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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

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

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 10-01-2013 , 2013, and ending 09-30-2014

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

C Name of organization
MCLEOD REGIONAL MEDICAL CENTER OF THE PEE DEE INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 555 EAST CHEVES STREET Suite

Room/suite

City or town, state or province, country, and ZIP or foreign postal code FLORENCE, SC 29506

D Employer identification number 57-0370242

E Telephone number (843) 777-2256

G Gross receipts $ 1,188,433,839

F Name and address of principal officer
ROBERT L COLONES
555 EAST CHEVES STREET
FLORENCE,SC 29506

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

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

H(c) Group exemption number ▶

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

J Website: ▶ www mcleodhealth org

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

L Year of formation 1906

M State of legal domicile SC

Part I Summary

1 Briefly describe the organization's mission or most significant activities
ACUTE CARE HOSPITAL

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	19
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	6
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	4,575
6	Total number of volunteers (estimate if necessary)	**6**	244
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	-15,700
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-15,700

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	2,745,783	2,401,013
9	Program service revenue (Part VIII, line 2g)	547,641,341	566,999,988
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	30,144,665	40,619,858
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	13,647,507	20,534,661
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	594,179,296	630,555,520
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	221,695,815	230,202,014
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	273,518,234	294,898,443
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	495,214,049	525,100,457
19	Revenue less expenses Subtract line 18 from line 12	98,965,247	105,455,063

Revenue / Expenses

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	1,294,732,435	1,405,761,124
21	Total liabilities (Part X, line 26)	331,977,548	308,004,446
22	Net assets or fund balances Subtract line 21 from line 20	962,754,887	1,097,756,678

Net Assets or Fund Balances

Part II Signature Block

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

Sign Here

****** Signature of officer — 2015-08-11 Date

S FULTON ERVIN III SR VP/CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
LAURA A COLLINS				P00008888

Firm's name ▶ KPMG LLP — Firm's EIN ▶

Firm's address ▶ 300 North Greene Street Suite 400 Greensboro, NC 27401 — Phone no (843) 777-2256

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

ORGANIZATION IS PART OF THE MCLEOD HEALTH SYSTEM THE MISSION OF MCLEOD HEALTH IS TO IMPROVE THE OVERALL HEALTH AND WELL-BEING OF PEOPLE LIVING WITHIN SOUTH CAROLINA AND EASTERN NORTH CAROLINA BY PROVIDING EXCELLENCE IN HEALTHCARE

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 $ 490,776,620 including grants of $) (Revenue $ 566,999,988)

SEE COMMUNITY BENEFIT REPORT ON SCHEDULE H

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

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

4d Other program services (Describe in Schedule O)

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

4e Total program service expenses ▶ 490,776,620

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

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	275		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	4,575		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			No
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			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?	8			No
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a**	19		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	6		
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**			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**		Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**		Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**		Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

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

Section C. Disclosure

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

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

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

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

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

▶ MARK W CAMERON 555 EAST CHEVES STREET
FLORENCE, SC 29506 (843) 777-5304

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

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

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) E COY IRVIN JR SR VP OF RELATED ORG	30 0 10 0	X						0	414,495	49,423
(2) DONNA C ISGETT SR VP OF RELATED ORG	30 0 10 0	X						0	468,332	86,187
(3) FRED N KRAININ MD STAFF PHYS OF RELATED ORG	40 0	X						0	732,369	23,451
(4) DOUGLAS P LILLY MD STAFF PHYS OF RELATED ORG	40 0	X						0	404,930	24,868
(5) WALTER E CONNOR MD STAFF PHYSICIAN	40 0 0 0	X						393,610	0	38,678
(6) MICHAEL J SUTTON MD STAFF PHYS OF RELATED ORG	40 0	X						0	600,017	29,359
(7) KEITH C PLAYER MD STAFF PHYS OF RELATED ORG	40 0	X						0	735,936	23,423
(8) TONY M DERRICK CHIEF NURSING OFFICER	40 0 0 0	X						129,820	0	19,909
(9) MARK A REYNOLDS MD STAFF PHYS OF RELATED ORG	40 0	X						0	398,344	24,054
(10) MARIE G SEGARS SR VP OF RELATED ORGANIZATION	36 0 4 0	X						0	472,016	88,636
(11) S FULTON ERVIN III CFO OF RELATED ORG	10 0 30 0	X		X				0	512,895	82,228
(12) RONALD L BORING COO OF RELATED ORG	10 0 30 0	X		X				0	496,216	100,115
(13) ROBERT L COLONES CEO OF RELATED ORG	10 0 30 0	X		X				0	813,893	89,555
(14) C DALE LUSK TRUSTEE	1 0	X						0	0	
(15) JEANETTE C GLENN TRUSTEE	1 0	X						0	0	
(16) R BENJAMIN KING JR MD TRUSTEE	1 0	X						0	0	
(17) TAREK M BISHARA MD TRUSTEE	1 0	X						0	0	

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) ANDREW H RHEA MD TRUSTEE	1 0	X						0	0	
(19) JOHN C PITTARD CHAIRMAN	1 0	X		X				0	0	
(20) ERIK DEHLINGER STAFF PHYSICIAN	40 0					X		469,084	0	17,816
(21) JEREMY R ROBERTSON MEDICAL DIRECTOR	40 0					X		462,420	0	36,926
(22) BRYON FROST STAFF PHYSICIAN	40 0					X		457,403	0	28,316
(23) ERIK STOPA STAFF PHYSICIAN	40 0					X		412,285	0	54,785
(24) THOMAS G LEWIS STAFF PHYSICIAN	40 0					X		425,257	0	35,980
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								2,749,879	6,049,443	853,709

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 7

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
BERK BUILDING GROUP LLC, 5605 CARNEGIE BLVD SUITE 200 CHARLOTTE NC 28209	CONSTRUCTION	28,297,908
DESIGN STRATEGIES LLC, 103 S MAIN STREET GREENVILLE SC 29601	ARCHITECUAL SVCS	2,795,628
SNB CONSTRUCTION, PO BOX 1438 HARTSVILLE SC 29551	CONSTRUCTION	2,476,485
PEE DEE LITHOTRIPSY, 720 ELIZABETH DRIVE MURRELLS INLET SC 29576	MEDICAL SERVICES	1,220,800
MEDICAL DOCTOR ASSOCIATES, PO BOX 277185 ATLANTA GA 30384	MEDICAL SERVICES	1,079,257

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 ▶ 42

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	2,177,945			
	e	Government grants (contributions)	1e	175,167			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	47,901			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		2,401,013			
Program Service Revenue			Business Code				
	2a	PATIENT SERVICES	624100	557,889,973	557,889,973		
	b	ALL OTHER PROGRAM SERVICE REVENUE	900099	9,110,015	9,110,015		
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		566,999,988			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		9,656,346			9,656,346
	4	Income from investment of tax-exempt bond proceeds . . ▶		0			
	5	Royalties . . . . . ▶		0			
			(i) Real	(ii) Personal			
	6a	Gross rents	5,503,283				
	b	Less rental expenses	3,691,365				
	c	Rental income or (loss)	1,811,918	0			
	d	Net rental income or (loss) . . . . . ▶			1,811,918		1,811,918
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	584,054,000	1,096,466			
	b	Less cost or other basis and sales expenses	553,160,174	1,026,780			
	c	Gain or (loss)	30,893,826	69,686			
	d	Net gain or (loss) . . . . . ▶			30,963,512		30,963,512
Other Revenue	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	PHARMACY INCOME			11,863,299		11,863,299
	b	NUTRITIONAL SERVICES			1,994,623		1,994,623
	c	GIFT SHOP			386,480		386,480
	d	All other revenue			4,478,341	-15,700	4,494,041
	e	**Total.** Add lines 11a–11d . . . . . ▶			18,722,743		
	12	**Total revenue.** See Instructions . . . . . ▶			630,555,520	566,999,988	-15,700	61,170,219

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	0			
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	505,419	452,722	52,697	
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	184,961,545	165,135,766	19,825,779	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	0			
9 Other employee benefits	44,735,050	40,062,294	4,672,756	
10 Payroll taxes	0			
11 Fees for services (non-employees)				
a Management	0			
b Legal	1,047,644	15,875	1,031,769	
c Accounting	0			
d Lobbying	0			
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	0			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	14,957,935	13,372,357	1,585,578	
12 Advertising and promotion	804,736	92,803	711,933	
13 Office expenses	122,626,674	119,105,737	3,520,937	
14 Information technology	1,504,847	1,169,611	335,236	
15 Royalties	0			
16 Occupancy	8,492,695	8,492,695		
17 Travel	729,232	448,562	280,670	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	305,561	258,295	47,266	
20 Interest	9,664,467	9,664,467		
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	41,862,739	41,862,739		
23 Insurance	2,831,483	2,831,483		
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 INTERCO MANAGEMENT FEE	41,672,325	41,672,325		
b MPA SUPPORT	12,362,259	12,362,259		
c LICENSES AND TAXES	11,941,968	11,941,968		
d PHYSICIAN FEES	7,471,979	7,471,729	250	
e All other expenses	16,621,899	14,362,933	2,258,966	
25 **Total functional expenses.** Add lines 1 through 24e	525,100,457	490,776,620	34,323,837	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 ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		0	1	0
	2	Savings and temporary cash investments		10,508,001	2	33,661,581
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		62,552,000	4	67,233,380
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		4,706,000	8	5,025,552
	9	Prepaid expenses and deferred charges		4,931,000	9	5,679,104
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 881,784,817			
	b	Less accumulated depreciation	10b 437,752,091	427,506,434	10c	444,032,726
	11	Investments—publicly traded securities		0	11	0
	12	Investments—other securities See Part IV, line 11		688,265,000	12	756,484,622
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		96,264,000	15	93,644,159
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1,294,732,435	16	1,405,761,124
Liabilities	17	Accounts payable and accrued expenses		44,792,841	17	45,284,690
	18	Grants payable		0	18	0
	19	Deferred revenue		2,052,159	19	787,938
	20	Tax-exempt bond liabilities		235,588,743	20	227,443,549
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		6,664,805	23	4,609,299
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		42,879,000	25	29,878,970
	26	**Total liabilities.** Add lines 17 through 25		331,977,548	26	308,004,446
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		962,754,887	27	1,097,756,678
	28	Temporarily restricted net assets		0	28	0
	29	Permanently restricted net assets		0	29	0
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		962,754,887	33	1,097,756,678
	34	Total liabilities and net assets/fund balances		1,294,732,435	34	1,405,761,124

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	630,555,520
2	Total expenses (must equal Part IX, column (A), line 25)	2	525,100,457
3	Revenue less expenses Subtract line 2 from line 1	3	105,455,063
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	962,754,887
5	Net unrealized gains (losses) on investments	5	29,546,728
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	
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	1,097,756,678

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MCLEOD REGIONAL MEDICAL CENTER OF THE PEE DEE INC

Employer identification number
57-0370242

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

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

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

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

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

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

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

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

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

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

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

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

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

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Non-functionally integrated

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

Facts And Circumstances Test		
Return Reference	Explanation	

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MCLEOD REGIONAL MEDICAL CENTER OF THE PEE DEE INC

Employer identification number
57-0370242

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Temporarily restricted endowment ▶

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		55,085,779		55,085,779
b Buildings		558,271,517	261,243,702	297,027,815
c Leasehold improvements		5,951,687	2,176,782	3,774,905
d Equipment		220,856,227	163,659,634	57,196,593
e Other		41,619,607	10,671,973	30,947,634
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				444,032,726

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) LARGE CAP	114,295,252	F
(B) SMALL AND MID CAP	80,677,640	F
(C) INTERNATIONAL	145,982,235	F
(D) GLOBAL EQUITY	123,874,097	F
(E) FIXED INCOME	180,788,749	F
(F) GLOBAL MACRO	93,127,262	F
(G) OTHER MANAGED FUNDS	17,739,387	F
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	756,484,622	

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

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

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

(a) Description	(b) Book value
(1) OTHER RECEIVABLES	1,992,442
(2) DUE FROM AFFILIATED ENTITIES	72,451,512
(3) GOODWILL	3,261,545
(4) OTHER ASSETS	7,508,405
(5) INVESTMENTS IN SUBSIDIARIES	6,018,027
(6) NET BOND ISSUE COST	2,412,228
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	93,644,159

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

1 (a) Description of liability	(b) Book value
Federal income taxes	0
CURRENT PORTION OF LONG TERM DEBT	5,003,636
DUE TO THIRD PARTY PAYORS	24,875,334
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	29,878,970

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

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

1	Total revenue, gains, and other support per audited financial statements			1	663,793,613
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	29,546,728		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	3,691,365		
e	Add lines **2a** through **2d**			2e	33,238,093
3	Subtract line **2e** from line **1**			3	630,555,520
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	630,555,520

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	528,791,822
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d	3,691,365		
e	Add lines **2a** through **2d**			2e	3,691,365
3	Subtract line **2e** from line **1**			3	525,100,457
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	525,100,457

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 XI, LINE 2d AND PART XII, LINE 2D	RENT EXPENSE $3,691,365
SCHEDULE D, PART X, LINE 2	MCLEOD HEALTH AND ITS NOT-FOR-PROFIT SUBSIDIARIES HAVE BEEN RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS EXEMPT FROM TAX UNDER THE PROVISIONS OF INTERNAL REVENUE CODE (IRC) SECTION 501(A) AS ENTITIES DESCRIBED UNDER IRC SECTION 501(C)(3) ACCORDINGLY, NO PROVISION FOR INCOME TAXES ON RELATED INCOME HAS BEEN RECORDED IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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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
MCLEOD REGIONAL MEDICAL CENTER OF THE PEE DEE INC

Employer identification number
57-0370242

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	Yes	
b	If "Yes," was it a written policy?	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year		
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care ☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %	Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☑ 300% ☐ 350% ☐ 400% ☐ Other _____ %	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"?	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		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 eligibile for free or discounted care?		
6a	Did the organization prepare a community benefit report during the tax year?	Yes	
b	If "Yes," did the organization make it available to the public?	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)			38,807,639	15,707,751	23,099,888	4 400 %
b Medicaid (from Worksheet 3, column a)			104,384,804	68,275,579	36,109,225	6 880 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			143,192,443	83,983,330	59,209,113	11 280 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			564,759		564,759	0 110 %
f Health professions education (from Worksheet 5)			4,188,210	2,998,568	1,189,642	0 230 %
g Subsidized health services (from Worksheet 6)			360,795	27,100	333,695	0 060 %
h Research (from Worksheet 7)			980,893	46,446	934,447	0 180 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			654,926		654,926	0 120 %
j **Total.** Other Benefits			6,749,583	3,072,114	3,677,469	0 700 %
k **Total.** Add lines 7d and 7j			149,942,026	87,055,444	62,886,582	11 980 %

Part II Community Building Activities Complete this 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			15,820			
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building			80,000			0 020 %
7 Community health improvement advocacy						
8 Workforce development			150,000			0 030 %
9 Other						
10 **Total**			245,820			0 050 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes		
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	39,777,974		
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	2,638,780		
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	180,828,143
6	Enter Medicare allowable costs of care relating to payments on line 5	6	196,025,507
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-15,197,364
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?
3

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

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group MCLEOD REGIONAL MED CENTER PEE DEE

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

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

Part V Facility Information *(continued)*

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

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

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

Form and Line Reference	Explanation

Part V Facility Information *(continued)*

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

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

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

Part VI Supplemental Information

Provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Form and Line Reference	Explanation
PART I, LINE 6a	PART I, LINE 6A THE COMMUNITY BENEFIT REPORT FOR MCLEOD HEALTH (SOLE MEMBER OF MCLEOD REGIONAL MEDICAL CENTER OF THE PEE DEE, INC , OR "MRMC") IS FILED ANNUALLY WITH THE SC HOSPITAL ASSOCIATION THE REPORT IS AVAILABLE TO ANYONE UPON REQUEST

Form and Line Reference	Explanation
PART I, LINE 7g	PART I, LINE 7g THESE SUBSIDIZED SERVICES COME FROM THE OPERATION OF A CANCER CLINIC

Form and Line Reference	Explanation
PART III, LINE 4	PART III, LINE 4 NET PATIENT REVENUES ARE REPORTED AT THE ESTIMATED NET REALIZABLE AMOUNT RECEIVED, OR TO BE RECEIVED, FROM PATIENTS, THIRD PARTY PAYORS, AND OTHERS FOR THE SPECIFIC SERVICES AND SUPPLIES RENDERED, INCLUDING ESTIMATED RETROACTIVE ADJUSTMENTS UNDER REIMBURSEMENT AGREEMENT WITH THIRD PARTY PAYOR FOR THE AMOUNTS REPORTED IN LINES 2 AND 3, WE USED THE IRS METHOD TO CALCULATE THE RATIO OF PATIENT COST TO CHARGES, AS SHOWN ON PAGE 13 OF THE INSTRUCTIONS FOR SCHEDULE H (WORKSHEET 2) THE CALCULATED RATIO WAS THEN APPLIED TO THE GROSS CHARGES WRITTEN OFF TO BAD DEBT (NET OF RECOVERIES)

Form and Line Reference	Explanation
PART III, LINE 8	PART III, LINE 8 THE ORGANIZATION FEELS THE TOTAL SHORTFALL OF MEDICARE REIMBURSEMENT COMPARED TO COMPUTED MEDICARE ALLOWABLE COSTS SHOULD BE TREATED AS COMMUNITY BENEFIT THE HOSPITAL IMPROVES ACCESS TO PATIENT CARE BY PROVIDING SERVICES REGARDLESS OF A PATIENT'S ABILITY TO PAY OR THE HOSPITAL'S ABILITY TO RECEIVE FULL COST REIMBURSEMENT FOR SERVICES THE HOSPITAL ALSO RELIEVES THE GOVERNMENT OF A FINANCIAL BURDEN WHEN IT PROVIDES CARE TO PUBLICLY-INSURED PATIENTS WHERE REIMBURSEMENT IS LESS THAN COST OF PROVIDING THE SERVICE

Form and Line Reference	Explanation
PART III, LINE 9	PART III, LINE 9B MCLEOD'S CHARITY POLICY OUTLINES THE CRITERIA USED TO DETERMINE PATIENTS WHO QUALIFY FOR CHARITY WHEN PATIENTS HAVE FURNISHED THE REQUIRED INFORMATION, IT IS REVIEWED AND A DETERMINATION IS MADE IF APPROVED FOR CHARITY CARE, THEIR ACCOUNT BALANCES ARE ADJUSTED BASED ON THE PERCENTAGE THEY QUALIFY FOR USING A CHARITY ADJUSTMENT CODE IF ALL REQUIRED INFORMATION IS NOT FURNISHED, THE PATIENT IS NOTIFIED THAT THEIR CHARITY APPLICATION WAS NOT APPROVED DUE TO FAILURE TO PROVIDE THE NECESSARY INFORMATION FOLLOWING THAT NOTIFICATION, THE ACCOUNT GENERALLY TRANSFERS TO BAD DEBT FOR FURTHER COLLECTION ACTION

Form and Line Reference	Explanation
PART VI, LINE 2	PART VI, LINE 2 IN ADDITION TO THE CHNA DESCRIBED ABOVE FOR MCLEOD REGIONAL MEDICAL CENTER OF THE PEE DEE, INC (OR MRMC) MRMC HAS A COMMUNITY BOARD THAT CONSISTS OF LOCAL PHYSICIANS AND OTHER INFLUENTIAL COMMUNITY LEADERS THIS BOARD MEETS SEMI-MONTHLY AND THE LEADERS PROVIDE INPUT FROM VARIOUS PARTS OF THE COMMUNITY TO ASSIST MRMC IN ASSESSING THE HEALTH CARE NEEDS OF THE COMMUNITY ADDITIONALLY, MRMC IS ACTIVELY INVOLVED IN AGENCIES LIKE UNITED WAY, AMERICAN HEART ASSOCIATION, AMERICAN CANCER SOCIETY, CHILDREN'S MIRACLE NETWORK TO FURTHER STAY ON THE PULSE OF THE HEALTH NEEDS OF THE COMMUNITY

Form and Line Reference	Explanation
PART VI, LINE 3	PART VI, LINE 3 UNINSURED PATIENTS ARE SCREENED AT THE TIME OF REGISTRATION FOR THEIR ABILITY TO PAY FOR THEIR HEALTHCARE SERVICES IF THE PATIENT HAS NO ABILITY TO PAY AND IS DEEMED INELIGIBLE FOR GOVERNMENTAL PROGRAMS (MEDICARE, MEDICAID, ETC) THEN THEY ARE INFORMED OF THE HOSPITAL CHARITY PROGRAM THEY ARE PROVIDED WITH AN APPLICATION AND A LISTING OF THE APPROPRIATE DOCUMENTS NECESSARY TO ESTABLISH ELIGIBILITY FOR THE HOSPITAL CHARITY PROGRAM

Form and Line Reference	Explanation
PART VI, LINE 4	PART VI, LINE 4 MCLEOD REGIONAL MEDICAL CENTER OF THE PEE DEE, INC (MRMC), TOGETHER WITH ITS RELATED ORGANIZATIONS MCLEOD MEDICAL CENTER-DILLON, MCLEOD LORIS SEACOAST HOSPITAL, AND MCLEOD PHYSICIAN ASSOCIATES II CONSIDERS ITS PRIMARY SERVICE AREA (PSA) AS THE SOUTH CAROLINA COUNTIES OF FLORENCE, DARLINGTON, CHESTERFIELD, DILLON, HORRY, MARION, AND MARLBORO, AND ITS SECONDARY SERVICE AREA (SSA) AS THE SOUTH CAROLINA COUNTIES OF CLARENDON, GEORGETOWN, LEE, SUMTER, AND WILLIAMSBURG THESE TWELVE COUNTIES MAKE UP THE NORTHEASTERN PORTION OF SOUTH CAROLINA MRMC HAS THE GREAT MAJORITY OF ITS DISCHARGES FROM THE COUNTIES OF FLORENCE AND DARLINGTON

Form and Line Reference	Explanation
PART VI, LINE 5	PART VI, LINE 5 SINCE 1906, MCLEOD HEALTH HAS UPHELD ITS MISSION OF IMPROVING THE OVERALL HEALTH AND WELL BEING OF PEOPLE LIVING WITHIN SOUTH CAROLINA AND EASTERN NORTH CAROLINA B Y PROVIDING EXCELLENCE IN HEALTHCARE MCLEOD HEALTH IS A LOCALLY OWNED AND MANAGED, NOT-FO R-PROFIT ORGANIZATION THAT OPERATES ON THE FOUNDATION OF PREMIER TECHNOLOGY, MODERN FACILI TIES, AND AN UNSURPASSED DEDICATION TO IMPROVING THE LIVES OF THE PATIENTS AND FAMILIES IT SERVES THE HEALTH SYSTEM TODAY COVERS A SERVICE AREA OF 15 COUNTIES, ENCOMPASSING NEARLY 11,500 SQUARE MILES AND A POPULATION OF MORE THAN ONE MILLION MCLEOD HAS BEEN RECOGNIZED NUMEROUS TIMES FOR ITS OUTSTANDING WORK IN QUALITY CARE, BEST PRACTICES, AND CLINICALLY P ROVEN OUTCOMES THESE EXTENSIVE EFFORTS HAVE RESULTED IN THE 2010 AMERICAN HOSPITAL ASSOCI ATION - MCKESSON QUEST FOR QUALITY PRIZE, IN WHICH MCLEOD WAS THE FIRST HOSPITAL IN SOUTH CAROLINA TO BE PRESENTED WITH THIS HONOR SINCE ITS INCEPTION MCLEOD HEALTH HAS ALSO RECEN TLY CELEBRATED NATIONAL RECOGNITION FROM HEALTHGRADES, THE LEADING ONLINE RESOURCE FOR COM PREHENSIVE INFORMATION ABOUT PHYSICIANS AND HOSPITALS HEALTHGRADES SELECTED MCLEOD REGION AL MEDICAL CENTER FOR 23 TOP HONORS INCLUDING THE 2014 DISTINGUISHED HOSPITAL AWARD FOR CL INICAL EXCELLENCE THIS DISTINCTION PLACES MCLEOD AMONG THE TOP 5% OF MORE THAN 4,500 HOSP ITALS NATIONWIDE FOR ITS CLINICAL PERFORMANCE BASED ON QUALITY MEASUREMENTS, MCLEOD WAS A LSO LISTED AMONG HEALTHGRADES' TOP 100 HOSPITALS IN CARDIAC CARE AND SURGICAL CARE THE HO SPITALS WITHIN MCLEOD HEALTH INCLUDE MCLEOD REGIONAL MEDICAL CENTER IN FLORENCE, MCLEOD DA RLINGTON, MCLEOD BEHAVIORAL HEALTH CENTER, MCLEOD DILLON, MCLEOD LORIS AND MCLEOD SEACOAST THE FLORENCE FACILITY IS THE FLAGSHIP OF MCLEOD HEALTH THIS REGIONAL REFERRAL CENTER FE ATURES AN ACCREDITED CANCER CENTER AND HEART & VASCULAR INSTITUTE, A PCI ACCREDITED CHEST PAIN CENTER, THREE DEDICATED OPEN-HEART SURGERY SUITES AS WELL AS CENTERS OF EXCELLENCE IN HEART, CANCER, SURGERY, NEUROSURGERY, TRAUMA, CHILDREN'S AND WOMEN'S SERVICES AS WELL AS REHABILITATION AND SPORTS MEDICINE SERVICES AND THE CENTER FOR ADVANCED SURGERY RECENT CE RTIFICATIONS HAVE BEEN AWARDED IN AREAS OF ATRIAL FIBRILLATION, HEART FAILURE, AND STROKE MCLEOD HEALTH ALSO OPERATES A HEALTH AND FITNESS CENTER, SPORTS MEDICINE AND OUTPATIENT R EHABILITATION CENTER, A BEHAVIORAL HEALTH CENTER, HOSPICE, AND HOME HEALTH SERVICES IN 20 13, MCLEOD OPENED THE CENTER FOR INTENSIVE CARE AND A CENTER FOR CANCER TREATMENT AND RESE ARCH TO PROVIDE ACCESS OF CARE TO OUR GROWING PATIENT POPULATION, PLANS ARE UNDERWAY FOR EMERGENCY DEPARTMENT EXPANSION AT MCLEOD REGIONAL MEDICAL CENTER AND ALSO AT MCLEOD SEACOA ST IN LITTLE RIVER A MEDICAL OFFICE BUILDING WILL BE LOCATED IN THE CAROLINA FOREST AREA AS AN EXPANSION OF MCLEOD SEACOAST SUSTAINING CRITICAL SERVICES AND OFFERING A PERSONAL T OUCH TO EACH PATIENT IS ACCOMPLISHED EVERY DAY BY 650 PHYSICIANS AND 6,500 EMPLOYEES CURR ENTLY, MCLEOD REGIONAL MEDICAL CENTER IN FLORENCE HAS 453 LICENSED BEDS, AND IN TOTAL, MCL EOD HEALTH INCLUDES 883 LICENSED BEDS FOR PATIENT CARE THIS LEVEL OF CARE, COUPLED WITH T HE DIVERSE NUMBER OF SERVICES PROVIDED, ALLOWS MCLEOD TO MEET THE UNIQUE AND VAST ARRAY OF HEALTH CARE NEEDS IN ITS 15-COUNTY SERVICE AREA AS ONE OF THE REGION'S LARGEST SERVICE O RGANIZATIONS, INCLUDING PHYSICIANS, NURSES, AND PHARMACISTS AS WELL AS COMPUTER TECHNICIAN S, ENVIRONMENTAL SERVICES WORKERS, THERAPISTS AND OTHER MEDICAL PROFESSIONALS, MCLEOD IS A LSO THE REGION'S LARGEST EMPLOYER THESE WAGES FLOW INTO NUMEROUS LOCAL ORGANIZATIONS TO H ELP STIMULATE THE REGION'S ECONOMY EACH YEAR MCLEOD HAS PRUDENTLY BUILT AND DEVELOPED RES ERVES IN ORDER TO CONTINUE TO GROW AS A MISSION MINDED HOSPITAL COMMITTED TO IMPROVING THE HEALTH OF PEOPLE IN THE REGION IN TERMS OF SURPLUSES, LIKE ANY BUSINESS OR FAMILY, A HOS PITAL MUST EARN MORE THAN IT SPENDS TO BE VIABLE AND FULFILL ITS MISSION MCLEOD HAS SET A SIDE FUNDS FOR THE FUTURE GROWTH NEEDED IN HEALTHCARE SERVICES THESE FUNDS ARE PROFESSION ALLY MANAGED AND ARE IN ACCORDANCE WITH GUIDELINES ESTABLISHED BY MOODY'S INVESTORS SERVIC E FOR A SERVICE ORGANIZATION APPROPRIATE TO MCLEOD'S SIZE AND SCOPE MONEY FROM THE OPERAT ING MARGIN IS REINVESTED IN THE LOCAL ECONOMY AND USED FOR EXPANSION OR REPLACEMENT OF EQU IPMENT, TECHNOLOGY AND FACILITIES TO MEET THE HIGHEST STANDARDS OF CARE, QUALITY AND SAFET Y FOR PATIENTS IMPROVEMENTS TRANSLATE TO SERVICES NEEDED IN THE COMMUNITY, AS WELL AS ACC ESS TO MEDICAL CARE FOR ACUTELY ILL PATIENTS AND THOSE IMPACTED BY THE STATE'S MOST PREVAL ENT DISEASES, MANY OF WHICH ARE THE HIGHEST IN THE NATION MCLEOD'S PROJECTS AND MEDICAL D EVELOPMENTS ARE CONSISTENT WITH THE NEEDS IDENTIFIED BY SOUTH CAROLINA DHEC'S STATE HEALTH PLAN EVERY YEAR, THE MCLEOD HOSPITALS SERVE 150,000 PATIENTS IN THEIR EMERGENCY DEPARTME NTS, REGARDLESS OF A PERSON'S ABILITY TO PAY MCLEOD HEALTH HOSPITALS ALSO ANNUALLY DIAGNO SE OR TREAT NEARLY HALF A MILLION PEOPLE AS OUTPAT

Form and Line Reference	Explanation
PART VI, LINE 5	IENTS AND CARE FOR MORE THAN 30,000 ILL AND SURGICAL INPATIENTS THE HOSPITALS AND THEIR E MERGENCY DEPARTMENTS ARE OPEN 24 HOURS A DAY, SEVEN DAYS A WEEK, 365 DAYS A YEAR MCLEOD I S AFFILIATED WITH ACADEMIC INSTITUTIONS TO ADDRESS THE COMMUNITY'S HEALTHCARE NEEDS MCLEO D FACILITATES A FAMILY MEDICINE RESIDENCY PROGRAM AND SUPPORTS FRANCIS MARION UNIVERSITY'S BACHELOR OF SCIENCE NURSING DEGREE PROGRAM AS WELL AS FLORENCE-DARLINGTON TECHNICAL COLLE GE'S ASSOCIATE DEGREE NURSING PROGRAM ROTATIONS AT MCLEOD REGIONAL MEDICAL CENTER IN CLIN ICAL AND ADMINISTRATIVE AREAS ARE ALSO OFFERED TO STUDENTS FROM EDUCATIONAL PROGRAMS THROU GHOUT THE STATE FOR MORE THAN 30 YEARS, MCLEOD HAS PARTICIPATED IN STATE-OF-THE-ART CANCE R RESEARCH AND MADE CLINICAL TRIALS AVAILABLE TO PEOPLE LIVING IN NORTHEASTERN SOUTH CAROL INA AND SOUTHEASTERN NORTH CAROLINA MCLEOD'S INVOLVEMENT IN CANCER RESEARCH IS SUPPORTED BY MULTIPLE RESEARCH PARTNERS, INCLUDING THE NATIONAL CANCER INSTITUTE (NCI), THE SOUTHEAS T CLINICAL ONCOLOGY RESEARCH CONSORTIUM, (SCOR), AND HOLLINGS CANCER CENTER OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA (MUSC) MCLEOD IS DEDICATED TO PROVIDING AREA RESIDENTS THE OPPORTUNITY TO PARTICIPATE IN A CLINICAL TRIAL THAT BEST SUITS THE UNIQUE NEEDS OF THE IND IVIDUAL AS NURSES ARE A PART OF THE FUTURE OF HEALTH CARE, THE REGION IS VERY FORTUNATE T O HAVE TWO EXCELLENT NURSING EDUCATION PROGRAMS IN FLORENCE AT FRANCIS MARION UNIVERSITY A ND FLORENCE-DARLINGTON TECHNICAL COLLEGE THESE TWO PROGRAMS ARE THE CORNERSTONE FOR RECRU ITING, RETENTION AND CULTIVATION OF EXCEPTIONAL NURSES BY MCLEOD AND OTHER HEALTH CARE PRO VIDERS IN THE REGION ANNUALLY, MCLEOD HEALTH DONATES $75,000 TO BOTH THE FLORENCE-DARLING TON TECHNICAL COLLEGE AND FRANCIS MARION UNIVERSITY NURSING PROGRAMS THESE CONTRIBUTIONS RECOGNIZE EACH SCHOOL'S NURSING PROGRAM FOR THEIR COMMITMENT TO THE DEVELOPMENT OF OUTSTAN DING HEALTH CARE PROFESSIONALS FOR THE REGION THE SUCCESS OF THE RELATIONSHIPS WITH THE T WO COLLEGE NURSING PROGRAMS, COUPLED WITH STRONG RECRUITING EFFORTS, HAS HELPED MCLEOD AND OTHER HEALTH CARE PROVIDERS IN THE REGION IMPROVE THEIR NURSING VACANCY RATE CONSIDERABLY IN ADDITION TO THIS YEAR'S GIFTS TO FRANCIS MARION UNIVERSITY AND FLORENCE-DARLINGTON TE CHNICAL COLLEGE NURSING PROGRAMS, MCLEOD ALSO OFFERS SCHOLARSHIPS TO ELIGIBLE STUDENTS TO ASSIST THOSE WHO NEED FINANCIAL AID WITH NURSING SCHOOL MCLEOD SCHOLARSHIPS ARE AVAILABLE TO COLLEGE STUDENTS WHO HAVE BEEN ACCEPTED IN AN ACCREDITED ALLIED HEALTHCARE PROGRAM SUC H AS NURSING IN FISCAL YEAR 2014, MCLEOD HEALTH PROVIDED THE REGION WITH $117 MILLION DOL LARS WORTH OF CHARITY CARE TO BENEFIT COMMUNITY FAMILIES MCLEOD HEALTH NOT ONLY PROVIDES COMMUNITY BENEFIT THROUGH THE SERVICES OFFERED BUT ALSO BY STIMULATING THE LOCAL ECONOMY LAST YEAR, MORE THAN $14 MILLION WAS CONTRIBUTED IN SALES TAX, APPROXIMATELY $646,000 IN P ROPERTY TAXES, AND MORE THAN $14 MILLION IN HOSPITAL PROVIDER TAXES TO BENEFIT THE COMMUNI TIES WHERE ITS EMPLOYEES AND PATIENTS LIVE AND WORK MCLEOD HEALTH HAS NUMEROUS INITIATIVE S IN PLACE TO PROVIDE COMMUNITY BENEFITS THAT PROMOTE PREVENTION, HEALING, AND TREATMENT SOME OF THESE INITIATIVES INCLUDE HEALTH EDUCATION THROUGH SEMINARS AND WRITTEN SOURCES, S UPPORT GROUPS, HEALTH FAIRS, HEALTH SCREENINGS AND IMMUNIZATIONS, FREE AND DISCOUNTED MEDI CAL SUPPLIES, RESEARCH, AND FINANCIAL AND IN-KIND CONTRIBUTIONS THE HEALTH SCREENINGS THA T ARE OFFERED TO THE COMMUNITY CHECK FOR PROBLEMS WITH BLOOD PRESSURE, CHOLESTEROL, DIABET ES, SKIN CANCER, OSTEOPOROSIS, PERIPHERAL VASCULAR DISEASE, AND STROKE CHILDBIRTH PREPARA TION CLASSES, INFANT/CHILD CPR, COMMUNITY CAR SEAT SAFETY CHECKS BY CERTIFIED CHILD PASSEN GER SAFETY TECHNICIANS, AND SAFESITTERS SESSIONS ARE ALSO OFFERED TO THE COMMUNITY THE MC LEOD FOUNDATION HELPS FINANCIALLY SUPPORT SPECIFIC PROGRAMS, GROWTH, AND PROJECTS THROUGH PHILANTHROPY AND GRANTS THE COMMUNITY OUTREACH BUDGET ALLOCATES APPROXIMATELY $250,000 AC ROSS THE HEALTHCARE SYSTEM FOR SPONSORSH

Form and Line Reference	Explanation
PART VI, LINE 6	MCLEOD HEALTH IS THE SOLE MEMBER OF MCLEOD REGIONAL MEDICAL CENTER OF THE PEE DEE, INC AND OTHER RELATED ORGANIZATIONS WHICH COMPRISE THE REGIONAL MCLEOD HEALTH SYSTEM DESCRIPTIONS OF EACH ENTITY FOLLOWS MCLEOD REGIONAL MEDICAL CENTER OF THE PEE DEE, INC MCLEOD REGIONAL MEDICAL CENTER OF THE PEE DEE, INC (MRMC) IS THE LARGEST ENTITY IN THE MCLEOD HEALTH SYSTEM AND OWNS AND OPERATES THE FOLLOWING ORGANIZATIONS, WHICH OPERATE AS DIVISIONS OF MRMC - MCLEOD REGIONAL MEDICAL CENTER, THE SYSTEM'S MAIN HOSPITAL CAMPUS LOCATED IN FLORENCE, SOUTH CAROLINA, WHICH INCLUDES A 453-BED TERTIARY CARE FACILITY AND A 40-BED NEONATAL INTENSIVE CARE UNIT, - MCLEOD MEDICAL CENTER-DARLINGTON, A 49-BED COMMUNITY HOSPITAL LOCATED IN DARLINGTON, SOUTH CAROLINA, - MCLEOD BEHAVIORAL HEALTH, A 23-BED PSYCHIATRIC FACILITY LOCATED ON THE CAMPUS OF MCLEOD MEDICAL CENTER-DARLINGTON, - MCLEOD HOME CARE, WHICH CONSISTS OF MCLEOD HOME HEALTH, A FIVE-COUNTY HOME HEALTHCARE ORGANIZATION WITH OFFICES IN FLORENCE, SOUTH CAROLINA, AND MCLEOD HOSPICE HOUSE, A 24-BED INPATIENT HOSPICE FACILITY LOCATED IN FLORENCE, SOUTH CAROLINA, - MCLEOD HEALTH & FITNESS CENTER, A COMPREHENSIVE HEALTH AND FITNESS CENTER LOCATED IN FLORENCE, SOUTH CAROLINA, - MCLEOD AMBULATORY SURGERY CENTER, A FREE-STANDING OUTPATIENT SERVICE CENTER LOCATED ON THE CAMPUS OF MCLEOD REGIONAL MEDICAL CENTER ADDITIONALLY, MRMC IS THE MAJORITY OWNER IN A JOINT VENTURE, MCLEOD MEDICAL PARTNERS, LLC, WHICH OWNS AND OPERATES THREE MEDICAL OFFICE BUILDINGS ON THE CAMPUS MCLEOD MEDICAL CENTER-DILLON MCLEOD MEDICAL CENTER-DILLON IS A SOUTH CAROLINA NONPROFIT CORPORATION AND AN ORGANIZATION DESCRIBED UNDER SECTIONS 501(C)(3) AND 509 (A)(1) OF THE CODE MCLEOD MEDICAL CENTER-DILLON OWNS AND OPERATES A 79-BED COMMUNITY HOSPITAL LOCATED IN THE CITY OF DILLON IN DILLON COUNTY, SOUTH CAROLINA DILLON COUNTY BORDERS FLORENCE COUNTY TO THE NORTHEAST MCLEOD LORIS SEACOAST HOSPITAL MCLEOD LORIS SEACOAST HOSPITAL JOINED MCLEOD HEALTH IN JANUARY 2012 AND CONSISTS OF THE FOLLOWING DIVISIONS - MCLEOD LORIS, A 105-BED COMMUNITY HOSPITAL LOCATED IN LORIS, SOUTH CAROLINA, - MCLEOD SEACOAST, A 50-BED COMMUNITY HOSPITAL LOCATED IN LITTLE RIVER, SOUTH CAROLINA, MCLEOD PHYSICIAN ASSOCIATES II (MPA II) MPA II IS A SOUTH CAROLINA NONPROFIT CORPORATION AND AN ORGANIZATION DESCRIBED UNDER SECTIONS 501(C)(3) AND 509(A)(2) OF THE CODE THAT OPERATES A MULTI-SPECIALTY PHYSICIAN GROUP PRACTICE OF OVER 140 EMPLOYED PHYSICIANS PROVIDING PRIMARY AND SPECIALTY CARE SERVICES THROUGH OVER 55 OFFICES IN NORTHEASTERN SOUTH CAROLINA MPA II SUPPORTS THE MISSION OF MCLEOD HEALTH, PROVIDING COMPREHENSIVE MEDICAL AND SURGICAL SERVICES, INCLUDING A WIDE RANGE OF PHYSICIAN SPECIALTIES, TO MCLEOD'S PATIENTS FROM A 12-COUNTY SERVICE AREA MCLEOD HEALTH FOUNDATION THE FOUNDATION WAS ORGANIZED IN 1986 AS A SOUTH CAROLINA NONPROFIT CORPORATION AND IS AN ORGANIZATION DESCRIBED UNDER SECTIONS 501(C)(3) AND 509(A)(3) OF THE CODE THE FOUNDATION IS PRINCIPALLY ENGAGED IN FUNDRAISING ACTIVITIES FOR THE SYSTEM ACCORDING TO ITS BYLAWS, THE FOUNDATION'S GOVERNING BODY CONSISTS OF NOT LESS THAN 15 AND NOT MORE THAN 30 MEMBERS, EACH OF WHICH IS APPOINTED BY THE BOARD OF TRUSTEES OF MCLEOD HEALTH (THE "MCLEOD HEALTH BOARD" OR THE "BOARD") CURRENTLY, THERE ARE 25 MEMBERS OF THE FOUNDATION'S GOVERNING BODY AT LEAST ONE MEMBER OF THE FOUNDATION'S GOVERNING BODY MUST BE A MEMBER OF THE MCLEOD HEALTH BOARD MCLEOD MEDICAL PARTNERS, LLC MCLEOD MEDICAL PARTNERS, LLC IS A FOR-PROFIT ENTITY THAT OWNS AND OPERATES THREE MEDICAL OFFICE BUILDINGS ON THE MCLEOD REGIONAL MEDICAL CENTER CAMPUS MRMC OWNS A 62% SHARE IN THE EQUITY OF THIS COMPANY MCLEOD PHYSICIAN ASSOCIATES, INC MCLEOD PHYSICIAN ASSOCIATES, INC IS A SOUTH CAROLINA FOR PROFIT CORPORATION THAT FORMERLY OPERATED A MULTI-SPECIALTY PHYSICIAN GROUP PRACTICE, BUT IS NOW INACTIVE EFFECTIVE OCTOBER 1, 2006, SUBSTANTIALLY ALL ASSETS AND OPERATIONS OF MCLEOD PHYSICIAN ASSOCIATES, INC WERE TRANSFERRED TO MPA II

Form and Line Reference	Explanation
PART VI, LINE 7	LIST OF STATES RECEIVING COMMUNITY BENEFIT REPORT SC

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493226031125

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
MCLEOD REGIONAL MEDICAL CENTER OF THE PEE DEE INC

Employer identification number
57-0370242

Part I Questions Regarding Compensation

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

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
Schedule J, Part I, Line 3	McLeod Health uses all of the methods described in Schedule J, Part I, Line 3 to establish the compensation of its executives serving the hospitals and affiliated organizations in the McLeod Health system Marie G Segars, administrator of McLeod Regional Medical Center of the Pee Dee, Inc , is compensated by the system's parent company, McLeod Health
Schedule J, Part I, Line 4b	Certain executives are eligible to participate in the system's supplemental non-qualified retirement plan The determination of the benefits under the plan follow the filing organization's compensation procedures as outlined in Form 990, Part VI, Section B, Line 15
Schedule J, Part I, Line 7	THE ORGANIZATION AWARDS BONUSES ON THE BASIS OF QUALITY AND OTHER PERFORMANCE FACTORS

Additional Data

Software ID:
Software Version:
EIN: 57-0370242
Name: MCLEOD REGIONAL MEDICAL CENTER OF THE PEE DEE INC

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
ERIK DEHLINGER STAFF PHYSICIAN	(I) (II)	412,243 0	50,233	6,608	0	17,816	486,900 0	0 0
JEREMY R ROBERTSON MEDICAL DIRECTOR	(I) (II)	421,364 0	31,518	9,538	13,821	23,105	499,346 0	0 0
BRYON FROST STAFF PHYSICIAN	(I) (II)	362,009 0	86,901	8,493	10,500	17,816	485,719 0	0 0
ERIK STOPA STAFF PHYSICIAN	(I) (II)	347,674 0	57,951	6,660	30,402	24,383	467,070 0	0 0
THOMAS G LEWIS STAFF PHYSICIAN	(I) (II)	377,010 0	41,258	6,989	12,712	23,268	461,237 0	0 0
E COY IRVIN JR SR VP OF RELATED ORG	(I) (II)	0 363,225	33,377	17,893	26,157	23,266	0 463,918	0 0
DONNA C ISGETT SR VP OF RELATED ORG	(I) (II)	0 372,446	81,281	14,605	61,384	24,803	0 554,519	0 0
FRED N KRAININ MD STAFF PHYS OF RELATED ORG	(I) (II)	0 591,466	131,299	9,604	0	23,451	0 755,820	0 0
DOUGLAS P LILLY MD STAFF PHYS OF RELATED ORG	(I) (II)	0 241,842	154,254	8,834	0	24,868	0 429,798	0 0
WALTER E CONNOR MD STAFF PHYSICIAN	(I) (II)	295,648 0	91,371	6,591	15,300	23,378	432,288 0	0 0
MICHAEL J SUTTON MD STAFF PHYS OF RELATED ORG	(I) (II)	0 552,235	31,011	16,771	0	29,359	0 629,376	0 0
KEITH C PLAYER MD STAFF PHYS OF RELATED ORG	(I) (II)	0 346,626	383,091	6,219	0	23,423	0 759,359	0 0
MARK A REYNOLDS MD STAFF PHYS OF RELATED ORG	(I) (II)	0 384,134	0	14,210	0	24,054	0 422,398	0 0
MARIE G SEGARS SR VP OF RELATED ORGANIZATION	(I) (II)	0 365,017	82,078	24,921	77,480	11,156	0 560,652	0 0
S FULTON ERVIN III CFO OF RELATED ORG	(I) (II)	0 410,669	81,281	20,945	65,176	17,052	0 595,123	0 0
RONALD L BORING COO OF RELATED ORG	(I) (II)	0 382,606	87,550	26,060	74,788	25,327	0 596,331	0 0
ROBERT L COLONES CEO OF RELATED ORG	(I) (II)	0 652,874	134,349	26,670	30,219	59,336	0 903,448	0 0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

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

Name of the organization
MCLEOD REGIONAL MEDICAL CENTER OF THE PEE DEE INC

Employer identification number
57-0370242

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	FLORENCE COUNTY	57-6000351	340122JN1	08-05-2010	170,200,565	SEE PART VI		X		X		X
B	FLORENCE COUNTY	57-6000351	340122LC2	08-07-2014	70,722,080	REFUND 2004 BONDS		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	7,950,565	0		
2	Amount of bonds legally defeased	0	0		
3	Total proceeds of issue	170,200,565	70,222,080		
4	Gross proceeds in reserve funds	0	0		
5	Capitalized interest from proceeds	3,239,045	0		
6	Proceeds in refunding escrows	0	0		
7	Issuance costs from proceeds	2,092,445	953,271		
8	Credit enhancement from proceeds	0	0		
9	Working capital expenditures from proceeds	0	0		
10	Capital expenditures from proceeds	100,009,563	0		
11	Other spent proceeds	64,859,462	69,268,809		
12	Other unspent proceeds	0	0		
13	Year of substantial completion	2013	2014		

		A		B		C		D	
		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?	X		X					
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?								
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 %		0 %					
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 %		0 %					
6	Total of lines 4 and 5	0 %		0 %					
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?		X		X				
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?	X			X				
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	0		0					
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	0		0					
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?								
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
SCHEDULE K, PART I, LINE A	DESCRIPTION OF PURPOSE TO CONSTRUCT AND EQUIP A HOSPITAL, AND TO REFUND 1998 BONDS

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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
MCLEOD REGIONAL MEDICAL CENTER OF THE PEE DEE INC

Employer identification number
57-0370242

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	MCLEOD REGIONAL MEDICAL CENTER OF THE PEE DEE, INC HAS A SOLE MEMBER, WHICH IS MCLEOD HEALTH
FORM 990, PART VI, SECTION A, LINE 7A	THE BOARD OF MCLEOD HEALTH (SOLE MEMBER) HAS FINAL AUTHORITY AS NEEDED ON THE MAKEUP AND D ECISION MAKING OF MCLEOD REGIONAL MEDICAL CENTER OF THE PEE DEE, INC
FORM 990, PART VI, SECTION A, LINE 7B	THE BOARD OF MCLEOD HEALTH (SOLE MEMBER) HAS FINAL AUTHORITY AS NEEDED ON THE MAKEUP AND D ECISION MAKING OF MCLEOD REGIONAL MEDICAL CENTER OF THE PEE DEE, INC
FORM 990, PART VI, SECTION B, LINE 11	THE PROCESS THE ORGANIZATION USES TO REVIEW FORM 990 CONSISTS OF PROVIDING COPIES OF THE F ORM 990 TO THE BOARD OF TRUSTEES OF MCLEOD HEALTH (SOLE MEMBER) AT THE JUNE 2015 BOARD MEE TING, ALONG WITH A PRESENTATION COVERING FORM 990 BY THE PREPARING FIRM, KPMG LLP, TO ALLO W FOR A THOROUGH REVIEW BY THE BOARD BEFORE THE FILING DATE OF AUGUST 15, 2015
FORM 990, PART VI, SECTION B, LINE 12C	MCLEOD REGIONAL MEDICAL CENTER OF THE PEE DEE, INC AND MCLEOD HEALTH (SOLE MEMBER) REGULA RLY AND CONSISTENTLY MONITOR AND ENFORECE COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY IN THAT ANY DIRECTOR, PRINCIPAL OFFICER, OR MEMBER OF A COMMITTEE WITH GOVERNING BOARD DEL EGATED POWERS, WHO HAS A DIRECT OR INDIRECT FINANCIAL INTEREST, MUST DISCLOSE THE EXISTENC E OF THE FINANCIAL INTEREST AND BE GIVEN THE OPPORTUNITY TO DISCLOSE ALL MATERIAL FACTS TO THE DIRECTORS AND MEMBERS OF THE COMMITTEES WITH GOVERNING BOARD DELEGATED POWERS CONSIDE RING THE PROPOSED TRANSACTION OR ARRANGEMENT THE REMAINING INDIVIDUALS ON THE GOVERNING B OARD OR COMMITTEE WILL DECIDE IF CONFLICTS OF INTEREST EXIST EACH DIRECTOR, PRINCIPAL OFF ICER AND MEMBER OF A COMMITTEE WITH GOVERNING BOARD DELEGATED POWERS ANNUALLY SIGNS A STAT EMENT WHICH AFFIRMS SUCH PERSON HAS RECEIVED A COPY OF THE CONFLICT OF INTEREST POLICY, AN D UNDERSTANDS THAT THE ORGANIZATION IS CHARITABLE AND IN ORDER TO MAINTAIN ITS FEDERAL TAX EXEMPTION, IT MUST ENGAGE PRIMARILY IN ACTIVITIES THAT ACCOMPLISH ITS TAX-EXEMPT PURPOSE.
FORM 990, PART VI, SECTION B, LINE 15	IN DETERMINING COMPENSATION OF MCLEOD REGIONAL MEDICAL CENTER OF THE PEE DEE, INC'S CEO AN D OTHER OFFICERS AND KEY EMPLOYEES, THE PROCESS INCLUDED A REVIEW AND APPROVAL BY INDEPEND ENT PERSONS, COMPARABILITY DATA AND THE CONTEMPORANEOUS SUBSTANTIATION OF THE DELIBERATION S AND DECISION THE GOVERNENCE COMMITTEE REVIEWED AND APPROVED THE CEO'S COMPENSATION IN THE REVIEW OF COMPENSATION, THE CEO, OTHER OFFICERS, AND OTHER KEY EMPLOYEES, WAS COMPARED TO SIMILARLY SIUTATED ORGANIZATION AND POSITIONS INDIVIDUALS WERE NOT PRESENT WHEN THEIE COMPENSATION WAS DETERMINED
FORM 990, PART VI, SECTION C, LINE 19	THE GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE NOT AVA ILABLE TO THE PUBLIC UPON REQUEST HOWEVER, THE ORGANIZATION'S FORM 990 IS OPEN FOR PUBLIC INSPECTION, PROVIDES FINANCIAL INFORMATION, AND ADDRESSES ISSUES OF GOVERNANCE SUCH AS TH E ORGANIZATION'S CONFLICT OF INTEREST POLICY AND GOVERNANCE DOCUMENTS
FORM 990, PART XII, LINE 2A	FORM 990, PART XII, LINE 2A THE FINANCIAL STATEMENTS WERE AUDITED ON A CONSOLIDATED BASIS

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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
MCLEOD REGIONAL MEDICAL CENTER OF THE PEE DEE INC

Employer identification number
57-0370242

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	(g) Section 512(b)(13) controlled entity? No
(1) MCLEOD HEALTH FOUNDATION 555 EAST CHEVES STREET FLORENCE, SC 29506 57-0818672	RAISE MONEY	SC	501(C)(3)	LINE 11	MCLEOD HEATH		No
(2) MCLEOD HEALTH 555 EAST CHEVES STREET FLORENCE, SC 29506 51-0473500	HEALTHCARE	SC	501(C)(3)	LINE 3	MCLEOD HEATH		No
(3) MCLEOD MEDICAL CENTER - DILLON 555 EAST CHEVES STREET FLORENCE, SC 29506 51-0473471	HOSPITAL	SC	501(C)(3)	LINE 3	MCLEOD HEATH		No
(4) MCLEOD PHYSICIAN ASSOCIATES II 555 EAST CHEVES STREET FLORENCE, SC 29506 20-2935692	PHYSICIAN SVC	SC	501(C)(3)	LINE 3	MCLEOD HEATH		No
(5) MCLEOD LORIS SEACOAST HOSPITAL 555 EAST CHEVES STREET FLORENCE, SC 29506 45-3576100	HOSPITAL	SC	501(C)(3)	LINE 3	MCLEOD HEATH		No
(6) LORISSEACOAST HEALTHCARE FOUNDATION 555 EAST CHEVES STREET FLORENCE, SC 29506 42-1704953	RAISE MONEY	SC	501(C)(3)	LINE 11	MCLEOD HEATH		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) MCLEOD MEDICAL PARTNERS LLC 4401 BARCLAYS DOWN DR STE 300 CHARLOTTE, NC 28209 57-0812002	RENTAL	SC	MCLEOD REG MED	RELATED				No			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	(i) No
(1) MCLEOD PHYSICIAN ASSOCIATES INC 555 EAST CHEVES STREET FLORENCE, SC 29506 58-2279897	PHYSICIAN SVC	SC	N/A	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.

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

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) MCLEOD HEALTH FOUNDATION	c	2,177,945	CASH
(2) MCLEOD MEDICAL PARTNERS LLC	d	10,715,002	NOTE BALANCE
(3) MCLEOD MEDICAL PARTNERS LLC	s	596,092	CASH
(4) MCLEOD PHYSICIAN ASSOCIATES II INC	r	12,362,259	CASH

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

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

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

Part VII Supplemental Information

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

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 57-0370242
Name: MCLEOD REGIONAL MEDICAL CENTER OF THE PEE DEE INC

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) MCLEOD HEALTH FOUNDATION 555 EAST CHEVES STREET FLORENCE, SC 29506 57-0818672	RAISE MONEY	SC	501(C)(3)	LINE 11	MCLEOD HEATH		No
(1) MCLEOD HEALTH 555 EAST CHEVES STREET FLORENCE, SC 29506 51-0473500	HEALTHCARE	SC	501(C)(3)	LINE 3	MCLEOD HEATH		No
(2) MCLEOD MEDICAL CENTER - DILLON 555 EAST CHEVES STREET FLORENCE, SC 29506 51-0473471	HOSPITAL	SC	501(C)(3)	LINE 3	MCLEOD HEATH		No
(3) MCLEOD PHYSICIAN ASSOCIATES II 555 EAST CHEVES STREET FLORENCE, SC 29506 20-2935692	PHYSICIAN SVC	SC	501(C)(3)	LINE 3	MCLEOD HEATH		No
(4) MCLEOD LORIS SEACOAST HOSPITAL 555 EAST CHEVES STREET FLORENCE, SC 29506 45-3576100	HOSPITAL	SC	501(C)(3)	LINE 3	MCLEOD HEATH		No
(5) LORISSEACOAST HEALTHCARE FOUNDATION 555 EAST CHEVES STREET FLORENCE, SC 29506 42-1704953	RAISE MONEY	SC	501(C)(3)	LINE 11	MCLEOD HEATH		No

McLEOD HEALTH

Consolidated Financial Statements and
Supplemental Consolidating Information

September 30, 2014 and 2013

(With Independent Auditors' Report Thereon)

MCLEOD HEALTH

Table of Contents

KPMG LLP
Suite 260
40 West Broad Street
Greenville, SC 29601-2610

Independent Auditors' Report

The Board of Trustees
McLeod Health
Florence, South Carolina.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of McLeod Health and subsidiaries (McLeod Health), which comprise the consolidated balance sheet as of September 30, 2014, and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit We conducted our audit 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 consolidated financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of McLeod Health and subsidiaries as of September 30, 2014, and the results of their operations and their cash flows for the year then ended in accordance with U S generally accepted accounting principles

Other Matters

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole The accompanying supplemental consolidating information on pages 30 to 33 is presented for the purpose of additional analysis and is not a required part of the consolidated financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole

Predecessor Auditors

The accompanying consolidated financial statements of McLeod Health and subsidiaries as of September 30, 2013 and for the year then ended were audited by other auditors whose report thereon dated December 16, 2013 expressed an unmodified opinion on those statements

KPMG LLP

Greenville, South Carolina
December 12, 2014

McLEOD HEALTH

Consolidated Balance Sheets

September 30, 2014 and 2013

(In thousands)

Assets		2014	2013
Current assets:			
Cash and cash equivalents	$	41,714	19,083
Investments		3,892	2,508
Receivables			
Patient – net of allowances for doubtful accounts of $119,601 and $97,355 in 2014 and 2013, respectively		90,622	89,473
Other		2,727	4,446
Inventories		8,314	7,944
Prepaid expenses		10,055	9,230
Total current assets		157,324	132,684
Assets limited as to use		763,598	693,731
Property and equipment – net		552,843	542,726
Other assets			
Bond issue costs – net		2,412	5,156
Goodwill		3,262	3,262
Other assets		10,634	9,599
Total other assets		16,308	18,017
Total assets	$	1,490,073	1,387,158
Liabilities and Net Assets			
Current liabilities			
Current portion of long-term debt	$	6,756	7,010
Accounts payable		28,106	29,867
Accrued expenses and other liabilities		49,162	42,936
Estimated third-party settlements		28,802	44,195
Total current liabilities		112,826	124,008
Long-term debt – net of current portion		310,379	322,339
Total liabilities		423,205	446,347
Net assets			
Unrestricted		1,057,532	932,918
Temporarily restricted		6,733	5,362
Permanently restricted		742	742
Total net assets attributable to McLeod Health		1,065,007	939,022
Noncontrolling interest in MMP		1,861	1,789
Total net assets		1,066,868	940,811
Commitments and contingencies (notes 5, 7, and 11)			
Total liabilities and net assets	$	1,490,073	1,387,158

See accompanying notes to consolidated financial statements

McLEOD HEALTH

Consolidated Statements of Operations

Years ended September 30, 2014 and 2013

(In thousands)

		2014	2013
Unrestricted revenues, gains, and other support			
Patient service revenue – net of contractual and other adjustments	$	991,589	899,363
Provision for bad debts – net		(212,896)	(156,371)
Net patient service revenue		778,693	742,992
Other operating revenue		42,174	38,112
Net assets released from restrictions		3,441	1,047
Total unrestricted revenues, gains, and other support		824,308	782,151
Expenses			
Personnel		433,194	417,971
Professional fees		22,790	19,651
Supplies		145,768	138,717
Purchased services		45,536	42,157
Facility-related costs		17,317	17,202
Insurance		6,533	7,153
Other		26,373	25,643
Interest		15,260	14,922
Depreciation and amortization		52,845	44,894
Loss on disposal of property		86	363
Total expenses		765,702	728,673
Income from operations		58,606	53,478
Other nonoperating revenues, net		64,781	82,569
Excess of revenues over expenses before noncontrolling interest		123,387	136,047
Less income attributable to noncontrolling interest		(311)	(532)
Excess of revenues over expenses attributable to McLeod Health		123,076	135,515
Net assets released from restrictions for purchases of property and equipment		1,538	1,328
Increase in unrestricted net assets attributable to McLeod Health	$	124,614	136,843

See accompanying notes to consolidated financial statements.

McLEOD HEALTH

Consolidated Statements of Changes in Net Assets

Years ended September 30, 2014 and 2013

(In thousands)

	Unrestricted	Temporarily restricted	Permanently restricted	Noncontrolling Interest	Total
Net assets – September 30, 2012	$ 796,075	4,940	742	1,551	803,308
Excess (deficiency) of revenues over expenses	135,515	(1,047)	—	532	135,000
Restricted donations and investment income	—	2,797	—	—	2,797
Distributions to noncontrolling interest	—	—	—	(294)	(294)
Net assets released from restrictions for property and equipment	1,328	(1,328)	—	—	—
Change in net assets	136,843	422	—	238	137,503
Net assets – September 30, 2013	932,918	5,362	742	1,789	940,811
Excess of revenues over expenses	123,076	—	—	311	123,387
Restricted donations and investment income	—	2,909	—	—	2,909
Distributions to noncontrolling interest	—	—	—	(239)	(239)
Net assets released from restrictions for property and equipment	1,538	(1,538)	—	—	—
Change in net assets	124,614	1,371	—	72	126,057
Net assets – September 30, 2014	$ 1,057,532	6,733	742	1,861	1,066,868

See accompanying notes to consolidated financial statements

McLEOD HEALTH

Consolidated Statements of Cash Flows

Years ended September 30, 2014 and 2013

(In thousands)

		2014	2013
Cash flows from operating activities			
Change in net assets	$	126,057	137,503
Adjustments to reconcile change in net assets to net cash provided by operating activities			
Depreciation and amortization		52,845	44,894
Provision for bad debts – net		212,896	156,371
Change in fair market value of interest rate swap agreement		(82)	(893)
Loss on disposal of property		86	363
Loss on disposal of business		188	—
Proceeds from sales of trading securities		584,350	216,749
Purchases of trading securities		(593,292)	(249,445)
Unrealized and realized gains on investments		(58,613)	(72,993)
Gain on acquisition of SC MOB		—	(1,613)
Noncontrolling interest distributions		239	294
Changes in operating assets and liabilities			
Patient receivables		(214,045)	(161,409)
Other receivables		1,719	(481)
Inventories		(370)	(644)
Prepaid expenses		(825)	(16)
Other assets		(1,035)	(140)
Accounts payable		(1,761)	5,643
Accrued expenses and other liabilities		6,308	1,461
Estimated third-party settlements		(15,393)	4,023
Net cash provided by operating activities		99,272	79,667
Cash flows from investing activities			
Proceeds from sale of property and equipment		4,757	497
Purchase of property and equipment		(65,672)	(78,619)
Bond proceeds designated for capital purchases		—	1,205
Other investing activities		2,979	(2,642)
Net cash used in investing activities		(57,936)	(79,559)
Cash flows from financing activities			
Repayments of long-term debt		(89,927)	(41,673)
Borrowings of long-term debt		73,567	—
Bond issuance costs		(791)	—
Funds limited as to use for debt service		(1,315)	(1,689)
Noncontrolling interest distributions		(239)	(294)
Net cash used in financing activities		(18,705)	(43,656)
Net increase (decrease) in cash and cash equivalents		22,631	(43,548)
Cash and cash equivalents – beginning of year		19,083	62,631
Cash and cash equivalents – end of year	$	41,714	19,083
Supplemental disclosures of cash flow information			
Cash paid for interest	$	14,822	14,922
Liabilities accrued for the purchase of property and equipment – net		2,633	4,189

See accompanying notes to consolidated financial statements

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

McLeod Health is a South Carolina nonprofit corporation and is also an organization as described under Sections 501(c)(3) and 509(a)(3) of the Internal Revenue Code (IRC) McLeod Health serves as the parent corporation and sole member of McLeod Regional Medical Center of the Pee Dee, Inc (McLeod Regional Medical Center or MRMC), McLeod Medical Center – Dillon, McLeod Health Foundation (the Foundation), McLeod Physician Associates II, McLeod Loris Seacoast Hospital (MLSH), and Loris/Seacoast Health Care Foundation (LSHF) and is the sole shareholder of McLeod Physician Associates, Inc (MPA)

McLeod Health serves the health care needs of a 12-county region in eastern South Carolina The activities of the principal entities comprising McLeod Health are summarized as follows

McLeod Regional Medical Center – MRMC is a 453-bed teaching hospital and tertiary care referral center located in Florence, South Carolina

McLeod Medical Center – Dillon – McLeod Medical Center – Dillon is a 79-bed community hospital located in Dillon, South Carolina

McLeod Medical Center – Darlington – McLeod Medical Center – Darlington is a division of MRMC and operates a 49-bed community hospital located in Darlington, South Carolina.

McLeod Behavioral Health – McLeod Behavioral Health is a division of MRMC and operates a 23-bed psychiatric facility located in Darlington, South Carolina

McLeod Hospice House – McLeod Hospice House is a division of MRMC and operates a 24-bed inpatient hospice facility located in Florence, South Carolina

McLeod Home Health – McLeod Home Health is a division of MRMC that provides home health care services

McLeod Health Foundation – The Foundation is a not-for-profit foundation organized to solicit funds for facilities, research, and general support of McLeod Health

McLeod Health and Fitness Center – McLeod Health and Fitness Center is a division of MRMC that operates a health and fitness center

McLeod Physician Associates, Inc (MPA) – MPA is a for-profit corporation that was composed of approximately 30 medical practices located throughout the Pee Dee region prior to October 1, 2006 Effective October 1, 2006, substantially all assets and operations were transferred to McLeod Physician Associates II, which is a not-for-profit corporation (see discussion below)

McLeod Physician Associates II – McLeod Physician Associates II is a not-for-profit corporation that is composed of 58 medical practices located throughout the Pee Dee and Northern Horry county regions

McLeod Ambulatory Surgery Center – McLeod Ambulatory Surgery Center is a division of MRMC that provides outpatient surgery services

McLeod Medical Partners, LLC (MMP) – MMP is a for-profit corporation that owns and operates three medical office buildings adjacent to MRMC MRMC owns approximately a 62% controlling share in the equity of MMP

McLeod Loris Seacoast Hospital (MLSH) – McLeod Loris Seacoast Hospital provides care for residents of northern Horry county in South Carolina and southern Brunswick and Columbus counties in North Carolina.

McLeod Loris – McLeod Loris is a division of MLSH and operates a 105-bed community hospital located in Loris, South Carolina

McLeod Seacoast– McLeod Seacoast is a division of MLSH and operates a 50-bed community hospital located in Little River, South Carolina

Loris Extended Care Center – Loris Extended Care Center is a division of MLSH and operates a long-term care facility in Loris, South Carolina Loris Extended Care Center was disposed of effective September 26, 2014

Loris Seacoast Healthcare Foundation (LSHF) – LSHF is a not-for-profit foundation organized to solicit funds for facilities, research, and general support of MLSH LSHF is a division of McLeod Health

(b) Principles of Consolidation

The consolidated financial statements include the accounts of McLeod Health and all wholly owned or controlled subsidiaries All significant intercompany balances and transactions have been eliminated in consolidation The Obligated Group consists of McLeod Health, MRMC, McLeod Medical Center – Dillon, and McLeod Physician Associates II The Nonobligated Group consists of the Foundation, MPA, MMP, and MLSH

(c) Use of Estimates

The preparation of consolidated financial statements in conformity with U S generally accepted accounting principles (U S GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period Significant estimates and assumptions are used for, but not limited to net patient service revenue, valuation of accounts receivable, including contractual allowances and allowances for doubtful accounts, estimated third-party settlements, and accounting for business combinations. Future events and their effects cannot be predicted with certainty, accordingly, management's accounting estimates require the exercise of judgment The accounting estimates used in the preparation of the accompanying consolidated financial statements will change as new events occur, as more experience is acquired, as additional information is obtained, and as the operating environment changes Management regularly evaluates the accounting policies and estimates it uses In general, management relies on historical experience and on other assumptions believed to be

reasonable under the circumstances and may employ outside experts to assist in the evaluation, as considered necessary. Although management believes all adjustments considered necessary for fair presentation have been included, actual results may vary from those estimates.

(d) Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less at the time of purchase, which have not been designated as limited as to use.

(e) Patient Receivables and Allowance for Doubtful Accounts

Patient receivables are reported at the net realizable amounts due from patients and third-party payers for services rendered, including estimated retroactive adjustments under reimbursement agreements. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Collection of these patient receivables is McLeod Health's primary source of cash and is critical to operating performance. The process of estimating the allowance for doubtful accounts requires McLeod Health to estimate the collectability of patient receivables, which is primarily based on McLeod Health's collection history, adjusted for expected recoveries. Collections are impacted by the economic ability of patients to pay and the effectiveness of collection efforts. Significant changes in payer mix, business office operations, economic conditions, or trends in federal and state governmental health care coverage could affect the collection of patient receivables. McLeod Health also continually reviews overall reserve adequacy by monitoring historical cash collections as a percentage of trailing net revenue, as well as by analyzing current-period gross revenue and admissions by payer classification, aged accounts receivable by payer, and days revenue outstanding.

McLeod Health collects substantially all of third-party insured receivables, which include receivables from governmental agencies, resulting in a significant portion of the allowance for doubtful accounts relating to self-pay patients, as well as co-payments and deductibles owed by patients with insurance. The allowance for doubtful accounts was $119,601 and $97,355 for the years ended September 30, 2014 and 2013, respectively. The change in the allowance for doubtful accounts from 2013 to 2014 is primarily the result of a decrease in expected collections for self-pay patients.

(f) Investments, Assets Limited as to Use, and Investment Income

Investments, including those recorded as assets limited as to use, are stated at fair value in the accompanying consolidated balance sheets. Investment income or loss, including realized and unrealized gains and losses, is included in excess of revenues over expenses, unless the income or loss is restricted by donor or law.

Assets limited as to use include investments designated by the Board of Trustees of McLeod Health (Board of Trustees) for future capital improvements (over which the Board of Trustees retains control and may at its discretion subsequently use for other purposes) and funds held by trustees under bond indenture agreements. Assets limited as to use, if required for settlement of current liabilities, are reported within current assets in the accompanying consolidated balance sheets.

(Continued)

(g) Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or market

(h) Property and Equipment

Property and equipment are recorded at cost, except for donated assets, which are recorded at fair value at the date of receipt Assets under capital lease obligations are initially recorded at the lesser of fair value or the present value of the minimum lease payments at the inception of the lease. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, which range from 3 to 40 years Equipment under capital lease obligations is amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the equipment Such amortization is included in depreciation and amortization in the accompanying consolidated financial statements

Expenditures which materially extend the useful lives of the related assets are capitalized Routine maintenance and repair costs are charged to expense

Interest costs incurred during the construction period for significant qualifying construction projects are capitalized as part of the cost of the constructed asset and amortized over the applicable useful lives

(i) Bond Issue Costs

Bond issue costs are amortized over the term of the respective obligation utilizing the straight-line method, which approximates the effective interest method Bond discounts and premiums are also amortized over the terms of the outstanding obligations using the straight-line method Amortization of bond issue costs, discounts, and premiums are included as components of depreciation and amortization in the accompanying consolidated financial statements

(j) Goodwill

Effective October 1, 2010, McLeod Health adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-805, *Business Combinations*, relating to goodwill Prior to the adoption of ASC 958-805, goodwill associated with the purchase of McLeod Medical Center – Dillon was amortized over a 20-year period using a straight-line method Beginning October 1, 2010, and upon adoption of ASC 958-805, the goodwill associated with the purchase of McLeod Medical Center – Dillon was no longer amortized The remaining unamortized balance of goodwill of approximately $3,262 is now subject to at least an annual assessment for impairment or more frequently if events or circumstances indicate that assets might be impaired by applying a fair value-based test There was no impairment of goodwill during the years ended September 30, 2014 and 2013

(k) Interest Rate Swap Agreement

In May 2005, MMP entered into a nine-year interest rate swap agreement related to its note payable As part of the refinancing of the associated note payable, the interest rate swap agreement was amended and restated in February 2012 The agreement terminates in February 2022 The terms of the amended and restated agreement do not differ significantly from the terms of the original

agreement The notional amount of the agreement as of September 30, 2014 and 2013, was $11,107 and $11,481, respectively The agreement requires MMP to pay the counterparty a 4 66% fixed rate of interest on the notional amount In return, the counterparty will pay MMP interest at a variable rate based on the published London InterBank Offered Rate (LIBOR) index in accordance with the swap agreement MMP did not designate the derivative as a hedge instrument The net settlement between the fixed and variable rates is included as a component of interest expense in the accompanying consolidated statements of operations. The fair value of this derivative, which was estimated using Level 2 observable inputs, of $(978) and $(1,060) as of September 30, 2014 and 2013, respectively, is reported in the accompanying consolidated balance sheets as a component of accrued expenses and other liabilities, and changes in the fair value are reflected in other nonoperating revenues, net in the accompanying consolidated statements of operations

(l) Noncontrolling Interest

Noncontrolling interest represents the minority stockholders' proportionate share of the net assets of MMP Revenues in excess of expenses are allocated to the noncontrolling interest of MMP in proportion to their ownership percentage and are reflected as income attributable to noncontrolling interest in the consolidated statements of operations

(m) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those assets whose use has been limited by a donor to a specific time period or purpose Temporarily restricted net assets as of September 30, 2014 and 2013, of $6,733 and $5,362, respectively, are available for scholarships, continuing education, and various other health-related programs Temporarily restricted net assets are transferred to unrestricted net assets when the donor restrictions as to time or purpose have been met and are reflected as net assets released from restrictions in the accompanying consolidated financial statements Net assets released from restrictions in fiscal years 2014 and 2013 of $4,979 and $2,375, respectively, included $1,538 and $1,328 for the purchase of property and equipment, respectively, and $3,441 and $1,047 for operating activities, respectively

Permanently restricted net assets of $742 at both September 30, 2014 and 2013, respectively, have been restricted by the donors to be maintained by McLeod Health in perpetuity The income from permanently restricted net assets is recorded as temporarily restricted net assets and is expendable for scholarships, continuing education, and various other health-related programs

(n) Net Patient Service Revenues

McLeod Health recognizes a significant amount of patient service revenues at the time the services are rendered even though McLeod Health does not assess the patient's ability to pay at that time As a result, the provision for bad debts is presented as a deduction from patient service revenue (net of contractual and other allowances) Net patient service revenues are reported at the estimated net realizable amounts received, or to be received, from patients, third-party payers, and others for the specific services and supplies rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and are adjusted in future periods as estimates change or final settlements are determined

(o) Charity Care

McLeod Health provides care without charge, or at amounts less than its established rates, to patients who meet certain criteria under its charity care policy. Because McLeod Health does not pursue collection of patient accounts determined to qualify as charity care, they are not reported as net patient service revenues. McLeod Health estimates the direct and indirect costs of providing charity care using a calculated ratio of costs to gross charges for each facility.

(p) Electronic Health Records (EHR) Incentives

The American Recovery and Reinvestment Act of 2009 established incentive payments under Medicare and Medicaid programs for certain professionals and hospitals that meaningfully use certified EHR technology. The EHR incentive payments to hospitals include a base amount, plus a discharge-related portion, which is calculated by the Centers for Medicare and Medicaid Services (CMS) based on the hospital's most recently filed cost report and are subject to adjustment upon settlement of the cost report for the hospital's fiscal year that begins after the beginning of the payment year. A hospital may receive incentive payments for up to four years, provided that it successfully demonstrates meaningful use for each applicable EHR reporting period. McLeod Health recognizes revenue for EHR incentive payments in the period in which it is reasonably assured that it will comply with the applicable EHR meaningful use requirements. EHR incentive revenues are recognized ratably over the applicable meaningful use-reporting period and are included in other operating revenues in the consolidated statements of operations. McLeod Health recognized EHR incentive revenues of $8,247 and $8,843 for the years ended September 30, 2014 and 2013, respectively. McLeod Health's attestations regarding the meaningful use of EHR technology are subject to audit by the federal government or its designee.

(q) Contributions

Unconditional promises by donors to give cash or other assets are reported at fair value at the date the promises are received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gifts are received or at the time conditions are substantially met. Gifts are reported as either temporarily or permanently restricted support if they are received with donor restrictions that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated financial statements as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year that they are received are reported as unrestricted contributions in the accompanying consolidated financial statements. Contributions of property and equipment are recorded as unrestricted support in the absence of donor stipulations regarding how long the assets are to be used.

(r) Income Taxes

McLeod Health and its not-for-profit subsidiaries have been recognized by the Internal Revenue Service as exempt from tax under the provisions of Internal Revenue Code (IRC) Section 501(a) as entities described under IRC Section 501(c)(3). Accordingly, no provision for income taxes on related income has been recorded in the accompanying consolidated financial statements.

(s) Excess of Revenues over Expenses

The accompanying consolidated financial statements reflect an excess of revenues over expenses Changes in unrestricted net assets resulting from permanent transfers of assets to and from affiliates for other than goods and services and contributions of long-lived assets (including assets acquired using contributions which, by donor restriction, were to be used for the purposes of acquiring such assets) are excluded from excess of revenues over expenses

(t) Subsequent Events

McLeod Health has evaluated events and transactions occurring after September 30, 2014, for potential recognition or disclosure in its consolidated financial statements through December 12, 2014, the date that the consolidated financial statements were issued

(u) New Accounting Pronouncements

FASB Accounting Standards Update (ASU) 2013-04 requires an entity to measure obligations resulting from joint and several liability arrangements for which the total amount of the obligation is fixed as the sum of the amount the entity agreed to pay on the basis of its arrangement among its co-obligors and any additional amount the entity expects to pay on behalf of its co-obligors The new standard is effective for fiscal years ending after December 15, 2014 and interim and annual periods thereafter ASU 2013-04 is to be applied retrospectively to all prior periods presented for those obligations resulting from joint and several liability arrangements within the update's scope that exist at the beginning of an entity's fiscal year of adoption McLeod Health will implement the provisions of the new standard as of October 1, 2014

(2) Business Combinations

Seacoast MOB LLC (SC MOB) – Effective March 31, 2013, McLeod Health acquired controlling interest of SC MOB, a limited liability company organized to operate the Seacoast Medical Office Building in Little River, SC for approximately $2 million in cash from the controlling partner Prior to the acquisition, MRMC and MLSH held noncontrolling interests in SC MOB accounted for under the equity method At the acquisition date, the assets and liabilities of SC MOB, measured at fair value, were consolidated into McLeod Health, resulting in a consolidated gain from the acquisition of $1 6 million, reflected in other nonoperating revenues, net in the accompanying 2013 consolidated statement of operations McLeod Health acquired assets of approximately $15 8 million, primarily consisting of the medical office building and related capital assets, and assumed a liability of $11 6 million related to an existing mortgage on the medical office building The operating results of this acquisition are not material to the consolidated financial statements of McLeod Health.

Subsequent to the acquisition date, McLeod Health purchased the immaterial noncontrolling interests from the remaining two partners in SC MOB during 2013 to control 100% of SC MOB An intercompany capital contribution of $1.9 million from MRMC to MLSH was made during 2013 to purchase MLSH's interest in SC MOB Upon full control of SC MOB, the remaining assets and liabilities of SC MOB were transferred to MRMC, effectively dissolving SC MOB. In June 2013, McLeod Health repaid the $11 6 million outstanding balance on the SC MOB mortgage

(3) Net Patient Service Revenues

Patient service revenues – net of contractual and other allowances for the years ended September 30, 2014 and 2013, are summarized as follows

	Year-ended September 30, 2014		
	Third-party payers	Self-pay	Total
Patient service revenue	$ 2,757,932	223,890	2,981,822
Contractual and other adjustments	(1,990,233)	—	(1,990,233)
Provision for bad debts	—	(212,896)	(212,896)
Net patient service revenue	$ 767,699	10,994	778,693

	Year-ended September 30, 2013		
	Third-party payers	Self-pay	Total
Patient service revenue	$ 2,623,652	171,329	2,794,981
Contractual and other adjustments	(1,895,618)	—	(1,895,618)
Provision for bad debts	—	(156,371)	(156,371)
Net patient service revenue	$ 728,034	14,958	742,992

McLeod Health has agreements with third-party payers that provide for payments to McLeod Health at amounts different from its established rates A summary of the payment arrangements with certain third-party payers is as follows

Medicare – Inpatient acute-care services rendered to Medicare program beneficiaries are generally paid at prospectively determined rates per discharge, which vary according to a patient classification system based on clinical, diagnostic, and other factors McLeod Health's classification of Medicare patients and the appropriateness of their admissions are subject to review by a Medicare contracted independent organization Most outpatient services are also reimbursed at prospectively determined rates However, final Medicare reimbursement is determined based upon the submission of annual cost reports by McLeod Health and audits thereof by the Medicare Audit Contractor (MAC)

McLeod Health's Medicare cost reports have been audited by Palmetto GBA, the MAC, through September 30, 2009 However, final settlements for all acute-care hospitals were delayed by the CMS for fiscal years ending on or after September 30, 2007, due to issues related to the computation of the SSI fraction, a key component in the calculation of Medicare Disproportionate Share reimbursement As of September 30, 2014, McLeod Health's Medicare cost reports have been settled through fiscal year ending September 30, 2007

(Continued)

Medicaid – Inpatient and outpatient Medicaid services are reimbursed on a reasonable cost basis. Interim payments are made by the state based on each facility's historical costs trended forward Tentative settlements are made based on actual costs reported on hospital cost reports, but these are subject to further adjustment based on subsequent audits As of September 30, 2014, final settlements have been determined by the State of South Carolina for fiscal years through 2007 Management has established reserves for potential Medicaid cost settlements and settlement adjustments for fiscal years 2008–2014

In the state of South Carolina, providers are assessed a quarterly tax and receive periodic Medicaid disproportionate share and upper payment limit funds from the State of South Carolina The tax assessment was $14,794 and $14,896 for the years ended September 30, 2014 and 2013, respectively, and is recorded as other operating expense in the accompanying consolidated statements of operations McLeod Health received approximately $26,848 and $24,779 of disproportionate share funds from the state for the years ended September 30, 2014 and 2013, respectively, and recorded the funds as net patient service revenues in the accompanying consolidated statements of operations Effective January 1, 2003, funds received under the upper payment limit program may be subject to a retroactive settlement process McLeod Health continues to evaluate the settlement process related to the upper payment limit program and believes that it has recorded adequate provisions at September 30, 2014 and 2013, in estimated third-party settlements in the accompanying consolidated balance sheets Funds received under these programs may be subject to a retroactive settlement process and future receipts of funds are not guaranteed Beginning in fiscal year 2012, states are required to perform audits of hospital disproportionate share data and make adjustments to payments if over or underpayments have occurred based on the results of these audits

Since final determination of amounts due from or to the Medicare and Medicaid programs is subject to audit and subsequent adjustments, changes resulting from final determinations are reflected as changes in estimates, generally in the year of determination In the opinion of management, adequate provision has been made for adjustments, if any, that may result from such reviews Net patient service revenue decreased approximately $2 3 million for each of the years ended September 30, 2014 and 2013, due to changes in third-party estimates and the settlement of third-party cost reports for fiscal years ending September 30, 2006 through September 30, 2014

Charity Care – In accordance with McLeod Health's mission to improve the health of its communities, McLeod Health facilities accept patients regardless of their ability to pay McLeod Health offers financial assistance to patients who meet established financial assistance guidelines Because McLeod Health does not pursue collection of patient accounts determined to qualify as charity care, they are not reported as net patient service revenues McLeod Health estimates the direct and indirect costs of providing charity care using a calculated ratio of costs to gross charges for each facility The estimated cost of charity care provided by McLeod Health under its charity care policy was $32,376 and $43,269 for the years ended September 30, 2014 and 2013, respectively McLeod Health changed their policy to eliminate presumptive charity care in 2014

(4) Investments

Investments at September 30, 2014 and 2013, are composed of Level 1 investments held by the Foundation and LSHF and are recorded as follows

		2014	2013
Investments held by the Foundation	$	7,007	5,218
Investments held by LSHF		—	77
Less amounts included in assets limited to use		(3,115)	(2,787)
Total investments held as certificates of deposit and money market funds	$	3,892	2,508

McLeod Health has segregated assets limited as to use maintained by the Foundation into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value as of September 30, 2014 and 2013, as follows

		Fair value measurement as of September 30, 2014			
		September 30, 2014	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Common stocks	$	886	886	—	—
Mutual funds		1,540	1,540	—	—
Corporate bond funds		352	352	—	—
Government bonds		306	—	306	—
Other		31	—	31	—
Total	$	3,115	2,778	337	—

(Continued)

	Fair value measurement as of September 30, 2013			
	September 30, 2013	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Common stocks	$ 721	721	—	—
Mutual funds	1,429	1,429	—	—
Corporate bond funds	337	337	—	—
Government bonds	269	—	269	—
Other	31	—	31	—
Total	$ 2,787	2,487	300	—

(5) Assets Limited as to Use

McLeod Health combines its investments in a system-wide investment pool, which includes investments and assets whose use is limited. Assets whose use is limited primarily include assets held by trustees under a master trust indenture agreement and assets designated by the Board of Trustees for future capital improvements, over which the board retains control and may, at its discretion, subsequently use for other purposes.

Assets limited as to use are stated at fair value at September 30, 2014 and 2013, and have been designated as follows:

	2014	2013
By the Board of Trustees for future expansion, purchase of property and equipment, and repayment of debt	$ 754,309	680,725
Held by trustee for costs of issuance	262	—
Held by trustee for debt service reserve	—	7,540
Held by trustee for escrow	1,918	—
Held by the Foundation	3,115	2,787
MRF Trust Fund (note 8)	3,994	2,679
Total	$ 763,598	693,731

(Continued)

McLeod Health has segregated its investments and assets limited as to use into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value as of September 30, 2014 and 2013, as follows

	Fair value measurement as of September 30, 2014			
	September 30, 2014	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash, cash equivalents, and money market funds	$ 14,032	14,032	—	—
Mutual funds	171,476	171,476	—	—
Domestic equities	77,278	77,278	—	—
Fixed income:				
Government bonds and government-backed securities	33,934	—	33,934	—
Corporate bonds	16,159	—	16,159	—
Mortgage-backed securities	25,908	—	25,908	—
Other	21,185	—	21,185	—
Large-cap commingled funds:				
State Street Global Advisors S&P 500 Index Funds	55,197	—	55,197	—
JPMorgan U.S. Large Cap 130/30 Fund LLC	56,098	—	56,098	—
International equity commingled funds:				
Blackrock Global Investors Fund	73,405	—	73,405	—
State Street Global Advisors MSCI Index Fund	72,577	—	72,577	—
Alternative investments:				
Credit Suisse	28,374	—	—	28,374
Blackstone Partners Offshore Fund Ltd.	66,657	—	—	66,657
Winton Futures Fund Ltd.	13,623	—	—	13,623
Blackrock Global Ascent Ltd.	12,847	—	—	12,847
Real Estate (PRISA)	17,739	—	—	17,739
MRF Trust Fund (note 8)	3,994	3,994	—	—
Investments held by the Foundation (note 4)	3,115	2,778	337	—
Total	$ 763,598	269,558	354,800	139,240

(Continued)

	Fair value measurement as of September 30, 2013			
	September 30, 2013	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash, cash equivalents, and money market funds	$ 8,928	8,928	—	—
Mutual funds	110,327	110,327	—	—
Domestic equities	92,046	92,046	—	—
Fixed income:				
Government bonds and government-backed securities	34,438	—	34,438	—
Corporate bonds	23,012	—	23,012	—
Mortgage-backed securities	30,813	—	30,813	—
Other	28,223	—	28,223	—
Large-cap commingled funds:				
State Street Global Advisors S&P 500 Index Funds	52,166	—	52,166	—
JPMorgan U.S. Large Cap 130/30 Fund LLC	59,998	—	59,998	—
International equity commingled funds:				
Blackrock Global Investors Fund	74,455	—	74,455	—
State Street Global Advisors MSCI Index Fund	72,101	—	72,101	—
Alternative investments:				
Blackstone Partners Offshore Fund Ltd.	61,580	—	—	61,580
Winton Futures Fund Ltd.	12,623	—	—	12,623
Blackrock Global Ascent Ltd.	11,705	—	—	11,705
Real Estate (PRISA)	15,850	—	—	15,850
MRF Trust Fund (note 8)	2,679	2,679	—	—
Investments held by the Foundation (note 4)	2,787	2,487	300	—
Total	$ 693,731	216,467	375,506	101,758

The fair value of fixed-income securities shown in Level 2 above are measured using inputs other than quoted prices that are observable for the assets, including the stated interest rate, maturity, and credit risk

(Continued)

McLeod Health's commingled funds and alternative investments include the following funds that do not have readily determinable fair values

State Street Global Advisors S&P 500 Index Funds – privately held funds that invest primarily in equity securities that trade on national stock exchanges and seek to gain exposure to large capitalization U S companies by replicating the returns and characteristics of the S&P 500 Index There are no redemption restrictions on these funds

JPMorgan US Large Cap 130 30 Fund LLC – a privately held fund that invests primarily in equity securities that trade on a national stock exchange, utilizes an active stock selection with a systematic valuation process, and seeks to invest in a diversified portfolio of U S large-cap equities with a target average exposure of 130% long and 30% short There are no redemption restrictions on this fund

Blackrock Global Investors Fund (Formerly Barclay's) – a privately held fund that invests primarily in international equity securities that trade on global stock exchanges There are no redemption restrictions on this fund

State Street Global Advisors MSCI Index Fund – a privately held fund that invests primarily in equity securities that trade on international stock exchanges and seeks to gain exposure to global equities by replicating the returns and characteristics of the MSCI Global Equity Indices There are no redemption restrictions on this fund

Blackstone Partners Offshore Fund Ltd – a privately held fund that invests primarily in other funds that are not publicly traded and is a fund of funds constructed through a multimanager framework of strategies that collectively are not highly correlated to traditional asset classes This fund provides for redemptions on a semiannual basis with 95 days' prior written notice

Winton Futures Fund Ltd – a privately held fund that seeks to achieve long-term capital appreciation of assets in a variety of changing market conditions using a diversified futures trading program focused on quantitative technical analysis The fund trades a portfolio of more than 100 international futures, options, and forward contracts This fund provides for redemptions on any dealing day provided that written notice is received two days prior to the relevant dealing date (first business day of each month)

Blackrock Global Ascent Ltd – a privately held fund managed by Blackrock and domiciled in the Cayman Islands The fund's investment objective is to generate absolute returns by employing a long/short leveraged strategy in the various global markets, including, but not limited to, stock, bond, currency, cash, commodities, and volatility markets This fund provides for redemptions 10 business days prior to the dealing date (last day of the month).

Real Estate (PRISA) – a domestic comingled property fund that pools investor money to build and invest into commercial, industrial, and residential real estate. The fund seeks to generate a return from property appreciation, as well as lease and rental revenue The notification periods required for redemption or other limits on redemption is 90 days

Credit Suisse Dollar Senior Loan Fund Ltd – a privately held fund that invests primarily in senior secured debt of high yield companies Bottom up analysis drives the selection of individual investments and a high level of diversity with strict quality, issuer and industry concentration criteria This fund provides for redemptions on the first business day of the following month after a 20 day written notice is provided

The commingled funds and alternative investments may contain elements of both credit and market risk Such risks could include, but are not limited to, limited liquidity, absence of oversight, dependence upon key individuals, emphasis on speculative investments (both derivatives and nonmarketable investments), and nondisclosure of portfolio composition McLeod Health reviews and evaluates the values provided by the investment managers for commingled funds and alternative investments and agrees with the valuation methods and assumptions used in determining the fair value of commingled funds and alternative investments U S GAAP permits, as a practical expedient, a reporting entity to measure the fair value of certain investments without readily determinable fair values by using the reported net asset value per share (or its equivalent) of the investment without further adjustment if the investment is in an entity that meets the description of an investment company whose underlying investments are measured at fair value as set forth in the ASC Accordingly, McLeod Health generally estimates the fair value of its alternative investments using this approach based on information reported by the respective fund managers or the general partners Financial instruments, which involve varying degrees of off-balance-sheet risk for the various limited partnerships, limited liability corporations, and offshore investment funds included within alternative investments, may result in a loss due to changes in the market (market risk) Because alternative investments are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed Such differences could be material

There were no significant reclassifications between Level 1, Level 2, or Level 3 during the years ended September 30, 2014 and 2013 A summary of the changes in the fair value of McLeod Health's Level 3 alternative investments for the years ended September 30, 2014 and 2013, are as follows

	Blackstone Partners Offshore Fund Ltd.	Winton Futures Fund Ltd.	Blackrock Global Ascent Ltd.	Real Estate	Credit Suisse	Total
Balance – September 30, 2012	$ 50,537	12,243	12,450	—	—	75,230
Capital contribution	6,000	—	—	15,000	—	21,000
Realized gains	—	374	—	206	—	580
Unrealized gains (losses)	5,043	6	(745)	644	—	4,948
Balance – September 30, 2013	61,580	12,623	11,705	15,850	—	101,758
Capital contribution	—	—	—	1,421	28,269	29,690
Realized losses	—	—	—	(3)	—	(3)
Unrealized gains	5,077	1,000	1,142	471	105	7,795
Balance – September 30, 2014	$ 66,657	13,623	12,847	17,739	28,374	139,240

(Continued)

Other nonoperating revenues, net for the years ended September 30, 2014 and 2013, are as follows:

	2014	2013
Unrealized gains on investments	$ 29,545	52,334
Realized gains on sales of investments	28,260	20,659
Dividends and interest – net of management fees	7,082	7,070
Gain on acquisition of SC MOB	—	1,613
Loss on disposal of business	(188)	—
Change in fair market value of interest rate swap	82	893
Total	$ 64,781	82,569

(6) Property and Equipment

Property and equipment as of September 30, 2014 and 2013, consist of the following

	2014	2013
Land and land improvements	$ 63,102	75,145
Buildings	689,057	642,145
Fixed and moveable equipment	309,223	270,495
Leasehold improvements	7,609	7,454
Construction in progress	40,976	40,428
	1,109,967	1,035,667
Less accumulated depreciation	(557,124)	(492,941)
Total	$ 552,843	542,726

Depreciation expense for the years ending September 30, 2014 and 2013 was $50,524 and $44,075, respectively

(7) Short-Term Borrowings

McLeod Health has a $20,000 unsecured line of credit with a local financial institution The line of credit bears interest at LIBOR, plus 1 25% (LIBOR was 0 15% as of September 30, 2014) Interest is assessed at a variable interest rate adjusted daily and is payable monthly There were no outstanding borrowings as of September 30, 2014 and 2013

(8) Long-Term Debt

Long-term debt as of September 30, 2014 and 2013, consists of the following

	2014	2013
2004 Series A Bonds, plus unamortized premium, due in various installments ranging from $805 to $26,275 through 2034 Interest is paid semiannually at rates ranging from 4 10% to 5 25%	$ —	76,054
2010 Series A Bonds, plus unamortized premium, due in various installments ranging from $2,420 to $15,215, beginning in 2011 and extending to 2037 Interest is paid semiannually at rates ranging from 3 00% to 5 00%	115,505	118,131
2010 Series B Bonds, plus unamortized premium, due in annual installments of $15,375 to $15,805, beginning in 2038 and extending to 2040 Interest is paid monthly based on a variable rate (0 6% at September 30, 2014)	46,770	46,770
Series 2014 Bonds plus unamortized premium due in various installments of $395 to $6,950, beginning in 2016 and extending to 2034 Interest is paid semiannually at rates ranging from 2 00% to 5 00%	70,172	—
Note payable, due in monthly principal installments of $159, with the outstanding balance to be paid in October 2016 Interest is paid monthly at LIBOR (15% at September 30, 2014) plus 0 75% Collateralized by a portion of assets	3,981	5,892
Note payable, due in monthly installments of approximately $32, with the remaining outstanding balance of $7 8 million to be paid in February 2022 Interest is paid monthly according to a swap agreement described in note 1. Collateralized by MMP's land and buildings	11,107	11,481
Mortgage payable, due in monthly installments of approximately $522, with the outstanding balance to be paid in November 2036 Interest is paid monthly based on a fixed interest rate of 7 25%	68,916	70,137
Other	684	884
	317,135	329,349
Less current portion of long-term debt	(6,756)	(7,010)
Total	$ 310,379	322,339

(Continued)

McLeod Health's Series 2010A and 2010B, Series 2004A, and Series 1998A bonds were issued through the governmental municipality of Florence County, South Carolina Each member of the Obligated Group is jointly and severally liable for the repayment of the principal and interest as they become due on the bonds under a master indenture agreement All accounts receivable of the Obligated Group, now owned or hereafter acquired, and all proceeds thereof are pledged as collateral for the bonds Additionally, under the master indenture agreement, the bonds are secured by the mortgage, as described in note 11, on McLeod Health's land and all personal property and fixtures located thereon. Also, under the master indenture agreement, McLeod Health is subject to various restrictions as a part of debt covenants for the bonds and other debt As of September 30, 2014, management believes that McLeod Health was in compliance with its restrictive financial debt covenants under the master indenture agreement

McLeod Health exercised a full redemption on November 1, 2012, of the Series 1998A bonds pursuant to the terms of the governing debt documents The bonds were redeemed at the remaining outstanding principal amount of $20,586 together with interest accrued to the redemption date

McLeod Health exercised a full redemption on August 1, 2014, of the Series 2004 A Bonds pursuant to the terms of the governing debt document The redemption was financed through issuance of the Series 2014 Bonds The bonds were redeemed at the remaining principal amount of $74,890 together with the interest accrual to the redemption date A loss of $2,202 was recognized on the refunding and is included in depreciation and amortization in the 2014 consolidated statement of operations

As part of the acquisition of LHS, McLeod Health assumed a secured mortgage fully insured by the U S Department of Housing and Urban Development Federal Housing Administration (FHA) pursuant to Section 242 of the National Housing Act, as amended, related to construction projects, refunding of other long-term debt, and other projects and equipment purchases of LHS At the date of acquisition, the outstanding principal balance of the mortgage of approximately $71,567 was assigned to the newly formed MLSH The mortgage calls for monthly installments of approximately $522, which includes interest at 7 25% with the final payment expected in November 2036 The mortgage is secured by all current or future properties and revenues of MLSH

As part of the agreement to the assigned mortgage (the agreement), MLSH was required to establish a mortgage reserve fund (MRF) with a trustee to provide reserve funds related to the mortgage MLSH is required to make monthly payments to the MRF which, when coupled with an assumed investment rate of return of 4%, will equal approximately 12 months and 24 months of mortgage debt service at 5 and 10 years, respectively Such deposits held by the trustee are included with assets limited to use in the consolidated financial statements The agreement also places limits on the incurrence of additional borrowings and distribution of assets, including cash, and requires that certain financial performance measures be satisfied as long as the mortgage is outstanding

Future aggregate annual principal payments applicable to long-term debt as of September 30, 2014, are as follows

Years ending September 30		
2015	$	6,756
2016		7,391
2017		6,986
2018		7,151
2019		7,539
Thereafter		281,312
Total	$	317,135

(9) Employee Benefit Plans

Through December 31, 2013, McLeod Health maintained a defined contribution plan covering a limited number of employees who were hired prior to January 1, 2001 McLeod Health contributes 3% of each eligible participant's compensation Such contributions amounted to $745 and $2,615 in fiscal years 2014 and 2013, respectively

McLeod Health sponsors a 401(k) plan covering substantially all employees of McLeod Health Annual contributions are based upon a matching of the participant's elective deferrals and amounted to $6,587 and $5,290 in fiscal years 2014 and 2013, respectively

(10) Concentrations of Credit Risk

McLeod Health provides acute and nonacute health care services to residents of the Pee Dee region of South Carolina While the majority of patient receivables are due from the Medicare and Medicaid programs and various insurance companies, the collectability of receivable balances is affected by the economic stability of the area Accordingly, receivables are reflected in the consolidated balance sheet net of valuation allowances based on the anticipated collectability of the related gross receivables

The mix of gross receivables from patients and third-party payers as of September 30, 2014 and 2013, is as follows

	2014	2013
Medicare	37%	35%
Medicaid	13	13
Managed care and other commercial insurers	26	22
Self-pay patients	24	30
Total	100%	100%

(Continued)

(11) Commitments and Contingencies

McLeod Health has leased a portion of its land for its physical plant through 2076, at which time McLeod Health has the option to purchase the property for a nominal cost McLeod Health is also contingently responsible for any debt service cost of the landlord, plus any expenses incurred by the landlord in connection with the ownership of the premises For the years ended September 30, 2014 and 2013, the landlord had incurred no debt service costs or other expenses in connection with the land

McLeod Health has a claims-made professional liability insurance policy to cover medical malpractice claims in accordance with state-mandated limits for both hospital operations and its physicians The South Carolina Charitable Immunity Statute allows for recovery against a charitable organization of only the actual damages sustained in an amount not exceeding the limitations of liability imposed in the South Carolina Tort Claims Act (the Tort Claims Act) The Tort Claims Act provides that no person shall recover in any action or claim brought hereunder a sum exceeding $300 per person, per occurrence or a total of $600 per occurrence, except that both the per-person and per-occurrence amounts are raised to $1 2 million for the tort of a licensed physician or dentist employed by such facility No award for damages under the Tort Claims Act shall include punitive or exemplary damages or interest prior to judgment While any medical malpractice claims contain an element of uncertainty, management believes that the outcome of any pending lawsuit or claim is covered by insurance and the related claim liability and anticipated insurance recoveries are not material due to the limitations of liability imposed in the Tort Claims Act.

McLeod Health is self-insured with respect to employee health benefits and workers' compensation

McLeod Health is involved in various litigation, regulatory matters, and administrative proceedings arising in the ordinary course of business, including personnel-and employment-related matters While any litigation contains an element of uncertainty, management believes that the outcome of any pending lawsuit or claim is covered by insurance and/or has been adequately reflected as accrued expenses and other liabilities in the accompanying consolidated financial statements McLeod Health believes that the ultimate resolution of these matters will not have a material adverse effect on future financial position, results from consolidated operations, or its cash flows.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient care services, and Medicare and Medicaid fraud and abuse. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed

The health care industry continues to attract much legislative interest and public attention In March of 2010, the President signed into law H R 3590, *The Patient Protection and Affordable Care Act*, and companion bill H R 4872, *The Health Care and Education Affordability Reconciliation Act of 2010* The reform will be effective over a 10-year period through 2020 and contains an individual insurance mandate, low-income subsidies, insurance reforms, and the creation of state-based health insurance exchanges It is unclear at this time what the net impact of this legislation will be on McLeod Health Such effects may include material and adverse changes to the amounts of reimbursement received by McLeod Health's facilities

McLeod Health has committed to contracts with outside parties for various construction projects and equipment purchases with approximately $116,737 remaining to be paid subsequent to September 30, 2014

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements

(12) Related-Party Transactions

Total expenditures for related-party transactions during fiscal years 2014 and 2013 were approximately $3,735 and $2,198, respectively Such transactions primarily consist of payments to Pee Dee Pathology, where a member of the Foundation Board practices, as well as medical director and chief of staff fees for several members of the Board of Trustees and community board In addition, a Board of Trustees member and a community board member are key employees of an anesthesiology group that has an exclusive arrangement with McLeod Health for provision of anesthesiology services

In fiscal years 2014 and 2013, McLeod Health purchased insurance coverage from third-party insurance companies involving premiums totaling approximately $3,790 and $3,996, respectively This coverage was placed by an insurance broker who serves on the Board of Trustees of the Foundation

(13) Operating Leases

McLeod Health leases office space to outside parties under lease agreements with varying expiration dates through fiscal year 2028 Portions of the buildings below are used by McLeod Health, and accordingly, no rental income is recognized for that space The cost and carrying amounts of property covered by these leases as of September 30, 2014, are as follows

Buildings	$	33,503
Less accumulated depreciation		(16,019)
Total	$	17,484

(Continued)

Aggregate annual rental payments to be received during the remaining terms of these agreements as of September 30, 2014, are as follows

Years ending September 30		
2015	$	2,367
2016		1,605
2017		1,123
2018		1,140
2019		1,060
Thereafter		3,603
Total	$	10,898

Rental income for the years ended September 30, 2014 and 2013, totaled $3,001 and $2,685, respectively

McLeod Health leases certain equipment and office space used in its operations Generally, the leases provide for renewal for various periods at stipulated rates Aggregate future minimum lease payments under noncancelable operating leases as of September 30, 2014, are as follows

Years ending September 30		
2015	$	1,687
2016		1,159
2017		390
2018		226
2019		1
Total	$	3,463

Rent expense related to office space for the years ended September 30, 2014 and 2013, was $406 and $1,857, respectively. Rent expense related to equipment for the years ended September 30, 2014 and 2013, was $4,691 and $4,575, respectively

(14) Functional Expenses

McLeod Health primarily provides various health care services to its patients Expenses related to providing these services during fiscal years 2014 and 2013 are summarized as follows

		2014	2013
Health care services	$	691,643	660,824
General and administrative		74,059	67,849
Total	$	765,702	728,673

(Continued)

(15) Fair Value Measurements

The accounting guidance for fair value measurements established a fair value hierarchy to prioritize the inputs of valuation techniques used to measure fair value. Outlined below is the application of the fair value hierarchy established by the accounting guidance for fair value measurements to McLeod Health's financial instruments that are carried or disclosed at fair value.

Level 1 – Inputs to the valuation methodology are quoted prices for identical assets in active markets.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets in active markets and significant other observable inputs.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following methods and assumptions were used in estimating the fair value of financial instruments:

Cash Equivalents – The carrying amount reported in the accompanying consolidated balance sheets for cash and cash equivalents approximates its fair value.

Investments and Assets Limited as to Use – The carrying amounts reported in the accompanying consolidated balance sheets are based on quoted market prices, if available, or estimated using quoted market prices for similar securities (see notes 4 and 5 for additional information).

Receivables – The carrying amounts reported in the accompanying consolidated balance sheets for receivables approximate their fair value.

Accounts Payable and Accrued Expenses and Other Liabilities – The carrying amounts reported in the accompanying consolidated balance sheets for accounts payable and accrued expenses and other liabilities approximate their fair value.

Estimated Third-Party Settlements – The carrying amount reported in the accompanying consolidated balance sheets for estimated third-party settlements approximates its fair value.

Long-Term Debt – The carrying amount reported in the accompanying consolidated balance sheets for long-term debt approximates its fair value.

SUPPLEMENTAL CONSOLIDATING INFORMATION

McLEOD HEALTH

Supplemental Consolidating Balance Sheet Information – Obligated and Nonobligated Group

September 30, 2014

(In thousands)

Assets		Obligated Group	Nonobligated Group	Eliminations	Total
Current assets					
Cash and cash equivalents	$	33,228	8,486	—	41,714
Investments		—	3,892	—	3,892
Net patient receivables		77,494	13,128	—	90,622
Other receivables		2,337	787	(397)	2,727
Inventories		5,968	2,346	—	8,314
Prepaid expenses		8,840	1,215	—	10,055
Total current assets		127,867	29,854	(397)	157,324
Investment in subsidiaries		10,189	—	(10,189)	—
Due from (to) affiliated entities – net		1,288	(1,288)	—	—
Assets limited as to use		756,489	7,109	—	763,598
Property and equipment – net		471,370	81,473	—	552,843
Bond issue costs – net		2,412	—	—	2,412
Goodwill		3,262	—	—	3,262
Other assets		8,395	2,239	—	10,634
Total assets	$	1,381,272	119,387	(10,586)	1,490,073
Liabilities and Net Assets					
Current liabilities					
Current portion of long-term debt	$	5,004	1,752	—	6,756
Accounts payable		26,006	2,497	(397)	28,106
Accrued expenses and other liabilities		44,624	4,538	—	49,162
Estimated third-party settlements		26,826	1,976	—	28,802
Total current liabilities		102,460	10,763	(397)	112,826
Long-term debt – net of current portion		232,053	78,326	—	310,379
Total liabilities		334,513	89,089	(397)	423,205
Net assets					
McLeod Health		1,046,759	28,437	(10,189)	1,065,007
Noncontrolling interest in MMP		—	1,861	—	1,861
Total net assets		1,046,759	30,298	(10,189)	1,066,868
Total liabilities and net assets	$	1,381,272	119,387	(10,586)	1,490,073

See accompanying independent auditors' report

McLEOD HEALTH

Supplemental Consolidating Statement of Operations and Changes in Net Assets Information – Obligated and Nonobligated Group

Year ended September 30, 2014

(In thousands)

	Obligated Group	Nonobligated Group	Eliminations	Total
Revenues, gains, and other support				
Patient service revenue – net of contractual and other adjustments	$ 855,223	136,366	—	991,589
Provision for bad debts – net	(176,817)	(36,079)	—	(212,896)
Net patient service revenue	678,406	100,287	—	778,693
Other operating revenue	41,810	8,654	(8,290)	42,174
Net assets released from restrictions	958	2,483	—	3,441
Total revenues, gains, and other support	721,174	111,424	(8,290)	824,308
Expenses				
Personnel	385,192	48,002	—	433,194
Professional fees	7,240	15,550	—	22,790
Supplies	130,704	15,064	—	145,768
Purchased services	35,706	9,830	—	45,536
Facility-related costs	20,944	3,203	(6,830)	17,317
Insurance	5,283	1,250		6,533
Other	23,912	3,921	(1,460)	26,373
Interest	9,664	5,596	—	15,260
Depreciation and amortization	46,687	6,158	—	52,845
Loss (gain) on disposal of property	(61)	147	—	86
Total expenses	665,271	108,721	(8,290)	765,702
Income from operations	55,903	2,703	—	58,606
Other nonoperating revenues, net	64,882	(101)		64,781
Subsidiaries' income – net	2,387	—	(2,387)	—
Excess of revenues over expenses before noncontrolling interest	123,172	2,602	(2,387)	123,387
Less income attributable to noncontrolling interest	—	(311)	—	(311)
Excess of revenues over expenses attributable to McLeod Health	123,172	2,291	(2,387)	123,076
MMP distributions	599	(599)	—	—
Net assets released from restrictions for purchases of property and equipment	1,357	181	—	1,538
Change in net assets attributable to McLeod Health				
Unrestricted	125,128	1,873	(2,387)	124,614
Temporarily restricted	—	1,371	—	1,371
Total change in net assets attributable to McLeod Health	$ 125,128	3,244	(2,387)	125,985

See accompanying independent auditors' report

McLEOD HEALTH

Supplemental Consolidating Balance Sheet Information – Obligated Group and Nonobligated Subsidiaries

September 30, 2014

(In thousands)

Assets	McLeod Regional Medical Center	McLeod Medical Center – Dillon	McLeod Health	McLeod Physician Associates II	Total Obligated Group	McLeod Medical Partners, LLC	McLeod Health Foundation	McLeod Loris Seacoast Hospital	Total Nonobligated Group	Eliminations	Total
Current assets											
Cash and cash equivalents	$ 33,658	—	1	(431)	33,228	1,650	279	6,557	8,486	—	41,714
Investments	—	—	—	—	—	—	3,892	—	3,892	—	3,892
Net patient receivables	67,233	2,129	242	7,890	77,494	—	—	13,128	13,128	—	90,622
Other receivables	1,923	22	324	68	2,337	101	438	248	787	(397)	2,727
Inventories	5,026	543	—	399	5,968	—	—	2,346	2,346	—	8,314
Prepaid expenses	5,679	448	1,338	1,375	8,840	12	5	1,198	1,215	—	10,055
Total current assets	113,519	3,142	1,905	9,301	127,867	1,763	4,614	23,477	29,854	(397)	157,324
Investment in subsidiaries	6,018	—	4,171	—	10,189	—	—	—	—	(10,189)	—
Due from (to) affiliated entities – net	72,519	7,723	(4,175)	(74,779)	1,288	(168)	431	(1,551)	(1,288)	—	—
Assets limited as to use	756,489	—	—	—	756,489	—	3 115	3,994	7 109	—	763 598
Property and equipment – net	444,033	20,596	1	6,740	471,370	14,494	79	66,900	81,473	—	552,843
Bond issue costs – net	2,412	—	—	—	2,412	—	—	—	—	—	2,412
Goodwill	3,262	—	—	—	3,262	—	—	—	—	—	3,262
Other assets	7,508	—	—	887	8,395	599	1,640	—	2,239	—	10,634
Total	$ 1,405,760	31,461	1,902	(57,851)	1,381,272	16,688	9,879	92,820	119,387	(10,586)	1,490,073
Liabilities and Net Assets											
Current liabilities											
Current portion of long-term debt (1)	$ 5,004	—	—	—	5,004	392	—	1,360	1,752	—	6,756
Accounts payable	16,807	621	66	8,512	26,006	134	397	1,966	2,497	(397)	28,106
Accrued expenses and other liabilities	29,264	1,474	8,135	5,751	44,624	1,278	32	3,228	4,538	—	49,162
Estimated third-party settlements	24,875	1,957	(6)	—	26,826	—	—	1,976	1,976	—	28,802
Total current liabilities	75,950	4,052	8,195	14,263	102,460	1,804	429	8,530	10,763	(397)	112,826
Long-term debt – net of current portion (1)	232,053	—	—	—	232,053	10,715	—	67,611	78,326	—	310,379
Total liabilities	308,003	4,052	8,195	14,263	334,513	12,519	429	76,141	89,089	(397)	423,205
Net assets											
McLeod Health	1,097,757	27,409	(6,293)	(72,114)	1,046,759	2,308	9,450	16,679	28,437	(10,189)	1,065,007
Noncontrolling interest in MMP	—	—	—	—	—	1,861	—	—	1,861	—	1,861
Total liabilities and net assets	$ 1,405,760	31,461	1,902	(57,851)	1,381,272	16,688	9,879	92,820	119,387	(10,586)	1,490,073

(1) The members of the Obligated Group are jointly and severally liable for the entire amount of the bonds payable reported within McLeod Regional Medical Center long-term debt.

See accompanying independent auditors' report

McLEOD HEALTH

Supplemental Consolidating Statement of Operations and Changes in Net Assets Information – Obligated Group and Nonobligated Subsidiaries

Year ended September 30, 2014

(In thousands)

	McLeod Regional Medical Center	McLeod Medical Center – Dillon	McLeod Health	McLeod Physician Associates II	Total Obligated Group	McLeod Medical Partners, LLC	McLeod Health Foundation	McLeod Loris Seacoast Hospital	Total Nonobligated Group	Eliminations	Total
Revenues, gains, and other support.											
Patient service revenue – net of contractual and other adjustments	$ 705,168	63,202	980	85,873	855,223	—	—	136,366	136,366	—	991,589
Provision for bad debts – net	(147,278)	(22,955)	(11)	(6,573)	(176,817)	—	—	(36,079)	(36,079)	—	(212,896)
Net patient service revenue	557,890	40,247	969	79,300	678,406	—	—	100,287	100,287	—	778,693
Other operating revenue	35,408	2,905	1,755	1,742	41,810	3,791	2,140	2,723	8 654	(8,290)	42,174
Net assets released from restrictions	958	—	—	—	958	—	2,483	—	2,483	—	3,441
Total revenues, gains, and other support	594,256	43,152	2,724	81,042	721,174	3,791	4,623	103,010	111,424	(8,290)	824,308
Expenses											
Personnel	230,966	19,648	41,531	93,047	385,192	—	573	47,429	48,002	—	433,194
Professional fees	65,719	6,824	(49,227)	(16,076)	7,240	55	418	15,077	15,550	—	22,790
Supplies	118,840	4,301	2,246	5,317	130,704	39	153	14,872	15,064	—	145,768
Purchased services	25,225	2,700	4,760	3,021	35,706	683	2,827	6,320	9,830	—	45,536
Facility-related costs	13,244	926	247	6,527	20,944	553	2	2,648	3,203	(6,830)	17,317
Insurance	2,836	338	271	1,838	5,283	39	—	1,211	1,250	—	6,533
Other	17,976	1,282	2,992	1,662	23,912	408	207	3,306	3,921	(1,460)	26,373
Interest	9,664	—	—	—	9,664	551	—	5,045	5 596	—	15,260
Depreciation and amortization	41,863	2,320	—	2,504	46,687	719	1	5,438	6,158	—	52,845
Loss (gain) on disposal of property	(70)	—	—	9	(61)	—	—	147	147	—	86
Total expenses	526,263	38,339	2,820	97,849	665,271	3,047	4,181	101,493	108,721	(8,290)	765,702
Income (loss) from operations	67,993	4,813	(96)	(16,807)	55,903	744	442	1,517	2,703	—	58,606
Other nonoperating revenues, net	64,880	2	—	—	64,882	82	5	(188)	(101)	—	64,781
Subsidiaries income (loss) – net	515	—	1,872	—	2,387	—	—	—	—	(2,387)	—
Excess (deficiency) revenues over (under) expenses before noncontrolling interest	133,388	4,815	1,776	(16,807)	123,172	826	447	1,329	2,602	(2,387)	123,387
Less income attributable to noncontrolling interest	—	—	—	—	—	(311)	—	—	(311)	—	(311)
Excess (deficiency) revenues over (under) expenses attributable to McLeod Health	133,388	4,815	1,776	(16,807)	123,172	515	447	1,329	2,291	(2,387)	123,076
MMP distributions	599	—	—	—	599	(599)	—	—	(599)	—	
Net assets released from restrictions for purchases of property and equipment	1,220	137	—	—	1,357	—	—	181	181	—	1,538
Change in net assets attributable to McLeod Health and Unrestricted	135,207	4,952	1,776	(16,807)	125,128	(84)	447	1,510	1,873	(2,387)	124,614
Temporarily restricted	—	—	—	—	—	—	1,371	—	1,371	—	1,371
Total change in net assets attributable to McLeod Health	$ 135,207	4,952	1,776	(16,807)	125,128	(84)	1,818	1,510	3,244	(2,387)	125,985

See accompanying independent auditors' report

PRIORITY ISSUES AND PLAN

PRIORITY ISSUES AND IMPLEMENTATION PLAN

McLeod Health utilizes resources such as the U.S. Department of Health and Human Services Healthy People 2020 program which serves to guide national health promotion and disease prevention efforts. This program identifies evidence-based, best practices to help advance targeted approaches that align with national objectives for improving the health of all Americans. Attention is focused on the "upstream" determinants that affect the public's health that contribute to health disparities by addressing identified needs through education, prevention, targeted initiatives validated through research, and the delivery of health services. Cross-sector collaboration is now widely considered as essential for having a meaningful impact on building healthier community. Through collaboration with public health agencies, health care organizations and providers, community leaders, and input from across business sectors and others in our community, McLeod Health can better serve its mission.

PLAN PRIORITIES

McLeod Regional Medical Center has selected the following areas which to collaborate with community partners for improving community health in Florence County.

- Obesity
- Heart Disease
- Cancer
- Diabetes
- Hypertension

McLeod Regional Medical Center (Florence) Implementation Plan

Priority issues were determined from the community input gathered for the CHNA. The priority issues, or "recognized needs", are listed with a 3-fold action plan which covers Awareness of the issue, Education of the issue, and Accessibility to health care and information. Although other needs exist, the focus has been placed on identified health priorities and resources in our community.

Through successful partnerships and collaborations with public health agencies, health care organizations and providers, community leaders, and input from across business sectors and others in our community, McLeod Health can more effectively satisfy its long standing mission dedicated to improving the health and well-being in our region through excellence in health care.

Recognized Need	Awareness	Education	Accessibility
Obesity	Sponsor community activities that promote physical fitness and/or healthy lifestyle. Explore opportunities with Eat Smart, Move More SC. Utilize publically available, free walking tracks / trails for community events. Participation by Athletic Trainers and physicians in coaches' clinics to stress the importance of being fit.	Provide education to the community through materials, education, speakers, internet, and other outreach activities. Explore obesity conference or program initiative hosted by McLeod Health. Conduct regional diabetes fair hosted by McLeod Health. Utilize Healthy People 2020 educational materials in outreach efforts. Emphasize the numerous orthopedic problems as a result of obesity during educational activities.	Offer heart healthy (low fat) options in the McLeod cafeteria. Participate in the American Heart Association's National Walk at Work day. Support the downtown Farmer's Market. (Florence, SC). Continue to offer the track at McLeod Health & Fitness Center and is available to the public free of charge. Publicize that dieticians are available for one on one counseling at McLeod Health & Fitness. Offer Kids Activity camps at McLeod Health & Fitness that stress the importance of an active lifestyle to youth.
Heart Disease	Sponsor the American Heart Association and support fundraising and educational efforts - such as the heart walk and Go Red for Women month. Team up with community leaders to gain momentum for the heart walks.	Provide education to the community through materials, education, speakers, internet, and other outreach activities. Diabetes is an important role in heart disease and obesity because diabetes is a risk factor for heart disease. Implement low cost and no cost screenings, counseling and education at the annual health fair.	Actively engage patients in their own care by providing them with education about hypertension medication, adherence support (for medication and other treatments), and tools and resources for self-management (including health behavior change). Apply for grant funding to offer scholarships to those in need of Cardiac

		Implement regional heart events hosted by McLeod Health. Distribute Stroke and Heart Attack Warning signs at various events and conferences including Healthy People 2020 educational material. Distribute Smoking & Heart Disease information at various events and conferences including Healthy People 2020 educational material.	Rehab that are under or uninsured. Promote McLeod Air Reach air transport and McLeod Heart Reach ambulance transport to regional first responders and hospitals to expedite care to interventional procedures. Utilize Carepoint for EKG transmittal at McLeod Regional Medical Center to expedite care for the patient. Participate in the American Heart Association STEMI National Initiative. McLeod Cardiology Outreach guides these efforts which include collaborating with first responders and hospitals to implement best practice guidelines to expedite care to cath lab. Maintain PCI accredited Chest Pain Center designation at MRMC. Offer smoking cessation classes and information. Facilitate care coordination and primary medical care services to targeted uninsured with chronic conditions that are eligible for Healthy Outcomes Plan Initiatives that focuses on behavioral health, hypertension, dental conditions,

			diabetes, and heart disease.
Cancer	Participation by the McLeod Cancer Center and the McLeod Hospice House at Health Fairs. Utilize McLeod Cancer Center team members for speaking engagements/events offered to the community. Distribute information and provided education to the community from the American Cancer Society about cancer prevention and living with/overcoming cancer. Offer support groups through McLeod Health free of charge. Offer smoking cessation classes and information.		Open the McLeod Cancer Center in 2014 to improve and expand services to the community. Continue to offer The "Color Me Pink" Boutique to the community at no charge to the patient. Patients may receive one free wig, breast prosthetic, and scarf.
Diabetes	Provide low cost and no cost blood sugar screenings, counseling and education. Participation by the McLeod Diabetes Center in regional health fairs and speaking engagements. Offer community support groups and classes to those living with or impacted by diabetes. Offer one-on-one diabetic counseling with dieticians for nutrition, coping, and lifestyle changes. Facilitate care coordination and primary medical care services to targeted uninsured with chronic conditions that are eligible for Healthy Outcomes Plan Initiatives that focuses on behavioral health, hypertension, dental conditions, diabetes, and heart disease.		
Blood Pressure	Stress the correlation of blood pressure to heart disease through outreach efforts, events, and health fairs/community gatherings. Collaborate with cardiac physicians and primary care physicians to monitor patients' blood pressure. Provide low cost and no cost screenings and counseling. Offer smoking cessation classes and information. Utilize Healthy People 2020 educational material in outreach efforts. Facilitate care coordination and primary medical care services to targeted uninsured with chronic conditions that are eligible for Healthy Outcomes Plan Initiatives that focuses on behavioral health, hypertension, dental conditions, diabetes, and heart disease.		

Health Needs Not Addressed

There were some areas of health needs that are important to improving community, but not addressed in this assessment. These were deemed to have a lower priority and less immediate impact, services already being provided by other initiatives, services outside the scope of resources, or will be addressed in a future plan or when the opportunity arises.

The most notable health needs not addressed is in dental care and behavioral health care. Preventive education of teenage pregnancy, sexually transmitted disease, low birth weight, and infant mortality were not addressed in the implementation plan. These services are being provided by other community providers and on a limited basis by McLeod Health.

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

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

PART V, SECTION B, LINE 3

MCLEOD REGIONAL MEDICAL CENTER:

SIGNIFICANT HEALTH CHALLENGES AND KEY HEALTH NEEDS:

A WRITTEN SURVEY WAS DISTRIBUTED TO COMMUNITY MEMBERS IN FLORENCE COUNTY.

THE TOP HEALTH ISSUES ACCORDING TO THE RESIDENTS OF THE COUNTY ARE

OBESITY AND THE CO-MORBIDITIES THAT ACCOMPANY THE PROBLEM. THESE INCLUDE

BUT ARE NOT LIMITED TO: HEART DISEASE, DIABETES, BLOOD PRESSURE, AND

HYPERTENSION.

THE TOP BARRIER TO ACCESSING HEALTH CARE NEEDS IS COST AND LACK OF

INSURANCE. HOWEVER, A VAST MAJORITY OF THOSE SURVEYED INDICATED THEY HAVE

A PRIMARY CARE/FAMILY PHYSICIAN BUT CITE THAT COST HAS PREVENTED THEM

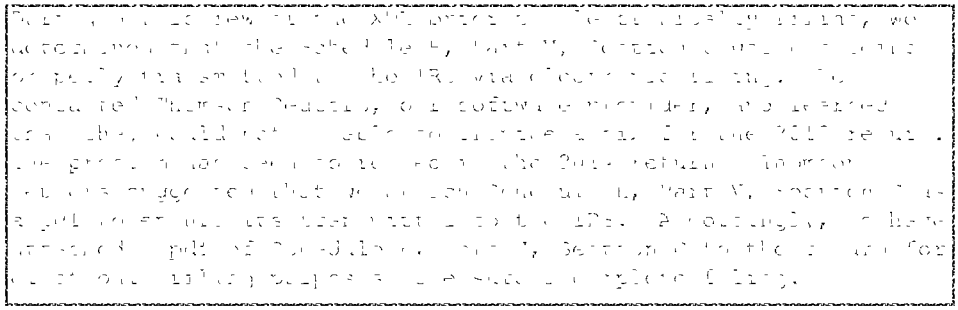
FROM SEEKING MEDICAL ATTENTION.

A MAJORITY OF SURVEY RESPONDERS INDICATED THAT HEALTHY LIFESTYLE AND

EXERCISE ARE TOP WAYS TO IMPROVE HEALTH IN THE COUNTY.

SIGNIFICANT HEALTH CHALLENGES IDENTIFIED:

- CARDIAC HEALTH
- CANCER PREVENTION AND TREATMENT
- SEDENTARY LIFESTYLE



TOP PRIORITIES AND KEY HEALTH NEEDS:

COMMUNITY LEADERS, ELECTED OFFICIALS AND SERVICE ORGANIZATIONS THAT SERVE

FLORENCE COUNTY WITH SPECIAL KNOWLEDGE AND EXPERTISE OF PUBLIC HEALTH

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

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

WERE INTERVIEWED TO OBTAIN VARIOUS PERSPECTIVES OF THE COUNTY'S HEALTH NEEDS. INFORMATION WAS SOLICITED FROM 19 LOCAL AGENCIES AND SERVICE PROVIDERS. RESIDENTS LEARN ABOUT THE SERVICES PROVIDED BY THESE AGENCIES BY WORD OF MOUTH, NEWS/LOCAL MEDIA, ADVERTISING, COMMUNITY LEADERS, AND PUBLIC EDUCATION AND A MAJORITY SERVE A WIDE VARIETY OF AGES AND RACES.

RESPONDERS OVERWHELMINGLY IDENTIFIED THE LACK OF KNOWLEDGE ABOUT PROPER DIET AND EXERCISE, WHICH EXACERBATES NUMEROUS CO-MORBIDITIES, AS THE MOST SIGNIFICANT HEALTH CHALLENGE IN THE COUNTY. OBESITY, HEART DISEASE, HIGH BLOOD PRESSURE, STROKE, AND DIABETES WERE THE MAIN HEALTH CONCERNS. THE GENERAL CONSENSUS OF RESPONDERS WAS THAT THE MAIN HEALTH CHALLENGES OF THE COUNTY WERE BEING ADDRESSED, BUT THAT THE ISSUE OF OBESITY AND THE CO-MORBIDITIES THAT COINCIDE WITH OBESITY IS A MULTI-FACETED PROBLEM. MANY COMMENTED ON THE DAUNTING CHALLENGE TO TRY AND CHANGE THE MINDSET OF SOMEONE REGARDING THEIR EATING AND LIFESTYLE HABITS, ESPECIALLY AT A LATER AGE. MORE EDUCATION AND OUTREACH AT A YOUNGER AGE WAS SUGGESTED AS A SOLUTION.

KEY HEALTH NEEDS IDENTIFIED:

- HEALTH CARE EDUCATION FOR CHILDREN WITH THE GOAL OF PREVENTING OBESITY
- PUBLIC EDUCATION FOR THE COMMUNITY, INCLUDING PREVENTION AND HEALTHY LIVING

PHYSICIANS THAT PROVIDE CARE IN FLORENCE COUNTY AND HAVE SPECIAL KNOWLEDGE AND HEALTH CARE EXPERTISE WERE ALSO INTERVIEWED ABOUT THE COUNTY'S HEALTH NEEDS. INFORMATION WAS SOLICITED FROM 6 PHYSICIANS

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

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

REPRESENTING A VARIETY OF FIELDS AND 1 HOSPITAL ADMINISTRATOR IN A ONE ON ONE SURVEY.

THE PHYSICIANS CITED DIABETES (AND THE COMPLICATIONS OF DIABETES), OBESITY, WOUNDS, CANCER (BREAST, COLON, LUNG), HYPERTENSION, CHEST PAIN, GI PROBLEMS, BREAST PROBLEMS, AND ENDOCRINE PROBLEMS AS THE MOST FREQUENTLY TREATED HEALTH PROBLEMS.

THESE HEALTH CARE PROVIDERS DESCRIBED THE TOP HEALTH NEEDS TO BE SMOKING CESSATION PROGRAMS, WEIGHT LOSS CLINICS, ACCESS TO PRIMARY CARE PHYSICIANS, AND MENTAL HEALTH SERVICES. OBESITY, SUBSTANCE ABUSE AND NON-COMPLIANCE TO PRESCRIBED MEDICAL PLAN WERE ALSO IDENTIFIED AS AREAS OF OPPORTUNITIES TO FURTHER ENGAGE PEOPLE TO TAKE CONTROL OF THEIR HEALTH.

THE GREATEST CONTRIBUTORS TO THESE IDENTIFIED NEEDS INCLUDE OBESITY, TOBACCO USE, UNCONTROLLED DIABETES, LACK OF EDUCATION, POOR DIET. IT WAS ALSO NOTED THAT THE CONTRIBUTORS ARE NOT DUE TO THE AVAILABILITY OF MEDICAL SERVICES, BUT THAT IT IS MORE OF A SOCIAL PROBLEM WHICH INCLUDES NON-COMPLIANCE, LACK OF KNOWLEDGE, AND IDLENESS.

PROVIDERS SEE THE NEED FOR CLINICS TO TREAT THE UNDER AND UNINSURED PATIENTS, EDUCATION FOR THE COMMUNITY, MORE MEDICAL SPECIALISTS, AS WELL AS PREVENTION AND EARLY DETECTION MARKETING. MCLEOD WAS GIVEN CREDIT FOR ITS PRESENCE IN THE COMMUNITY AND COMPLIMENTED ON BEING VERY PROGRESSIVE AND VISIONARY AND FOR DOING AN ABSOLUTELY EXCELLENT JOB IN THE REGION. IT

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

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

WAS ADDED THAT MCLEOD'S VISION IS ABSOLUTELY INCREDIBLE AND THAT MCLEOD

IS THE MOST OUTSTANDING INSTITUTION IN THIS AREA AS FAR AS QUALITY AND

SERVICE.

COMMUNITY LEADERS AND REPRESENTATIVES:

1. CIRCLE PARK

HOLLY MORRISON- CLINICAL DIRECTOR

SERVING IN THE FIELD OF ADDICTION TREATMENT, HOLLY MORRISON HAS SPECIAL

KNOWLEDGE OF THE NEEDS OF THE UNDERSERVED AND AT RISK POPULATION.

2. COUNTY COUNCIL

ALPHONSO BRADLEY- VICE CHAIRMAN, SCHOOL DISTRICT 2 & 3

REPRESENTING THE FLORENCE COUNTY PUBLIC EDUCATION SYSTEM, ALPHONSO

BRADLEY HAS KNOWLEDGE OF THE POPULATION HE REPRESENTS.

3. AMERICAN HEART ASSOCIATION

SHERRYL LOVE- SENIOR DIRECTOR OF DEVELOPMENT

SHERRYL LOVE SERVES AS A REPRESENTATIVE OF COMMUNITY MEMBERS WITH HEART

DISEASE, ONE OF THE TOP LEADERS OF DEATH IN THE COUNTY.

4. SC DEPARTMENT OF HEALTH ENVIRONMENTAL CONTROL

SUZETTE MCCLELLAN - COMMUNITY SYSTEMS DIRECTOR

SUZETTE MCCLELLAN HAS EXPERTISE WITH THE PUBLIC HEALTH NEEDS OF DILLON

RESIDENTS, INCLUDING LOW-INCOME AND UNDERSERVED PATIENTS.

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

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

5. FLORENCE DARLINGTON TECHNICAL COLLEGE

JILL HEIDEN LEWIS- VP OF INSTITUTIONAL ADVANCEMENT & BUSINESS

DEVELOPMENT

SERVING IN THE FIELD OF EDUCATION, JILL HEIDEN LEWIS HAS SPECIAL

KNOWLEDGE OF THE EDUCATIONAL STATUS AND NEEDS OF THE COUNTY.

6. GREATER FLORENCE CHAMBER OF COMMERCE

TOM MARSCHEL- EXECUTIVE DIRECTOR

AN EXECUTIVE REPRESENTING FLORENCE COUNTY, TOM MARSCHEL HAS KNOWLEDGE OF

THE POPULATION HE REPRESENTS.

7. FLORENCE CITY COUNCIL

OCTAVIA WILLIAMS-BLAKE

REPRESENTING CITY OF FLORENCE, OCTAVIA WILLIAMS-BLAKE HAS KNOWLEDGE OF

THE POPULATION SHE REPRESENTS.

8. UNITED WAY

EJ NEWBY - PRESIDENT

THE UNITED WAY OF FLORENCE COUNTY WORKS TO IMPROVE THE LIVES OF

RESIDENTS, INCLUDING LOW-INCOME AND UNDERSERVED PATIENTS. AS PRESIDENT,

EJ NEWBY UNDERSTANDS THE BIGGEST HUMAN SERVICES PROBLEMS IN FLORENCE

COUNTY.

9. FRANCIS MARION UNIVERSITY

DARRYL BRIDGES- VP FOR PUBLIC & COMMUNITY AFFAIRS

SERVING IN THE FIELD OF EDUCATION, DARRYL BRIDGES HAS SPECIAL KNOWLEDGE

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

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

OF THE EDUCATIONAL STATUS AND NEEDS OF THE COUNTY.

10. AMERICAN RED CROSS DISASTER RELIEF SERVICES

LINDA BOONE-SMITH, EXECUTIVE DIRECTOR

SERVING DARLINGTON COUNTY, LINDA BOONE-SMITH SERVES AS A REPRESENTATIVE

OF THE FAMILIES SERVED IN THE COUNTY.

11. FLORENCE COUNTY EMERGENCY MEDICAL SERVICES

RYON WATKINS- EMS DIRECTOR, KATE SMITH- PROFESSIONAL STANDARD & TRAINING

OFFICER

SERVING FLORENCE COUNTY, RYON WATKINS AND KATE SMITH SERVE AS

REPRESENTATIVES OF THE FAMILIES SERVED IN THE COUNTY.

12. MERCY MEDICINE CLINIC

LATRELL FOWLER- DIRECTOR

MERCY MEDICINE CLINIC PROVIDES PRIMARY MEDICAL CARE AND LIFE SUSTAINING

MEDICATIONS FOR THE INDIGENT, UNINSURED, AND WORKING POOR RESIDENTS OF

FLORENCE AND DILLON COUNTIES. IN HER ROLE, LATRELL FOWLER HAS EXPERTISE

OF THE PUBLIC HEALTH NEEDS OF THE COUNTY.

13. HOPEHEALTH

CARL HUMPHRIES- CEO

HOPEHEALTH IS A FEDERALLY FUNDED COMMUNITY HEALTH CENTER PROVIDING

COMPREHENSIVE MEDICAL CARE FOR FAMILIES AND PEOPLE OF ALL AGES IN

CHESTERFIELD, DARLINGTON, DILLON, FLORENCE MARLBORO AND MARION COUNTIES.

MEDICAID, MEDICARE, AND MOST INSURANCE PROGRAMS ARE ACCEPTED. A SLIDING

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

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

FEE SCALE PROGRAM AND A NO-INTEREST PAYMENT PLAN IS AVAILABLE. CARL HUMPHRIES IS KNOWLEDGEABLE OF THE LOW-INCOME AND UNDERSERVED PATIENTS IN THE COUNTY.

MCLEOD MEDICAL CENTER DARLINGTON:

SIGNIFICANT HEALTH CHALLENGES AND KEY HEALTH NEEDS:

A WRITTEN SURVEY WAS DISTRIBUTED TO COMMUNITY MEMBERS IN FLORENCE COUNTY. THE TOP HEALTH ISSUES ACCORDING TO THE RESIDENTS OF THE COUNTY ARE OBESITY AND THE CO-MORBIDITIES THAT ACCOMPANY THE PROBLEM. THESE INCLUDE BUT ARE NOT LIMITED TO: HEART DISEASE, DIABETES, BLOOD PRESSURE, AND HYPERTENSION.

THE TOP BARRIER TO ACCESSING HEALTH CARE NEEDS IS COST AND LACK OF INSURANCE. HOWEVER, A VAST MAJORITY OF THOSE SURVEYED INDICATED THEY HAVE A PRIMARY CARE/FAMILY PHYSICIAN BUT CITE THAT COST HAS PREVENTED THEM FROM SEEKING MEDICAL ATTENTION.

A MAJORITY OF SURVEY RESPONDERS INDICATED THAT HEALTHY LIFESTYLE AND EXERCISE ARE TOP WAYS TO IMPROVE HEALTH IN THE COUNTY.

SIGNIFICANT HEALTH CHALLENGES IDENTIFIED:

- CARDIAC HEALTH
- CANCER PREVENTION AND TREATMENT
- SEDENTARY LIFESTYLE

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

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

TOP PRIORITIES AND KEY HEALTH NEEDS:

COMMUNITY LEADERS, ELECTED OFFICIALS AND SERVICE ORGANIZATIONS THAT SERVE FLORENCE COUNTY WITH SPECIAL KNOWLEDGE AND EXPERTISE OF PUBLIC HEALTH WERE INTERVIEWED TO OBTAIN VARIOUS PERSPECTIVES OF THE COUNTY'S HEALTH NEEDS. INFORMATION WAS SOLICITED FROM 19 LOCAL AGENCIES AND SERVICE PROVIDERS. RESIDENTS LEARN ABOUT THE SERVICES PROVIDED BY THESE AGENCIES BY WORD OF MOUTH, NEWS/LOCAL MEDIA, ADVERTISING, COMMUNITY LEADERS, AND PUBLIC EDUCATION AND A MAJORITY SERVE A WIDE VARIETY OF AGES AND RACES.

RESPONDERS OVERWHELMINGLY IDENTIFIED THE LACK OF KNOWLEDGE ABOUT PROPER DIET AND EXERCISE, WHICH EXACERBATES NUMEROUS CO-MORBIDITIES, AS THE MOST SIGNIFICANT HEALTH CHALLENGE IN THE COUNTY. OBESITY, HEART DISEASE, HIGH BLOOD PRESSURE, STROKE, AND DIABETES WERE THE MAIN HEALTH CONCERNS.

THE GENERAL CONSENSUS OF RESPONDERS WAS THAT THE MAIN HEALTH CHALLENGES OF THE COUNTY WERE BEING ADDRESSED, BUT THAT THE ISSUE OF OBESITY AND THE CO-MORBIDITIES THAT COINCIDE WITH OBESITY IS A MULTI-FACETED PROBLEM. MANY COMMENTED ON THE DAUNTING CHALLENGE TO TRY AND CHANGE THE MINDSET OF SOMEONE REGARDING THEIR EATING AND LIFESTYLE HABITS, ESPECIALLY AT A LATER AGE. MORE EDUCATION AND OUTREACH AT A YOUNGER AGE WAS SUGGESTED AS A SOLUTION.

KEY HEALTH NEEDS IDENTIFIED:

- HEALTH CARE EDUCATION FOR CHILDREN WITH THE GOAL OF PREVENTING OBESITY
- PUBLIC EDUCATION FOR THE COMMUNITY, INCLUDING PREVENTION AND HEALTHY LIVING

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

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

PHYSICIANS THAT PROVIDE CARE IN FLORENCE COUNTY AND HAVE SPECIAL KNOWLEDGE AND HEALTH CARE EXPERTISE WERE ALSO INTERVIEWED ABOUT THE COUNTY'S HEALTH NEEDS. INFORMATION WAS SOLICITED FROM 6 PHYSICIANS REPRESENTING A VARIETY OF FIELDS AND 1 HOSPITAL ADMINISTRATOR IN A ONE ON ONE SURVEY.

THE PHYSICIANS CITED DIABETES (AND THE COMPLICATIONS OF DIABETES), OBESITY, WOUNDS, CANCER (BREAST, COLON, LUNG), HYPERTENSION, CHEST PAIN, GI PROBLEMS, BREAST PROBLEMS, AND ENDOCRINE PROBLEMS AS THE MOST FREQUENTLY TREATED HEALTH PROBLEMS.

THESE HEALTH CARE PROVIDERS DESCRIBED THE TOP HEALTH NEEDS TO BE SMOKING CESSATION PROGRAMS, WEIGHT LOSS CLINICS, ACCESS TO PRIMARY CARE PHYSICIANS, AND MENTAL HEALTH SERVICES. OBESITY, SUBSTANCE ABUSE AND NON-COMPLIANCE TO PRESCRIBED MEDICAL PLAN WERE ALSO IDENTIFIED AS AREAS OF OPPORTUNITIES TO FURTHER ENGAGE PEOPLE TO TAKE CONTROL OF THEIR HEALTH.

THE GREATEST CONTRIBUTORS TO THESE IDENTIFIED NEEDS INCLUDE OBESITY, TOBACCO USE, UNCONTROLLED DIABETES, LACK OF EDUCATION, POOR DIET. IT WAS ALSO NOTED THAT THE CONTRIBUTORS ARE NOT DUE TO THE AVAILABILITY OF MEDICAL SERVICES, BUT THAT IT IS MORE OF A SOCIAL PROBLEM WHICH INCLUDES NON-COMPLIANCE, LACK OF KNOWLEDGE, AND IDLENESS.

PROVIDERS SEE THE NEED FOR CLINICS TO TREAT THE UNDER AND UNINSURED

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

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

PATIENTS, EDUCATION FOR THE COMMUNITY, MORE MEDICAL SPECIALISTS, AS WELL AS PREVENTION AND EARLY DETECTION MARKETING. MCLEOD WAS GIVEN CREDIT FOR IT'S PRESENCE IN THE COMMUNITY AND COMPLIMENTED ON BEING VERY PROGRESSIVE AND VISIONARY AND FOR DOING AN ABSOLUTELY EXCELLENT JOB IN THE REGION. IT WAS ADDED THAT MCLEOD'S VISION IS ABSOLUTELY INCREDIBLE AND THAT MCLEOD IS THE MOST OUTSTANDING INSTITUTION IN THIS AREA AS FAR AS QUALITY AND SERVICE.

COMMUNITY LEADERS AND REPRESENTATIVES:

1) DARLINGTON FREE MEDICAL CLINIC

KATHY BAXLEY- EXECUTIVE DIRECTOR, DEBORAH REED- ASSISTANT DIRECTOR

THROUGH THEIR ROLES, KATHY BAXLEY AND DEBORAH REED HAVE SPECIAL KNOWLEDGE OF THE PUBLIC HEALTH NEEDS OF LOW-INCOME AND UNDERSERVED PATIENTS.

2) DARLINGTON COUNTY DHEC

KATHY SMITH- DIRECTOR & SUPERVISOR

KATHY SMITH HAS EXPERTISE WITH THE PUBLIC HEALTH NEEDS OF DARLINGTON RESIDENTS, INCLUDING LOW-INCOME AND UNDERSERVED PATIENTS.

3) DARLINGTON COUNTY CHAMBER OF COMMERCE

DANNY DUBOSE- EXECUTIVE DIRECTOR

AN EXECUTIVE REPRESENTING DARLINGTON COUNTY, DANNY DUBOSE HAS KNOWLEDGE OF THE POPULATION HE REPRESENTS.

4) AMERICAN RED CROSS DISASTER RELIEF SERVICES

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

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

LINDA BOONE-SMITH, EXECUTIVE DIRECTOR

SERVING DARLINGTON COUNTY, LINDA BOONE-SMITH SERVES AS A REPRESENTATIVE

OF THE FAMILIES SERVED IN THE COUNTY.

5) FLORENCE DARLINGTON TECHNICAL COLLEGE

JILL HEIDEN LEWIS- VP OF INSTITUTIONAL ADVANCEMENT & BUSINESS

DEVELOPMENT

SERVING IN THE FIELD OF EDUCATION, JILL HEIDEN LEWIS HAS SPECIAL

KNOWLEDGE OF THE EDUCATIONAL STATUS AND NEEDS OF THE COUNTY.

6) AMERICAN HEART ASSOCIATION

SHERRYL LOVE- SENIOR DIRECTOR OF DEVELOPMENT

SHERRYL LOVE SERVES AS A REPRESENTATIVE OF COMMUNITY MEMBERS WITH HEART

DISEASE, ONE OF THE TOP LEADERS OF DEATH IN THE COUNTY.

MCLEOD BEHAVIORAL HEALTH:

SIGNIFICANT HEALTH CHALLENGES AND KEY HEALTH NEEDS:

A WRITTEN SURVEY WAS DISTRIBUTED TO COMMUNITY MEMBERS IN FLORENCE COUNTY.

THE TOP HEALTH ISSUES ACCORDING TO THE RESIDENTS OF THE COUNTY ARE

OBESITY AND THE CO-MORBIDITIES THAT ACCOMPANY THE PROBLEM. THESE INCLUDE

BUT ARE NOT LIMITED TO: HEART DISEASE, DIABETES, BLOOD PRESSURE, AND

HYPERTENSION.

THE TOP BARRIER TO ACCESSING HEALTH CARE NEEDS IS COST AND LACK OF

INSURANCE. HOWEVER, A VAST MAJORITY OF THOSE SURVEYED INDICATED THEY HAVE

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

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- SEDENTARY LIFESTYLE

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PROVIDERS. RESIDENTS LEARN ABOUT THE SERVICES PROVIDED BY THESE AGENCIES

BY WORD OF MOUTH, NEWS/LOCAL MEDIA, ADVERTISING, COMMUNITY LEADERS, AND

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SIGNIFICANT HEALTH CHALLENGE IN THE COUNTY. OBESITY, HEART DISEASE, HIGH

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

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THESE HEALTH CARE PROVIDERS DESCRIBED THE TOP HEALTH NEEDS TO BE SMOKING CESSATION PROGRAMS, WEIGHT LOSS CLINICS, ACCESS TO PRIMARY CARE PHYSICIANS, AND MENTAL HEALTH SERVICES. OBESITY, SUBSTANCE ABUSE AND

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

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

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PROVIDERS SEE THE NEED FOR CLINICS TO TREAT THE UNDER AND UNINSURED PATIENTS, EDUCATION FOR THE COMMUNITY, MORE MEDICAL SPECIALISTS, AS WELL AS PREVENTION AND EARLY DETECTION MARKETING. MCLEOD WAS GIVEN CREDIT FOR IT'S PRESENCE IN THE COMMUNITY AND COMPLIMENTED ON BEING VERY PROGRESSIVE AND VISIONARY AND FOR DOING AN ABSOLUTELY EXCELLENT JOB IN THE REGION. IT WAS ADDED THAT MCLEOD'S VISION IS ABSOLUTELY INCREDIBLE AND THAT MCLEOD IS THE MOST OUTSTANDING INSTITUTION IN THIS AREA AS FAR AS QUALITY AND SERVICE.

COMMUNITY LEADERS AND REPRESENTATIVES:

1) DARLINGTON FREE MEDICAL CLINIC

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THROUGH THEIR ROLES, KATHY BAXLEY AND DEBORAH REED HAVE SPECIAL KNOWLEDGE OF THE PUBLIC HEALTH NEEDS OF LOW-INCOME AND UNDERSERVED PATIENTS.

2) DARLINGTON COUNTY DHEC

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

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

KATHY SMITH- DIRECTOR & SUPERVISOR

KATHY SMITH HAS EXPERTISE WITH THE PUBLIC HEALTH NEEDS OF DARLINGTON

RESIDENTS, INCLUDING LOW-INCOME AND UNDERSERVED PATIENTS.

3) DARLINGTON COUNTY CHAMBER OF COMMERCE

DANNY DUBOSE- EXECUTIVE DIRECTOR

AN EXECUTIVE REPRESENTING DARLINGTON COUNTY, DANNY DUBOSE HAS KNOWLEDGE

OF THE POPULATION HE REPRESENTS.

4) AMERICAN RED CROSS DISASTER RELIEF SERVICES

LINDA BOONE-SMITH, EXECUTIVE DIRECTOR

SERVING DARLINGTON COUNTY, LINDA BOONE-SMITH SERVES AS A REPRESENTATIVE

OF THE FAMILIES SERVED IN THE COUNTY.

5) FLORENCE DARLINGTON TECHNICAL COLLEGE

JILL HEIDEN LEWIS- VP OF INSTITUTIONAL ADVANCEMENT & BUSINESS DEVELOPMENT

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6) AMERICAN HEART ASSOCIATION

SHERRYL LOVE- SENIOR DIRECTOR OF DEVELOPMENT

SHERRYL LOVE SERVES AS A REPRESENTATIVE OF COMMUNITY MEMBERS WITH HEART

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

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

PART V, SECTION B, LINE 4

MCLEOD MEDICAL CENTER DARLINGTON & MCLEOD BEHAVIORAL HEALTH HOSPITALS ARE BOTH IN DARLINGTON, SC SO BOTH WERE COVERED BY THAT DARLINGTON CHNA.

PART V, SECTION B, LINE 7

THERE HAS NOT BEEN ADEQUATE TIME OR RESOURCES TO ADDRESS ALL THE NEEDS AT THIS TIME.

MCLEOD REGIONAL MEDICAL CENTER:

NEEDS IDENTIFIED AS SHOWN IN THE LINE 3 EXPLANATION ARE BEING ADDRESSED BUT THE TWO TOP WAYS IDENTIFIED TO IMPROVE HEALTH IN THE COMMUNITY, HEALTHY LIFESTYLE AND EXERCISE, ARE NOT SHORT-TERM ISSUES TO SOLVE.

MCLEOD MEDICAL CENTER DARLINGTON:

NEEDS IDENTIFIED AS SHOWN IN THE LINE 3 EXPLANATION ARE BEING ADDRESSED BUT THE TWO TOP WAYS IDENTIFIED TO IMPROVE HEALTH IN THE COMMUNITY, HEALTHY LIFESTYLE AND EXERCISE, ARE NOT SHORT-TERM ISSUES TO SOLVE.

MCLEOD BEHAVIORAL HEALTH:

NEEDS IDENTIFIED AS SHOWN IN THE LINE 3 EXPLANATION ARE BEING ADDRESSED BUT THE TWO TOP WAYS IDENTIFIED TO IMPROVE HEALTH IN THE COMMUNITY, HEALTHY LIFESTYLE AND EXERCISE, ARE NOT SHORT-TERM ISSUES TO SOLVE.