurance policies). On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for bad debts related to uninsured patients in the period the services are provided.

Medicare cost reports filed annually with The Centers for Medicare and Medicaid Services (CMS) are subject to audit prior to final settlement. The 2014 Medicare cost report has not been filed and, therefore, is not settled. In addition, the Medicare cost reports for 2012 and 2013 have not been settled. The State of Rhode Island Medicaid Program no longer requires annual cost reports and year-end retrospective settlements; however, Medicaid cost reports for 2005 through 2010 have not been final settled.

Regulations in effect require annual settlements based upon cost reports filed by the Hospital. These settlements are estimated and recorded in the accompanying financial statements. Changes in these estimates are reflected in the financial statements in the year in which they occur. Net patient service revenue in the accompanying statements of operations and changes in net assets was decreased by \$118 in 2014 and increased by \$1,477 in 2013, to reflect changes in the estimated settlements for certain prior years.

Revenues from Medicare and Medicaid programs accounted for approximately 52% and 11%, respectively, of the Hospital's gross patient service revenue for the year ended September 30, 2014. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(8) Patient Service Revenue and Related Reimbursement (continued)

The Hospital believes that it is in compliance with all applicable laws and regulations. Compliance with laws and regulations can be subject to future government review and interpretation as well as significant regulatory action; failure to comply with such laws and regulations can result in fines, penalties, and exclusion from Medicare and Medicaid programs.

(9) Income Tax Status

The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from Federal income taxes pursuant to Section 501(a) of the Code.

The Hospital recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Recognized income tax positions are measured at the largest amount of benefit that is greater than fifty percent likely to be realized upon settlement. Changes in measurement are reflected in the period in which the change in judgment occurs. The Hospital did not recognize the effect of any income tax positions in either 2014 or 2013.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(10) Long-Term Debt

Long-term debt consists of the following at September 30:

	<u>2014</u>	<u>2013</u>
Hospital Financing Revenue fixed rate serial and term bonds due May 15, 2015 through 2032 in annual amounts ranging from \$10,210 to \$15,020 at rates ranging from 4% to 5% (2006A Series – Lifespan Obligated Group)	\$ 30,321	\$ 32,286
Hospital Financing Revenue fixed rate serial and term bonds due May 15, 2027 through 2039 in annual amounts ranging from \$1,870 to \$7,900 at rates ranging from 6.125% to 7% (2009A Series – Lifespan Obligated Group)	19,547	19,547
Hospital Financing Revenue fixed rate serial and term bonds due May 15, 2015 through 2026 in annual amounts ranging from \$810 to \$14,705 at rates ranging from 5.25% to 5.75% (1996 Series – Lifespan Obligated Group)	8,945	9,080
Master lease and loan and security agreement due December 15, 2014 through 2020 in semiannual amounts ranging from \$3,439 to \$3,766 at 1.66% (the 2013 Financing)	10,111	11,700
Unamortized premium – 2006A Series	778	892
Unamortized premium – 2009A Series	27	29
	<u>69,729</u>	<u>73,534</u>
Less current portion	3,820	3,689
Long-term debt, net of current portion	<u>\$ 65,909</u>	<u>\$ 69,845</u>

The estimated fair value of the Hospital's long-term debt at September 30, 2014 and 2013 approximates \$74,000 and \$75,000, respectively, and is estimated using discounted cash flow analyses, based on the Hospital's current incremental borrowing rates for similar types of borrowing arrangements. The fair value of long-term debt is based on significant observable inputs and is categorized as Level 2 for purposes of valuation disclosure.

On June 14, 2013, the Hospital, RIH, and EPBH entered into a tax-exempt \$50,000 master lease and loan and security agreement (the 2013 Financing) with a seven-year term, to partially fund the capital costs associated with Lifespan's multi-year information systems conversion project. The 2013 Financing is secured by a first priority lien and security interest on the equipment (excluding intellectual property), goods, and other property financed with the proceeds of the 2013 Financing, as well as the unspent balance of the master lease obligation escrow fund. The Hospital, RIH, and EPBH are jointly and severally liable for repayment of the 2013 Financing.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(10) Long-Term Debt (continued)

On July 8, 2008, the Board of Directors of Lifespan Corporation, acting as the sole corporate member of EPBH, adopted a resolution authorizing EPBH to become a member of the Lifespan Obligated Group (OG). The EPBH Board of Trustees, as well as the Boards of the Hospital and RIH, also authorized related resolutions.

On March 30, 2009, RIHEBC issued, on behalf of the OG, which consists of the Hospital, RIH, EPBH, Rhode Island Hospital Foundation (RIHF) and The Miriam Hospital Foundation (TMHF), \$114,985 of tax-exempt bonds (the 2009A Bonds) for the purposes of financing the acquisition, construction, renovation, expansion and equipping of certain hospital and related health care facilities owned and operated by the Hospital, RIH and EPBH (the Obligated Group Hospitals), including the expansion, construction, renovation, equipping and furnishing of a two-story addition to EPBH's existing building and the renovation of vacated space in the existing building.

The above outstanding 2009 Hospital Financing Revenue Bonds (OG – the Hospital, RIH, EPBH, RIHF and TMHF) are secured by a pledge of the gross receipts of the Obligated Group Hospitals and by mortgage liens on the Hospital's and RIH's real property and all buildings, structures and improvements thereon. The Obligated Group Hospitals, RIHF and TMHF are jointly and severally liable for repayment of the 2009A Bonds, recorded directly by the Obligated Group Hospitals as follows:

The Hospital	\$	19,547
RIH		72,441
EPBH		22,997
Total	\$	<u>114,985</u>

Payment of the principal amount of and interest on \$64,825 of the 2009A Bonds when due is guaranteed by a financial guaranty insurance policy issued by Assured Guaranty Corp.

On February 14, 2006, RIHEBC issued, on behalf of the OG, which consisted of the Hospital and RIH, \$192,135 of tax-exempt bonds (the 2006A Bonds) for the purpose of refunding \$123,405 and \$65,315 of the OG's 1996 Bonds and 2002 Bonds, respectively. The advance refundings were allocated as follows:

		<u>1996 Bonds</u>	<u>2002 Bonds</u>
The Hospital	\$	21,596	\$ 16,329
RIH		101,809	48,986
Total	\$	<u>123,405</u>	<u>\$ 65,315</u>

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(10) Long-Term Debt (continued)

On September 12, 2006, the Board of Directors of Lifespan Corporation, acting as the sole corporate member of both The Miriam Hospital Foundation and Rhode Island Hospital Foundation (the Foundations), adopted resolutions authorizing the Foundations to become members of the OG. The Boards of Trustees of each of the Foundations, as well as the then existing members of the OG, the Hospital and RIH, previously authorized related resolutions. The effective date for such change was October 1, 2006.

The above outstanding 2006 Hospital Financing Revenue Bonds (OG – the Hospital, RIH, EPBH, and the Foundations) are secured by a pledge of the gross receipts of the Hospital and RIH and by mortgage liens on the Hospital's and RIH's real property and all buildings, structures and improvements thereon. The Obligated Group Hospitals and the Foundations are jointly and severally liable for repayment of the 2006A Bonds, \$30,321 and \$119,784 of which has been recorded directly by the Hospital and RIH, respectively. Payment of the principal and interest on the 2006A Bonds when due is guaranteed by a financial guaranty insurance policy issued by Assured Guaranty Corp.

On December 1, 1996, RIHEBC issued, on behalf of the OG, \$214,585 of tax-exempt bonds (the 1996 Bonds) to finance portions of Lifespan's, the Hospital's and RIH's 1996, 1997, 1998, and 1999 expenditures for routine capital equipment and facility renovation/replacement, and to advance refund \$8,455 of the Hospital's 1989 Series A bonds, \$1,900 of the Hospital's 1992 Series A bonds, and \$10,065 of the Hospital's 1992 Series B bonds.

The above outstanding 1996 Hospital Financing Revenue Bonds (OG – the Hospital, RIH, EPBH, and the Foundations) are secured by a pledge of the gross receipts of the Hospital and RIH. The Obligated Group Hospitals and the Foundations are jointly and severally liable for repayment of the 1996 Bonds, \$8,945 and \$42,170 of which has been recorded directly by the Hospital and RIH, respectively. Payment of the principal and interest on the 1996 Bonds when due is guaranteed by a financial guaranty insurance policy issued by National Public Finance Guarantee Corp.

Under the terms of the 2009A, 2006A, and 1996 Bonds, the Obligated Group Hospitals are required to satisfy certain measures of financial performance as long as the bonds are outstanding. At September 30, 2014, management believes the Obligated Group Hospitals were in compliance with all covenants of the 2009A and 1996 bonds. As previously noted, the 2006A Bonds are insured by Assured Guaranty Corp. and the insurance policy requires the Obligated Group Hospitals to maintain a Debt Service Coverage Ratio (DSCR) of 2.0x or higher. The DSCR is 2.29x for the year ended September 30, 2014, compared to 1.69x for the year ended September 30, 2013. Since the DSCR for the year ended September 30, 2013 resulted in this insurance covenant not being met, the Debt Service Reserve Fund (DSRF) associated with the Obligated Group Hospitals' 2006A Bonds was funded in the approximate amount of \$14,900 via the OG's establishment of a standby letter of credit which provides for the availability of the DSRF requirement.

The Hospital's aggregate maturities of long-term debt for the five fiscal years ending in September 2019 are as follows: 2015, \$3,820; 2016, \$3,956; 2017, \$4,094; 2018, \$4,245; and 2019, \$4,401.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(10) Long-Term Debt (continued)

Agreements underlying the various Hospital Financing Revenue Bonds and the 2013 Financing require that the Obligated Group Hospitals maintain certain funds included with assets limited as to use in the statements of financial position, as follows:

Project Fund – The Obligated Group Hospitals are required to apply monies in the Project Fund to pay the costs of debt issuance, facility renovation/replacement, and routine capital equipment.

Bond Fund – The Obligated Group Hospitals are required to make periodic deposits to the trustee sufficient to provide sinking funds for the payment of principal and interest to bondholders when due.

Debt Service Reserve Funds – The Obligated Group Hospitals are required to apply monies in the Debt Service Reserve Funds to remedy deficiencies in the Bond Fund, if any.

Master Lease Obligation Escrow Fund – unspent balance of the 2013 Financing.

The balances of the Hospital's funds at September 30 are summarized as follows:

	2014	2013
Project Fund – 2009A Series	\$ 4,671	\$ 6,252
Bond Fund – 1996 Series	155	155
Debt Service Reserve Fund – 2009A Series	1,955	1,955
Master Lease Obligation Escrow Fund – 2013 Financing	666	9,561
Total	<u>\$ 7,447</u>	<u>\$ 17,923</u>

(11) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets at September 30 are available for the following purposes:

	2014	2013
Research	\$ 13,653	\$ 12,159
General health care service activities	6,452	6,498
Interest in net assets of The Miriam Hospital Foundation	7,971	8,818
Total	<u>\$ 28,076</u>	<u>\$ 27,475</u>

Permanently restricted net assets at September 30 consist of:

	2014	2013
Interest in net assets of The Miriam Hospital Foundation	<u>\$ 19,569</u>	<u>\$ 17,659</u>

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(12) Leases

The Hospital leases building space and equipment under various noncancelable operating lease agreements. Future minimum lease payments, by year and in the aggregate, under noncancelable operating leases with terms of one year or more consist of the following at September 30, 2014:

	<u>Amount</u>
Year ending September 30:	
2015	\$ 6,851
2016	3,573
2017	3,309
2018	2,415
2019	2,122
Thereafter	<u>6,953</u>
Total minimum lease payments	<u>\$ 25,223</u>

Rental expense, including rentals under leases with terms of less than one year, for the years ended September 30, 2014 and 2013 was \$8,354 and \$7,934, respectively.

(13) Concentrations of Credit Risk

Financial instruments which potentially subject the Hospital to concentrations of credit risk consist primarily of accounts receivable and certain investments. The risk associated with temporary cash investments is mitigated by the fact that the investments are placed with what management believes are high credit quality financial institutions. Investments, which include government and agency obligations, stocks, and corporate bonds, are not concentrated in any corporation, industry, or geographical area.

The Hospital receives a significant portion of its payments for services rendered from a limited number of government and commercial third-party payors, including Medicare, Blue Cross, Medicaid, and various managed care entities. The Hospital has not historically incurred any significant concentrated credit losses in the normal course of business.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(14) Malpractice and Other Litigation

Professional Liability/Medical Malpractice and General Liability

Professional liability/medical malpractice coverage for the Hospital is supplied on a claims-made basis by Rhode Island Sound Enterprises Insurance Co. Ltd. (RISE), Lifespan's affiliated captive insurance company, which underwrites the medical malpractice risk of the Hospital. The adequacy of the coverage provided and the funding levels are reviewed annually by independent actuaries and consultants. The professional liability/medical malpractice insurance provided by RISE has liability limits of \$4,000 per claim with no annual aggregate. RISE provides a second layer of coverage which has limits of an additional \$2,000 per claim with a \$2,000 annual aggregate. In addition, commercial umbrella excess insurance has been obtained by Lifespan to increase the professional liability limits to \$32,000 per claim.

The Hospital has been named as a defendant in a number of pending actions seeking damages for alleged medical malpractice liability. In the opinion of management, any liability and legal defense costs resulting from these actions will be within the limits of the Hospital's malpractice insurance coverage provided by RISE and/or commercial excess carriers.

General liability coverage is provided to the Hospital by RISE amounting to \$2,000 per claim and \$4,000 in the annual aggregate. Commercial excess liability insurance has been obtained by Lifespan which provides aggregate general liability coverage of \$80,000.

Workers' Compensation

The Hospital has incurred a number of workers' compensation claims and, in the opinion of management, the liability of the Hospital will be within the limits of the assets of Lifespan's workers' compensation self-insurance trust fund.

Other Litigation

The Hospital is involved in a number of miscellaneous suits and general liability suits arising in the course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Hospital's future financial position or results from operations.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(15) Related-Party Transactions

The Hospital rents space and purchases laundry and linen services from RIH. Included in the Hospital's operating expenses in the statements of operations and changes in net assets are the following costs resulting from transactions with RIH for the years ended September 30:

	2014	2013
Rental expense	\$ 816	\$ 802
Laundry and linen	1,227	1,237
Total	<u>\$ 2,043</u>	<u>\$ 2,039</u>

During 2014, the Hospital also rented space to RIH. Included in the Hospital's other revenue in the statement of operations and changes in net assets is rental income of \$555 resulting from transactions with RIH.

The Hospital was charged a management fee by Lifespan of \$33,313 and \$32,239 in 2014 and 2013, respectively. Lifespan provides information services, human resources, financial, and various other support services to the Hospital.

Included in other receivables and other accrued expenses in the statements of financial position are the following amounts due from (to) certain related entities at September 30:

	2014	2013
Other receivables:		
RIH	\$ 2,025	\$ —
Lifespan	861	—
Lifespan Physician Group, Inc.	—	578
Newport Hospital	38	23
EPBH	24	24
Total	<u>\$ 2,948</u>	<u>\$ 625</u>
Other accrued expenses:		
Lifespan Physician Group, Inc.	\$ (731)	\$ —
Hospital Properties, Inc.	(443)	(443)
RIH	—	(207)
Lifespan	—	(67)
Total	<u>\$ (1,174)</u>	<u>\$ (717)</u>

During the years ended September 30, 2014 and 2013, the Hospital received temporarily restricted net asset transfers from TMHF amounting to \$3,570 and \$4,097, respectively. In addition, the Hospital received grants from the Foundation amounting to \$700 and \$550 in 2014 and 2013, respectively, in support of the Hospital's research activities. Such grants are included in other revenue.

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(15) Related-Party Transactions (continued)

TMHF, whose sole corporate member is Lifespan Corporation, was established to engage in philanthropic activities to support the mission and purposes of Lifespan and the Hospital. Funds are distributed to the Hospital upon collection for use in conformity with purpose restrictions stipulated by donors, or as determined by the Boards of Trustees of the Hospital and TMHF. A summary of TMHF's assets, liabilities, net assets, (deficiency) excess of revenues over expenses, and changes in net assets follows. The Hospital's interest in the net assets of TMHF is reported as a noncurrent asset in the statements of financial position.

	2014	2013
Assets, principally assets limited as to use	\$ 60,870	\$ 60,150
Liabilities	\$ 495	\$ 726
Unrestricted net assets	32,834	32,946
Temporarily restricted net assets	7,972	8,819
Permanently restricted net assets	19,569	17,659
Total liabilities and net assets	\$ 60,870	\$ 60,150
Total unrestricted revenues, gains and other support	\$ 908	\$ 2,067
Total expenses	1,276	1,333
(Deficiency) excess of revenues over expenses	(368)	734
Other increases (decreases) in unrestricted net assets	256	(466)
Unrestricted net assets, beginning of year	32,946	32,678
Unrestricted net assets, end of year	\$ 32,834	\$ 32,946
(Decrease) increase in temporarily restricted net assets	\$ (847)	\$ 1,069
Temporarily restricted net assets, beginning of year	8,819	7,750
Temporarily restricted net assets, end of year	\$ 7,972	\$ 8,819
Increase in permanently restricted net assets	\$ 1,910	\$ 4,702
Permanently restricted net assets, beginning of year	17,659	12,957
Permanently restricted net assets, end of year	\$ 19,569	\$ 17,659

THE MIRIAM HOSPITAL

Notes to Financial Statements

September 30, 2014 and 2013

(In thousands)

(16) License Fees

In 2014 and 2013, the State of Rhode Island has assessed a license fee to all Rhode Island hospitals, based on each hospital's 2012 and 2011 net patient service revenue, respectively, as defined. The Hospital's license fee expense was \$18,865 in 2014 and \$18,045 in 2013.

(17) Functional Expenses

The Hospital provides general health care services to residents within its geographic location. Expenses related to providing these services are as follows for the years ended September 30:

	<u>2014</u>	<u>2013</u>
Health care services	\$ 317,123	\$ 331,063
Research	28,300	31,011
General and administrative:		
Depreciation and amortization	13,063	11,948
Interest	3,462	3,435
Other	40,493	39,225
	<u>57,018</u>	<u>54,608</u>
Total general and administrative	<u>\$ 402,441</u>	<u>\$ 416,682</u>

(18) Non-recurring Charges

Income from operations includes non-recurring charges of approximately \$81 and \$391 in the years ended September 30, 2014 and 2013, respectively, related to streamlining initiatives resulting from the Hospital's review of its operating strategies. The charges include provisions for the severance costs of permanent management and supervisory workforce reductions. The liability related to the non-recurring charges is approximately \$9 and \$330 at September 30, 2014 and 2013, respectively, and is included in accrued employee benefits and compensation in the statements of financial position.

In July 2013, Lifespan announced a voluntary early retirement program (VERP), which was designed to provide salary and medical benefits continuation for eligible employees who wished to retire. The Hospital's estimated costs of this program in 2013 amounted to \$536 and are included in compensation and benefits in the statement of operations and changes in net assets. The liability related to the Hospital's VERP program is approximately \$419 and \$643 as of September 30, 2014 and 2013, respectively, and is included in accrued employee benefits and compensation in the statements of financial position.