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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
MOSES H CONE MEMORIAL HOSPITAL OPERATING CORPORATION

Doing Business As
Cone Health

Number and street (or P O box if mail is not delivered to street address) 1200 NORTH ELM STREET Suite

Room/suite

City or town, state or province, country, and ZIP or foreign postal code
GREENSBORO, NC 27401

D Employer identification number
58-1588823

E Telephone number
(336)832-7000

G Gross receipts $ 990,717,520

F Name and address of principal officer
JEFFREY JONES
1200 NORTH ELM STREET
GREENSBORO,NC 27401

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 conehealth com

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

L Year of formation 1985

M State of legal domicile NC

Part I Summary

1 Briefly describe the organization's mission or most significant activities
We serve our communities by preventing illness, restoring health and PROVIDING COMFORT, THROUGH EXCEPTIONAL PEOPLE DELIVERING EXCEPTIONAL CARE

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**	22
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	15
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	9,131
6	Total number of volunteers (estimate if necessary)	**6**	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	17,271
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	17,469

		Prior Year	Current Year
Revenue **8**	Contributions and grants (Part VIII, line 1h)	3,434,466	3,471,908
9	Program service revenue (Part VIII, line 2g)	873,394,765	948,632,519
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,089,441	-363,266
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	16,026,156	25,609,422
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	893,944,828	977,350,583
Expenses **13**	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	976,407	390,006
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)	478,853,169	469,367,888
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)	428,573,754	454,494,428
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	908,403,330	924,252,322
19	Revenue less expenses Subtract line 18 from line 12	-14,458,502	53,098,261

		Beginning of Current Year	End of Year
Net Assets or Fund Balances **20**	Total assets (Part X, line 16)	520,590,971	624,269,086
21	Total liabilities (Part X, line 26)	143,036,874	146,876,815
22	Net assets or fund balances Subtract line 21 from line 20	377,554,097	477,392,271

Part II Signature Block

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

Sign Here

Signature of officer — Date: 2015-08-13

JEFFREY JONES 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
MARK D YARBROUGH				P00838425

Firm's name ▶ PRICEWATERHOUSECOOPERS LLP — Firm's EIN ▶

Firm's address ▶ 800 GREEN VALLEY RD STE 500
GREENSBORO, NC 27408

Phone no (336) 832-7791

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

WE SERVE OUR COMMUNITIES BY PREVENTING ILLNESS, RESTORING HEALTH AND PROVIDING COMFORT, THROUGH EXCEPTIONAL PEOPLE DELIVERING EXCEPTIONAL CARE

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 831,866,089 including grants of $ 390,006) (Revenue $ 948,632,519)

To provide quality healthcare services during the fiscal year 9/30/14, Moses H Cone Memorial Hospital Operating Corporation had a total of 46,391 patient discharges, 217,262 days of care, 892,412 total outpatient visits, and an average daily census of 646 71

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** ▶ 831,866,089

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		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		No
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**	Yes	
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		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**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	1,035		
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	9,131		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a		Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a**	22		
	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**	15		
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**		Yes	
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**			No
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**			No
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**			No
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 ▶ NC

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

▶ JEFFREY JONES 1200 NORTH ELM STREET
GREENSBORO, NC 27401 (336) 832-7791

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			

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			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								6,862,635	3,246,689	1,235,602

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 ▶ 391

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Carefusion 303 Inc, 3750 Torrey View Court SAN DIEGO CA 92130	Medical Services	3,921,250
EA Health Corporation, 440 Stevens Avenue Suite 150 SOLANA BEACH CA 92075	Medical Services	2,911,051
Microsoft Licensing GP, 6100 Neil Road RENO NV 89511	Inform Technology	3,527,885
Central Carolina Surgery PA, 1002 N Church St Ste 302 GREENSBORO NC 27401	Medical Services	3,081,821
McKesson Plasma and Biologics LLC, 16578 Collections Center Drive CHICAGO IL 60693	Medical Services	2,079,484
2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 101		

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	302,128			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	3,169,780			
	g	Noncash contributions included in lines 1a-1f $		464,391			
	h	**Total.** Add lines 1a-1f . . . . . ▶		3,471,908			
Program Service Revenue			Business Code				
	2a	Patient Revenue	621400	932,367,095	932,315,580	51,515	
	b	Services to Patients	621400	5,536,464	5,536,464		
	c	Services to Governmental Agencies	621400	4,611,503	4,611,503		
	d	Services to Affiliated Organizations	621400	910,572	910,572		
	e	Services to Non-Affiliated Organizations	621400	2,480,040	2,480,040		
	f	All other program service revenue		2,726,845	2,726,845		
	g	**Total.** Add lines 2a–2f . . . . . ▶		948,632,519			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		263,074			263,074
	4	Income from investment of tax-exempt bond proceeds . . ▶		0			
	5	Royalties . . . . . ▶		0			
			(i) Real	(ii) Personal			
	6a	Gross rents	1,222,217	171,417			
	b	Less rental expenses	649,837	91,140			
	c	Rental income or (loss)	572,380	80,277			
	d	Net rental income or (loss) . . . . . ▶			652,657	686,901	-34,244	
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		11,999,620			
	b	Less cost or other basis and sales expenses		12,625,960			
	c	Gain or (loss)		-626,340			
	d	Net gain or (loss) . . . . . ▶			-626,340			-626,340
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	Services to Employees		900099	13,527,189	13,527,189		
	b	Equity Share Income from Joint Ventures		621400	10,292,034	10,292,034		
	c	Expert Witness Fees for Docs		900099	625,509	625,509		
	d	All other revenue			512,033	512,033		
	e	**Total.** Add lines 11a–11d . . . . . ▶			24,956,765			
	12	**Total revenue.** See Instructions . . . . . ▶			977,350,583	974,224,670	17,271	-363,266

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	390,006	390,006		
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	4,057,526	3,651,773	405,753	
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	327,672,433	294,905,190	32,767,243	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	33,009,861	29,708,875	3,300,986	
9 Other employee benefits	76,269,479	68,642,531	7,626,948	
10 Payroll taxes	28,358,589	25,522,730	2,835,859	
11 Fees for services (non-employees)				
a Management	39,197,216	35,277,494	3,919,722	
b Legal	1,371,041	1,233,937	137,104	
c Accounting	7,580,689	6,822,620	758,069	
d Lobbying	0			
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	5,513	4,962	551	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	30,097,256	27,087,530	3,009,726	
12 Advertising and promotion	2,353,281	2,117,953	235,328	
13 Office expenses	16,643,679	14,979,311	1,664,368	
14 Information technology	19,060,857	17,154,771	1,906,086	
15 Royalties . .	0			
16 Occupancy	30,068,750	27,061,875	3,006,875	
17 Travel	1,798,199	1,618,379	179,820	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	0			
20 Interest	283,088	254,779	28,309	
21 Payments to affiliates	-21,614,958	-19,453,462	-2,161,496	
22 Depreciation, depletion, and amortization	38,503,137	34,652,823	3,850,314	
23 Insurance	8,973,143	8,075,829	897,314	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a Medical Supplies & Services	229,295,049	206,365,544	22,929,505	
b REPAIR/MAINTENANCE/UTILITIES	25,101,827	22,591,645	2,510,182	
c Taxes and Licensure	23,324,317	20,991,885	2,332,432	
d RECRUITMENT & RETENTION	1,972,117	1,774,905	197,212	
e All other expenses	480,227	432,204	48,023	
25 **Total functional expenses.** Add lines 1 through 24e	924,252,322	831,866,089	92,386,233	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		13,254,347	1	27,826,027
	2	Savings and temporary cash investments		12,819,978	2	11,031,718
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		153,843,981	4	144,427,198
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		98,553,817	7	187,159,794
	8	Inventories for sale or use		19,243,637	8	21,330,759
	9	Prepaid expenses and deferred charges		18,675,591	9	23,398,940
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 333,945,146			
	b	Less accumulated depreciation	10b 167,995,029	170,691,165	10c	165,950,117
	11	Investments—publicly traded securities		0	11	0
	12	Investments—other securities See Part IV, line 11		33,593,151	12	40,596,700
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	2,635,580
	15	Other assets See Part IV, line 11		-84,696	15	-87,747
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		520,590,971	16	624,269,086
Liabilities	17	Accounts payable and accrued expenses		59,868,482	17	56,710,901
	18	Grants payable		74,167	18	74,167
	19	Deferred revenue		4,243,115	19	3,142,208
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		78,851,110	25	86,949,539
	26	**Total liabilities.** Add lines 17 through 25		143,036,874	26	146,876,815
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		372,972,464	27	472,067,861
	28	Temporarily restricted net assets		4,581,633	28	5,324,410
	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		377,554,097	33	477,392,271
	34	Total liabilities and net assets/fund balances		520,590,971	34	624,269,086

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	977,350,583
2	Total expenses (must equal Part IX, column (A), line 25)	2	924,252,322
3	Revenue less expenses Subtract line 2 from line 1	3	53,098,261
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	377,554,097
5	Net unrealized gains (losses) on investments	5	130,121
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	46,609,792
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	477,392,271

Part XII Financial Statements and Reporting

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

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

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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
MOSES H CONE MEMORIAL HOSPITAL OPERATING CORPORATION

Employer identification number
58-1588823

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)**		No
(ii) A family member of a person described in (i) above? **11g(ii)**		No
(iii) A 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		No

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
MOSES H CONE MEMORIAL HOSPITAL
OPERATING CORPORATION

Employer identification number
58-1588823

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

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

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

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		294,636	112,560	182,076
d Equipment		317,305,003	167,882,469	149,422,534
e Other		16,345,507		16,345,507
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				165,950,117

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) INVESTMENT IN JOINT VENTURES	40,596,700	F
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	40,596,700	

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

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

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

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

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

1 (a) Description of liability	(b) Book value
Federal income taxes	0
MALPRACTICE RESERVES	2,246,388
WORKERS COMPENSATION RESERVES	7,734,797
CAPITAL LEASE LIABILITY	3,274,691
FAS 158 PENSION RECLASS	57,477,592
DEFERRED COMPENSATION	11,213,911
OTHER NON-CURRENT LIABILITIES	5,002,160
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	86,949,539

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	977,934,726
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	-156,834		
e	Add lines **2a** through **2d**			2e	-156,834
3	Subtract line **2e** from line **1**			3	978,091,560
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	-740,977		
c	Add lines **4a** and **4b**			4c	-740,977
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	977,350,583

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	924,833,863
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	971,547		
e	Add lines **2a** through **2d**			2e	971,547
3	Subtract line **2e** from line **1**			3	923,862,316
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	390,006		
c	Add lines **4a** and **4b**			4c	390,006
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	924,252,322

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
OTHER AMOUNTS NOT ON RETURN	SCHEDULE D, PART XI, LINE 2D CONTRIBUTION EXPENSE $ (390,006) INTEREST INCOME OFFSET $ 98,843 INCOME ATTRIBUTED TO ANNIE PENN $ 134,329 ---------- Total $ (156,834) ==========
OTHER REVENUE NOT ON LINE 1	SCHEDULE D, PART XI, LINE 4B RENTAL EXPENSE $ (740,977)
OTHER AMOUNTS NOT ON LINE 1	SCHEDULE D, PART XII, LINE 2D RENTAL EXPENSE $ 740,977 INTEREST INCOME OFFSET $ 98,843 EXPENSE ATTRIBUTED TO ANNIE PENN $ 131,727 ---------- Total $ 971,547 ==========
OTHER AMOUNTS NOT ON RETURN	SCHEDULE D, PART XII, LINE 4B CONTRIBUTION EXPENSE $ 390,006

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
MOSES H CONE MEMORIAL HOSPITAL
OPERATING CORPORATION

Employer identification number
58-1588823

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			88,592,316		88,592,316	9 590 %
b Medicaid (from Worksheet 3, column a)			179,900,629	143,638,378	36,262,251	3 920 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			493,006,121	390,458,017	102,548,104	11 100 %
d **Total** Financial Assistance and Means-Tested Government Programs			761,499,066	534,096,395	227,402,671	24 610 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			4,612,008		4,612,008	0 500 %
f Health professions education (from Worksheet 5)			9,016,415		9,016,415	0 980 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			1,462,687		1,462,687	0 160 %
j **Total.** Other Benefits			15,091,110		15,091,110	1 640 %
k **Total.** Add lines 7d and 7j			776,590,176	534,096,395	242,493,781	26 250 %

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						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 **Total**						

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			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 77,623,638			
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 29,236,847			
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	390,458,017
6	Enter Medicare allowable costs of care relating to payments on line 5	6	493,006,121
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-102,548,104
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 Randolph Cancer Ctr	Provision of Cancer Care	40 000 %		
2 Gulf Adult Health	Care to Disadvantaged	50 000 %		
3 Call-A-Nurse	Medical Advice over the phone	50 000 %		
4 The Healthcare Allia	Partner with member hospitals	37 090 %		
5 Advanced Homecare	Home Health Care	34 630 %		
6 PACE of GulfRocking	Home Health Care	22 000 %		
7 PACE of Southern Pie	Home Health Care	55 000 %		
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?
5

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)

A

Name of hospital facility or facility reporting group _____

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

			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 13			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) www conehealth com			
b	☐ Other website (list url) _____			
c	☑ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $_____			

Part V Facility Information *(continued)*

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

Part V Facility Information *(continued)*

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

How many non-hospital health care facilities did the organization operate during the tax year? **5**

	Name and address	Type of Facility (describe)
1	Med Center High Point 2630 Willard Dairy Road High Point, NC 27265	Outpatient Services & ED
2	Med Center Kernersville 1635 NC 66 South Kernersville, NC 27284	Outpatient Services
3	Cone Health Cancer Center 501 North Elam Avenue Greensboro, NC 27403	Cancer Treatment Facility
4	Moses Cone Surgery Center 1127 N Church Street Greensboro, NC 27401	Outpatient Surgical Center
5	Wesley Long Surgery Center 509 North Elam Avenue Greensboro, NC 27403	Outpatient Surgical Center
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
BAD DEBT FOOTNOTE	PART III, SECTION A, LINES 2, 3, AND 4 FOR OUR FINANCIAL STATEMENTS, THE DIFFERENCE BETWEEN GROSS CHARGES AND THE AMOUNT WE ESTIMATE WE WILL COLLECT IS CATEGORIZED AS CONTRACTUAL ADJUSTMENTS, CHARITY, OR BAD DEBT EXPENSE THE DIFFERENCE BETWEEN GROSS CHARGES AND THE PAYABLE AMOUNT PER THIRD-PARTY CONTRACTS OR GOVERNMENT PAYMENT FORMULAS IS CATEGORIZED AS CONTRACTUAL ADJUSTMENTS THE AMOUNT OF THE CONTRACT ALLOWABLE THAT WE ESTIMATE WILL NOT BE COLLECTED IS DIVIDED BETWEEN CHARITY CARE AND BAD DEBT EXPENSE BASED ON THE DEMOGRAPHICS OF OUR PATIENT POPULATION AND OUR ESTIMATE FROM THESE DEMOGRAPHICS AS TO THE PORTION OF THIS UNCOLLECTED AMOUNT APPLICABLE TO INDIVIDUALS QUALIFYING FOR OUR CHARITY CARE POLICY CONTRACTUAL ADJUSTMENTS, CHARITY CARE, AND BAD DEBT EXPENSE ARE VALUED AT THE CHARGES FOR THE RELATED SERVICES THE AMOUNTS REPORTED ON THIS SCHEDULE ARE REPORTED AT COST, COMPUTED USING THE COST TO CHARGE RATIO

Form and Line Reference	Explanation
PROMOTION OF COMMUNITY HEALTH	PART VI OUR PROGRAMS TO IMPROVE COMMUNITY HEALTH ARE FOCUSED ON EDUCATION AND FREE HEALTH SCREENINGS FOR OUR MEMBERS OF OUR COMMUNITIES, PARTICULARLY THOSE IN UNDERSERVED AND MINORITY POPULATIONS THESE PROGRAMS IMPROVE ACCESS TO HEALTHCARE SERVICES AND HELP MEMBERS OF THE COMMUNITY IDENTIFY POTENTIALLY SERIOUS HEALTH CONDITIONS AND ALLOW THEM TO RECEIVE EARLY TREATMENT WHICH IMPROVES OUTCOMES WE ARE COMMITTED TO IMPROVING THE SKILLS AND TRAINING FOR HEALTHCARE PROVIDERS BECAUSE BETTER TRAINED PROVIDERS LEAD TO BETTER HEALTH OUTCOMES FOR OUR COMMUNITY WE ARE COMMITTED TO BEING A GOOD CORPORATE CITIZEN AND REGULARLY MAKE GENEROUS DONATIONS TO ORGANIZATIONS IN THE COMMUNITY THAT WORK TO IMPROVE ECONOMIC CONDITIONS AND ACCESS TO HEALTHCARE EMPLOYEES OF THE HEALTH SYSTEM VOLUNTEERED 12,108 HOURS OF SERVICE ACROSS THE COMMUNITY IN A WIDE RANGE OF ORGANIZATIONS

Form and Line Reference	Explanation
MEDICARE SHORTFALL	PART III, SECTION B, LINE 8 THE ENTIRE SHROTFALL IS REPORTED AS COMMUNITY BENEFIT WE DO NOT RECEIVE ENOUGH IN MEDICARE REIMBURSEMENTS TO COVER OUR COSTS ASSOCIATED WITH THE PROVISION OF THOSE SERVICES, YET WE CONTINUE TO PROVIDE THOSE SERVICES TO OUR COMMUNITY REGARDLESS OF THE REIMBURSEMENT LEVELS THEREFORE, WE FEEL JUSTIFIED IN REPORTING THIS AS PART OF OUR BENEFIT TO THE COMMUNITY

Form and Line Reference	Explanation
MEDICARE COSTING METHODOLOGY	PART III, SECTION B, LINE 8 THE AMOUNT OF THE MEDICARE SHORTFALL INCLUDED AS COMMUNITY BENEFIT REPRESENTED THE COST, COMPUTED USING COST TO CHARGE RATIO OF THE CHARGES BOOKED IN THE FINANCIAL STATEMENTS AS MEDICARE

Form and Line Reference	Explanation
DEBT COLLECTION POLICY	PART III, SECTION C, LINE 9B THE HOSPITAL MAINTAINS A HARDSHIP SETTLEMENT POLICY WHICH PROVIDES AN OPPORTUNITY FOR PATIENTS TO REQUEST DISCOUNTS ON BALANCES DUE TO THE HOSPITAL IN EXCESS OF $5,000 THE PURPOSE OF THIS POLICY IS TO RECOGNIZE THAT EVEN AFTER THE ADMINISTRATION OF THE HOSPITAL'S AUTOMATIC DISCOUNT FOR ALL UNINSURED PATIENTS, THERE COULD STILL BE SITUATIONS WHERE THE PATIENT IS EXPERIENCING A FINANCIAL HARDSHIP TO PAY THE BALANCE DUE IN FULL A PATIENT MAY REQUEST A HARDSHIP SETTLEMENT FINANCIAL NEED WILL BE DETERMINED BY COMPARING A PATIENT'S TOTAL HOUSEHOLD FINANCIAL RESOURCES AND ASSETS TO THE REMAINING BALANCE IF IT IS DETERMINED THAT AFTER ALL THIRD PARTY REIMBURSEMENTS, THE REMAINING BALANCE IS GREATER THAN $5,000 AND 20% OF THE PATIENTS TOTAL FINANCIAL RESOURCES, THE PATIENT IS ELIGIBLE FOR A HARDSHIP SETTLEMENT THE APPLICABLE DISCOUNT INCREASES FOR BALANCES THAT MAKE UP A GREATER PERCENTAGE OF THE PATIENTS TOTAL HOUSEHOLD FINANCIAL RESOURCES IF AFTER ALL EFFORTS TO QUALIFY THE PATIENT FOR FINANCIAL ASSISTANCE HAVE BEEN EXHAUSTED AND THE PATIENT REMAINS UNABLE TO PAY BALANCES GREATER THAN $5,000, THE UNPAID PORTION OF THE BILL MAY BE TURNED OVER TO COLLECTIONS

Form and Line Reference	Explanation
NEEDS ASSESSMENT	PART VI OUR BOARD INCLUDES REPRESENTATIVES FROM A WIDE RANGE OF STAKEHOLDERS IN THE COMMUNITY WE ENGAGE OUR COMMUNITIES WITH INTEGRITY AND TRANSPARENCY AND WE EMBRACE OUR RESPONSIBILITY TO PROMOTE HEALTH AND WELL-BEING TO THOSE ENDS, WE HAVE PARTNERED WITH THE GUILFORD COUNTY HEALTH DEPARTMENT AS WELL AS OTHER AREA HOSPITALS AND FOUNDATIONS TO CONDUCT A COMMUNITY HEALTH NEEDS ASSESSMENT A NUMBER OF OVERARCHING SOCIOECONOMIC CHALLENGES THAT CONTRIBUTE TO POOR HEALTH OUTCOMES WERE IDENTIFIED, AND FROM THESE, MAJOR NEEDS AND PRIORITIES WERE DETERMINED THESE INCLUDE ACCESS TO CLINICAL CARE FOR MINORITY POPULATIONS, INCREASED MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES, EFFORTS TO ENSURE HEALTHY PREGNANCIES AND EFFORTS TO REDUCE OBESITY THE HEALTH SYSTEM IS CURRENTLY ENGAGED IN SEVERAL INITIATIVES TO ADDRESS THESE PRIORITIES

Form and Line Reference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	PART VI THE FINANCIAL ASSISTANCE POLICY IS COMMUNICATED TO ALL PATIENTS THROUGH MEANS WHICH INCLUDE, BUT ARE NOT LIMITED TO POSTING ON THE HEALTH SYSTEM'S WEBSITE, INCLUSION WITH ALL BILLING STATEMENTS, POSTING AT CONSPICUOUS LOCATIONS THROUGHOUT THE FACILITY, DISCUSSIONS DURING FINANCIAL COUNSELOR PATIENT INTERVIEWS, AND DURING PATIENT ACCOUNTING CUSTOMER SERVICE PATIENT INTERACTIONS AFTER RECEIVING A REQUEST FOR FINANCIAL ASSISTANCE AND ANY FINANCIAL INFORMATION OR OTHER DOCUMENTATION NEEDED TO DETERMINE ELIGIBILITY FOR FINANCIAL ASSISTANCE THE PATIENT WILL BE NOTIFIED OF THEIR ELIGIBILITY DETERMINATION WITHIN A REASONABLE PERIOD OF TIME

Form and Line Reference	Explanation
COMMUNITY INFORMATION	PART VI THE POPULATION OF GUILFORD COUNTY IN THE 2010 CENSUS WAS 488,406 AND 87 3% OF THE POPULATION LIVES IN AN URBAN SETTING ANNUAL GROWTH IS ESTIMATED TO BE JUST BELOW 1% THE COUNTY WAS ONCE AN INDUSTRIAL-BASED CENTER, BUT HAS SEEN DECLINES IN THE MANUFACTURING OF TEXTILES, APPAREL AND FURNITURE PRESENTLY GUILFORD COUNTY SCHOOLS IS THE LARGEST EMPLOYER IN THE COUNTY, FOLLOWED BY CONE HEALTH SYSTEM AND THE CITY OF GREENSBORO THE ESTIMATED MEDIAN FAMILY INCOME IS $58,551 INDIVIDUALS AND FAMILIES IN GUILFORD COUNTY ARE STILL DEALING WITH THE IMPACT OF THE ECONOMIC RECESSION IN SEPTEMBER OF 2014, GUILFORD COUNTY UNEMPLOYMENT RATE WAS 6 4% AND 0 2% OF THE POPULATION HAS AN INCOME BELOW THE FEDERAL POVERTY LINE 26% OF THE POPULATION IS UNDER AGE 20, WHEREAS 19 3% IS AGE 60 OR ABOVE

Form and Line Reference	Explanation
ADDITIONAL COMMUNITY INVOLVMENT	PART VI CONE HEALTH'S SUPPORT FOR THE HEALTH AND WELL-BEING OF ITS COMMUNITIES GOES WELL BEYOND JUST ADDRESSING THE HEALTH CONCERNS IN THE COMMUNITY HEALTH NEEDS ASSESSMENT THE FOLLOWING ARE SOME OF THE PROGRAMS WE PARTICIPATED IN DURING 2014 (1) ENSURING THE HEALTH OF STUDENTS BY HELPING FINANCIALLY-STRAPPED FAMILIES PREPARE FOR THE RETURN TO SCHOOL (2) COMING TO THE AID OF DISPLACED RESIDENTS BY COLLECTING DONATIONS (3) CREATING OUTDOOR SPACES FOR THE COMMUNITY IN ROCKINGHAM COUNTY THAT INCLUDES AN OUTDOOR KITCHEN THAT CAN BE USED FOR HEALTHY EATING DEMONSTRATIONS AND A WALKING TRAIL (4) ACTIVE PARTICIPATION OF OUR STAFF IN WALKING TO FIND A CURE FOR DIABETES (5) FEEDING THE HUNGRY THROUGH GENEROUS DONATIONS TO THE OUT OF THE GARDEN PROJECT

Form and Line Reference	Explanation
AFFILIATED HEALTH CARE SYSTEM	PART VI THE ORGANIZATION IS A MEMBER OF THE CONE HEALTH SYSTEM IN ADDITION TO THE SERVICES PROVEDED UNDER THE MOSES H CONE MEMORIAL HOSPITAL OPERATING CORPORATION, THE CONE HEALTH MEDICAL GROUP INCLUDES FOUR CORPORATE ENTITIES THAT OPERATE PHYSICIAN PRACTICES ACROSS THE COMMUNITY THESE INCLUDE PROVIDERS OF BOTH PRIMARY CARE AND A WIDE RANGE OF SPECIALTIES ALAMANCE REGIONAL MEDICAL CENTER PROVIDES HEALTH CARE SERVICES TO THE COMMUNITY IN ALAMANCE COUNTY THE MOSES CONE WESLEY LONG COMMUNITY FOUNDATION AND IMPACT ALAMANCE FOUNDATIONS FUND NUMEROUS COMMUNITY ORGANIZATIONS THAT ARE CONDUCTING ACTIVITIES THAT WILL ADDRESS THE PRIORITIES IDENTIFED UNDER OUR COMMUNITY NEEDS ASSESSMENT

Additional Data

Software ID:
Software Version:
EIN: 58-1588823
Name: MOSES H CONE MEMORIAL HOSPITAL OPERATING CORPORATION

990 Schedule H, Supplemental Information

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

Form and Line Reference	Explanation
PART V, SECTION B, LINE 18E	HARDSHIP DISCOUNT POLICY
PART V, SECTION B, LINE 20D	WE DISCOUNT ALL SELF-PAY ACCOUNTS BY 50% THIS IS THE AVERAGE DISCOUNT WE HAVE PROVIDED TO MANAGED CARE AND MEDICARE PATIENTS

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990**

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MOSES H CONE MEMORIAL HOSPITAL OPERATING CORPORATION

Employer identification number
58-1588823

Part I General Information on Grants and Assistance

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

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

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

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) HOSPICE AND PALLATIVE CARE OF GREENSBORO 2500 SUMMIT AVENUE PO BOX 26170 GREENSBORO,NC 27405	56-1249146	501(C)(3)	53,100				SUPPORT OF PALLATIVE CARE SERVICES
(2) GREENSBORO CHAMBER OF COMMERCE 342 NORTH ELM STREET SUITE 100 PO BOX 35907 GREENSBORO,NC 27401	56-0245040	501(C)(3)	33,816				ECONOMIC DEVELOPMENT
(3) ROCKINGHAM COUNTY PARTNERSHIP 7572 NC HWY 87 Suite 100-A WENTWORTH,NC 27375	13-5613797	501(C)(3)	15,150				ECONOMIC DEVELOPMENT
(4) FREE CLINIC OF ROCKINGHAM 315 S MAIN STREET REIDSVILLE,NC 27320	56-2003143	501(C)(3)	15,000				INDIGENT CARE
(5) AMERICAN HEART ASSOCIATION 7272 GREENVILLE AVENUE PO Box 325 DALLAS,TX 75321	13-5613797	501(C)(3)	10,000				HEART RESEARCH
(6) FOUNDATION FOR NURSING EXCELLENCE 3700 NATIONAL DRIVE PO BOX 325 RALEIGH,NC 27612	30-0105241	501(C)(3)	10,000				GROWTH OF THE NURSING PROFESSION
(7) UNITED WAY OF GREATER GREENSBORO 1500 YANCYVILLE STREET GREENSBORO,NC 27405	56-0668555	501(C)(3)	10,000				ECONOMIC DEVELOPMENT
(8) AMERICAN CANCER SOCIETY 250 WILLIAMS STREET NW ATLANTA,GA 30303	13-1788491	501(C)(3)	6,100				CANCER RESEARCH

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

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

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

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

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

Return Reference	Explanation
GRANT PROCEDURES	SCHEDULE I, PART I, LINE 2 ASSISTANCE IS GIVEN TO QUALIFIED TAX-EXEMPT ORGANIZATIONS THEY ARE REPORTED TO THE CEO AND TO THE BOARD FOR REVIEW ON A QUARTERLY BASIS

Additional Data

Software ID:
Software Version:
EIN: 58-1588823
Name: MOSES H CONE MEMORIAL HOSPITAL OPERATING CORPORATION

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
HOSPICE AND PALLATIVE CARE OF GREENSBORO 2500 SUMMIT AVENUE PO BOX 26170 GREENSBORO,NC 27405	56-1249146	501(C)(3)	53,100				SUPPORT OF PALLATIVE CARE SERVICES

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
GREENSBORO CHAMBER OF COMMERCE 342 NORTH ELM STREET SUITE 100 PO BOX 35907 GREENSBORO,NC 27401	56-0245040	501(C)(3)	33,816				ECONOMIC DEVELOPMENT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
ROCKINGHAM COUNTY PARTNERSHIP 7572 NC HWY 87 Suite 100-A WENTWORTH, NC 27375	13-5613797	501(C)(3)	15,150				ECONOMIC DEVELOPMENT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
FREE CLINIC OF ROCKINGHAM 315 S MAIN STREET REIDSVILLE,NC 27320	56-2003143	501(C)(3)	15,000				INDIGENT CARE

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
AMERICAN HEART ASSOCIATION 7272 GREENVILLE AVENUE PO Box 325 DALLAS,TX 75321	13-5613797	501(C)(3)	10,000				HEART RESEARCH

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
FOUNDATION FOR NURSING EXCELLENCE 3700 NATIONAL DRIVE PO BOX 325 RALEIGH,NC 27612	30-0105241	501(C)(3)	10,000				GROWTH OF THE NURSING PROFESSION

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
UNITED WAY OF GREATER GREENSBORO 1500 YANCYVILLE STREET GREENSBORO,NC 27405	56-0668555	501(C)(3)	10,000				ECONOMIC DEVELOPMENT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
AMERICAN CANCER SOCIETY 250 WILLIAMS STREET NW ATLANTA,GA 30303	13-1788491	501(C)(3)	6,100				CANCER RESEARCH

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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
MOSES H CONE MEMORIAL HOSPITAL
OPERATING CORPORATION

Employer identification number
58-1588823

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**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
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**	Yes	
b	Any related organization?	**6b**	Yes	
	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**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
SEVERANCE OR CHANGE OF CONTROL PAYMENT	SCHEDULE J, PART I, LINE 4A Kenneth Boggs $353,356 96 and John Jenkins $238,983 54
COMPENSATION CONTINGENT ON NET EARNINGS	SCHEDULE J, PART I, LINE 6B OFFICERS, OTHER THAN THOSE COMPENSATED BY CAROLINAS HEALTH SYSTEM, ARE PAID BY MOSES H CONE MEMORIAL HOSPITAL OPERATING CORPORATION, INC , AND PARTICIPATE IN THE MANAGEMENT INCENTIVE COMPENSATION PROGRAM UNDER THIS PROGRAM, A PORTION OF THE SALARY OF THOSE AT A LEVEL OF DEPARTMENT DIRECTOR AND HIGHER IS SET ASIDE AND IS CONTINGENT ON THE CONSOLIDATED HEALTH SYSTEM'S PERFORMANCE IN SEVERAL MEASURES, INCLUDING NET EARNINGS NOTE IF THESE MEASURES ARE MET, THE EMPLOYEE'S COMPENSATION WILL BE AT MARKET LEVEL, BUT IF NOT MET, THEIR COMPENSATION WILL BE BELOW THE MARKET LEVEL FOR THEIR JOB

Additional Data

Software ID:

Software Version:

EIN: 58-1588823

Name: MOSES H CONE MEMORIAL HOSPITAL OPERATING CORPORATION

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				
John F Campbell MD	(I)	0	0	0	0	0	0	0
Physician & Trustee	(II)	263,169	101,722	37,688	43,574	7,908	454,061	0
Terrance B Akin COO	(I)	0	0	0	0	0	0	0
& Secretary	(II)	608,190	0	27,510	39,894	26,291	701,885	0
Andrew Barrow VP &	(I)	203,744	0	15,114	10,288	6,788	235,934	0
Asst Treasurer	(II)	0	0	0	0	0	0	0
Kenneth Boggs Chief	(I)	28,307	0	353,357	38,324	6,922	426,910	0
Financial Officer	(II)	0	0	0	0	0	0	0
Theresa Brodrick EXEC	(I)	0	0	0	0	0	0	0
VP & ASST SEC	(II)	317,078	0	26,162	22,679	31,142	397,061	0
Noel F Burt Chief HR	(I)	390,421	0	64,583	45,202	7,104	507,310	0
Officer & Asst Secre	(II)	0	0	0	0	0	0	0
Wendi Carroll Asst	(I)	156,037	17,478	330	1,630	4,703	180,178	0
Treasurer	(II)	0	0	0	0	0	0	0
Timothy J Clontz Exec	(I)	218,602	68,230	60,225	51,930	3,881	402,868	0
VP & Asst Sec	(II)	0	0	0	0	0	0	0
Marva Jarman Asst	(I)	162,813	0	1,570	1,250	3,524	169,157	0
Treasurer	(II)	0	0	0	0	0	0	0
Jeffrey Jones CFO &	(I)	0	0	0	0	0	0	0
Treasurer	(II)	386,540	50,000	14,950	3,825	23,849	479,164	0
David Kitzmiller Asst	(I)	119,010	0	8,724	27,389	4,082	159,205	0
Treasurer	(II)	0	0	0	0	0	0	0
John M Miller Treasurer	(I)	216,670	0	27,897	22,134	7,626	274,327	0
& Chief Inv Officer	(II)	0	0	0	0	0	0	0
R Timothy Rice	(I)	0	0	0	0	0	0	0
President & CEO	(II)	931,611	0	33,899	73,098	27,826	1,066,434	0
James Roskelly	(I)	285,170	83,726	88,070	52,517	8,064	517,547	0
VP/Asst Secretary	(II)	0	0	0	0	0	0	0
Judith Schanel VP &	(I)	261,443	0	75,404	45,126	7,305	389,278	0
Asst Secretary	(II)	0	0	0	0	0	0	0
Rene Smith Asst	(I)	164,462	21,265	16,855	15,643	4,344	222,569	0
Treasurer	(II)	0	0	0	0	0	0	0
William Bowman VP of	(I)	280,009	0	65,248	24,251	7,068	376,576	0
Medical Affairs	(II)	0	0	0	0	0	0	0
Mary Jo Cagle Chief	(I)	0	0	0	0	0	0	0
Quality Officer	(II)	420,631	0	27,539	26,517	25,730	500,417	0
Cynthia Farrand Site	(I)	181,320	0	19,630	64,251	7,068	272,269	0
President-Women's	(II)	0	0	0	0	0	0	0
Hospita								
Steven Horsley Chief	(I)	296,142	0	27,840	21,147	6,708	351,837	0
Information Officer	(II)	0	0	0	0	0	0	0

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Paul Jeffrey Site President-Wesley Long Hos	(I)	243,908	0	18,762	23,322	8,864	294,856	0
	(II)	0	0	0	0	0	0	0
John Jenkins Chief Information Officer	(I)	30,350	0	238,984	45,255	5,839	320,428	0
	(II)	0	0	0	0	0	0	0
William Porter VP of Fund Development	(I)	180,779	0	39,834	43,132	0	263,745	0
	(II)	0	0	0	0	0	0	0
Michael Simms VP of Revenue Cycle	(I)	167,093	25,000	10,350	16,435	5,447	224,325	0
	(II)	0	0	0	0	0	0	0
Bruce Swords MD Chief Medical Info Officer	(I)	308,334	23,287	22,585	42,520	7,440	404,166	0
	(II)	0	0	0	0	0	0	0
Jeffrey Hatcher MD Physician	(I)	229,786	97,004	12,357	33,303	6,686	379,136	0
	(II)	0	0	0	0	0	0	0
Glenn Jennings MD Physician	(I)	205,259	40,401	27,598	24,587	5,604	303,449	0
	(II)	0	0	0	0	0	0	0
Zachary Swartz MD Physician	(I)	259,483	24,833	1,888	35,420	6,514	328,138	0
	(II)	0	0	0	0	0	0	0
Mark Uhl MD Physician	(I)	260,720	28,050	16,164	18,747	4,469	328,150	0
	(II)	0	0	0	0	0	0	0
Cornelius Van Dam MD Physician	(I)	221,080	105,647	43,403	35,312	8,104	413,546	0
	(II)	0	0	0	0	0	0	0

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MOSES H CONE MEMORIAL HOSPITAL OPERATING CORPORATION

Employer identification number
58-1588823

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Louise Brady	TRUSTEE	853,352	HUSBAND'S FIRM IS MAJOR VENDOR		No
(2) John Campbell	TRUSTEE	454,060	EMPLOYED BY CONE HEALTH	Yes	

Part V Supplemental Information

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

Return Reference	Explanation

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.
▶Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MOSES H CONE MEMORIAL HOSPITAL OPERATING CORPORATION

Employer identification number
58-1588823

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X	9,840	464,391	Proceeds less fees
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (_____)				
26 Other ▶ (_____)				
27 Other ▶ (_____)				
28 Other ▶ (_____)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . 29

		Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		No
b	If "Yes," describe the arrangement in Part II		
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	Yes	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?		No
b	If "Yes," describe in Part II		
33	If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II		

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

Return Reference	Explanation

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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
MOSES H CONE MEMORIAL HOSPITAL
OPERATING CORPORATION

Employer identification number
58-1588823

990 Schedule O, Supplemental Information

Return Reference	Explanation
CONFLICT OF INTEREST POLICY	
FORM 990 REVIEW	FORM 990, PART VI, SECTION B, LINE 11B AN ELECTRONIC VERSION OF THE RETURN IS MADE AVAILAB LE TO BOARD MEMBERS ON THE BOARD PORTAL SEVERAL WEEKS IN ADVANCE OF WHEN THE RETURN IS DUE TO BE FILED FINANCE STAFF IS AVAILABLE TO ADDRESS ANY QUESTIONS OR ISSUES THEY MAY HAVE
COMPENSATION POLICY	FORM 990, PART VI, SECTION B, LINE 15 THE FOLLOWING METHODS ARE USED TO ESTABLISH COMPENSA TION OF OFFICERS, OTHER THAN THOSE COMPENSATED BY CAROLINAS HEALTH SYSTEM COMPENSATION CO MMITTEE, INDEPENDENT COMPENSATION CONSULTANT, WRITTEN EMPLOYMENT CONTRACT, COMPENSATION SU RVEY OR STUDY, AND APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE
AVAILABILITY OF DOCUMENTS	FORM 990, PART VI, SECTION C, LINE 19 THE GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY , AND FINANCIAL STATEMENTS ARE PROPRIETARY AND ARE NOT MADE AVAILABLE TO THE PUBLIC
MANAGEMENT COMPANY	FORM 990, PART VI, SECTION A, LINE 3 CONE HEALTH SYSTEM HAS CONTRACTED WITH CAROLINAS HEAL TH SYSTEM (CHS) TO PERFORM THE FOLLOWING MANAGEMENT DUTIES (1) PROVIDE EXECUTIVE STAFF, (2) MANAGED CARE CONTRACTING, (3) BEST PRACTICES CONSULTING FOR OPERATIONS ACROSS THE HEALT H SYSTEM, (4) PROVIDE ACCESS TO ITS PURCHASING CONTRACTS FOR SUPPLY CHAIN COLLABORATION, A ND (5) COLLABORATION OF QUALITY DATA ANALYSIS THAT WILL ALLOW THEM TO BETTER MANAGE CONVER SION OF REIMBURSEMENT FROM VOLUME-BASED MODELS TO VALUE-BASED MODELS AS REQUIRED BY THE AF FORDABLE CARE ACT THE FOLLOWING OFFICERS WERE COMPENSATED BY CHS DURING THE CALENDAR YEAR ENDING WITHIN THE COMPANY'S TAX YEAR R TIMOTHY RICE, CHIEF EXECUTIVE OFFICER $965,510 TERRANCE B AKIN, CHIEF OPERATING OFFICER $635,700 JEFFREY JONES, CHIEF FINANCIAL OFFICER $451,490 MARY JO CAGLE, CHIEF QUALITY OFFICER $448,170 THERESA BRODRICK, EXECUTIVE VICE PRESIDENT $343,240
OTHER CHANGES IN NET ASSETS OR FUND BALANCES	PART XI, LINE 9 DECREASE IN TEMPORARILY RESTRICTED FUNDS $ (10,740,503) OTHER COMPREHENSIV E INCOME $ (1,150,591) INCREASE IN DEBT SERVICE TRANSFER $ 58,500,886 ---------- TOTAL CHANGE IN NET ASSETS OR FUND BALANCE $ 46,609,791 ==========

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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
MOSES H CONE MEMORIAL HOSPITAL
OPERATING CORPORATION

Employer identification number
58-1588823

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) No
See Additional Data Table							

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(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	
(1) WLCHS POB LLC 1200 North Elm Street Greensboro, NC 27401 56-1651736	Real Estate	NC	NA	N/A				No			No	
(2) CDC LLC 1200 North Elm Street Greensboro, NC 27401 38-3707960	Physicians	NC	NA	N/A				No			No	
(3) MEBANE MEDICAL INVESTORS LLC 10350 Ormsby Park Pl Ste 300 Louisville, KY 40223 56-0529994	REAL ESTATE	KY	NA	N/A				No			No	
(4) NSC GREENSBORO WEST LLC 1200 North Elm Street Greensboro, NC 27401 56-1963226	PHYSICIANS	NC	NA	N/A				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	No
(1) Wesley Long Community Health Services 1200 North Elm Street Greensboro, NC 27401 56-1441377	Medical Services	NC	NA	C				Yes	

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	Yes	
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f	Yes	
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	Yes	
k Lease of facilities, equipment, or other assets from related organization(s)	1k	Yes	
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	Yes	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o Sharing of paid employees with related organization(s)	1o	Yes	
p Reimbursement paid to related organization(s) for expenses	1p	Yes	
q Reimbursement paid by related organization(s) for expenses	1q	Yes	
r Other transfer of cash or property to related organization(s)	1r		No
s Other transfer of cash or property from related organization(s)	1s		No

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

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

Part 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: 58-1588823
Name: MOSES H CONE MEMORIAL HOSPITAL OPERATING CORPORATION

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) The Moses H Cone Memorial Hospital 1200 North Elm Street Greensboro, NC 27401 56-0532302	Parent	NC	501(C)(3)	11B	NA		No
(1) Moses Cone Medical Services 1200 North Elm Street Greensboro, NC 27401 56-1714318	Physicians	NC	501(C)(3)	3	MC PARENT	Yes	
(2) Moses Cone Physician Services Inc 1200 North Elm Street Greensboro, NC 27401 80-0249057	Physicians	NC	501(C)(3)	3	MC PARENT	Yes	
(3) Moses Cone Affiliated Physicians 1200 North Elm Street Greensboro, NC 27401 30-0554775	Physicians	NC	501(C)(3)	3	MC PARENT	Yes	
(4) Reidsville OB & GYN 1200 North Elm Street Greensboro, NC 27401 80-0217430	Physicians	NC	501(C)(3)	3	MC AFFIL PHY	Yes	
(5) Annie Penn Memorial Hospital Foundation 618 S Main Street Reidsville, NC 27320 58-1897269	Funding	NC	501(c)(3)	3	NA		No
(6) MC - WL Community Health Foundation 1200 North Elm Street GREENSBORO, NC 27401 56-2001399	Funding	NC	501(C)(3)	11B	NA		No
(7) ARMC Health Care 1240 Huffman Mill Rd Burlington, NC 27215 58-1681363	Operations	NC	501(C)(3)	11B	MC PARENT	Yes	
(8) Alamance Regional Medical Center 1240 Huffman Mill Rd Burlington, NC 27215 56-0529994	Operations	NC	501(C)(3)	3	ARMC HC	Yes	
(9) Alamance Extended Care 1240 Huffman Mill Rd Burlington, NC 27215 58-1681364	L-T Care	NC	501(C)(3)	9	ARMC HC	Yes	
(10) Alamance Regional Medical Center Foundat 1240 Huffman Mill Rd Burlington, NC 27215 56-1681560	Funding	NC	501(C)(3)	11B	ARMC HC	Yes	
(11) Alamance Community & Health Foundation 1240 Huffman Mill Rd Burlington, NC 27215 46-2505818	Funding	NC	501(C)(3)	11B	MC PARENT	Yes	
(12) PACE of Southern Piedmont Inc 1200 North Elm Street Greensboro, NC 27401 27-4683614	OPERATIONS	NC	501(C)(3)	3	MC OPERATING	Yes	

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
NSC GREENSBORO WEST	F	1,462,453	CASH
CARDIOVASCULAR DIAGNOSTIC CENTER	F	152,000	ACCRUAL
MOSES CONE MEDICAL SERVICES CORPORATION INC	J	942,992	ACCRUAL
MOSES CONE MEDICAL SERVICES CORPORATION INC	O	434,852	ACCRUAL
MOSES CONE MEDICAL SERVICES CORPORATION INC	P	162,500	ACCRUAL
MOSES CONE MEDICAL SERVICES CORPORATION INC	Q	3,578,429	ACCRUAL
MOSES CONE PHYSICIAN SERVICES INC	J	324,421	ACCRUAL
MOSES CONE PHYSICIAN SERVICES INC	P	7,425,186	ACCRUAL
MOSES CONE PHYSICIAN SERVICES INC	Q	4,208,932	ACCRUAL
MOSES CONE AFFILIATED PHYSICIANS INC	J	391,516	ACCRUAL
MOSES CONE AFFILIATED PHYSICIANS INC	P	2,019,836	ACCRUAL
MOSES CONE AFFILIATED PHYSICIANS INC	Q	1,724,800	ACCRUAL
MOSES CONE-WESLEY LONG MEMORIAL FOUNDATION	C	48,000	ACCRUAL

The Moses H. Cone Memorial Hospital and Affiliates

Consolidated Financial Statements as of and for the Years Ended September 30, 2014 and 2013, Consolidating Supplemental Schedules as of and for the Year Ended September 30, 2014, and Independent Auditors' Report

THE MOSES H. CONE MEMORIAL HOSPITAL AND AFFILIATES

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
The Moses H. Cone Memorial Hospital:

We have audited the accompanying consolidated financial statements of The Moses H. Cone Memorial Hospital and affiliates (dba Cone Health) (the "Health System"), which comprise the consolidated balance sheets as of September 30, 2014 and 2013, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 Health System'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 Health System'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 the Health System as of September 30, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Schedules

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the consolidated financial statements. These schedules are the responsibility of the Health System's management and were derived from and relate directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such schedules have been subjected to the auditing procedures applied in our audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such schedules 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, such schedules are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Deloitte & Touche LLP

January 27, 2015

THE MOSES H. CONE MEMORIAL HOSPITAL AND AFFILIATES

CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2014 AND 2013
(In thousands of dollars)

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 45.817	$ 11.895
Short-term investments	16.472	45.164
Patient accounts receivable—net of allowance for uncollectible accounts of $109.173 in 2014 and $108.416 in 2013	189.007	189.624
Inventories	26.670	24.401
Assets limited as to use—required for current liabilities	6.455	5.933
Other current assets	64.603	51.871
Total current assets	349.024	328.888
LONG-TERM INVESTMENTS	673.289	646.375
ASSETS LIMITED AS TO USE—Net of portion required for current liabilities	187.094	170.669
INVESTMENTS IN UNCONSOLIDATED AFFILIATES	46.625	38.575
PROPERTY AND EQUIPMENT—Net	1.015.036	979.079
GOODWILL	8.947	6.312
OTHER ASSETS	49.992	40.400
TOTAL	$ 2.330.007	$ 2.210.298
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 61.815	$ 67.203
Accrued expenses	152.392	117.210
Current portion of long-term debt and capital lease obligations	193.730	104.836
Total current liabilities	407.937	289.249
LONG-TERM DEBT—Net of current portion	302.025	387.962
CAPITAL LEASE OBLIGATION—Net of current portion	3.386	5.134
OTHER NONCURRENT LIABILITIES	126.968	116.486
Total liabilities	840.316	798.831
NET ASSETS		
Unrestricted		
Moses H Cone Memorial Hospital and Affiliates	1.470.575	1.395.335
Noncontrolling interests	8.196	7.583
Total unrestricted net assets	1.478.771	1.402.918
Temporarily restricted	10.920	8.549
Total net assets	1.489.691	1.411.467
TOTAL	$ 2.330.007	$ 2.210.298

See notes to consolidated financial statements

THE MOSES H. CONE MEMORIAL HOSPITAL AND AFFILIATES

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013
(In thousands of dollars)

	2014	2013
UNRESTRICTED REVENUES, GAINS, AND OTHER SUPPORT:		
Patient service revenue (net of contractual allowances and discounts)	$ 1,460,097	$ 1,217,875
Provision for bad debts	124,489	119,392
Net patient service revenue	1,335,608	1,098,483
Other revenue	68,243	41,395
Total revenue	1,403,851	1,139,878
EXPENSES:		
Salaries and wages	557,435	506,698
Fringe benefits	187,946	170,526
Supplies	257,788	217,727
Other direct expenses	267,092	214,884
Interest expense	9,502	5,390
Depreciation and amortization	90,702	74,167
Total expenses	1,370,465	1,189,392
INCOME (LOSS) FROM OPERATIONS	33,386	(49,514)
OTHER INCOME (EXPENSE):		
Investment income	29,445	45,052
Nonoperating expense—net	(9,570)	(18,868)
Total other income	19,875	26,184
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES FROM CONSOLIDATED OPERATIONS	53,261	(23,330)
INHERENT CONTRIBUTION FROM ACQUISITION OF ARMC HEALTH CARE		286,722
INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(981)	(2,417)
EXCESS OF REVENUES OVER EXPENSES ATTRIBUTABLE TO MOSES H. CONE MEMORIAL HOSPITAL AND AFFILIATES	$ 52,280	$ 260,975

See notes to consolidated financial statements.

THE MOSES H. CONE MEMORIAL HOSPITAL AND AFFILIATES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013
(In thousands of dollars)

	2014	2013
UNRESTRICTED NET ASSETS:		
Excess (deficit) of revenues over expenses from consolidated operations	$ 53,261	$ (23,330)
Inherent contribution from the acquisition of ARMC Health Care		286,722
Change in net unrealized gains and losses on investments	31,340	13,540
Pension-related changes other than net periodic benefit cost	(1,092)	38,460
Change in the fair value of the floating-to-fixed swap agreements	(3,347)	10,269
Other changes in net assets	(4,309)	325
Increase in unrestricted net assets	75,853	325,986
TEMPORARILY RESTRICTED NET ASSETS:		
Contributions	3,671	4,141
Net assets released from restrictions	(2,530)	(1,497)
Other changes in net assets	1,230	(4,556)
Increase (decrease) in temporarily restricted net assets	2,371	(1,912)
INCREASE IN NET ASSETS	78,224	324,074
NET ASSETS—Beginning of year	1,411,467	1,087,393
NET ASSETS—End of year	$ 1,489,691	$ 1,411,467

See notes to consolidated financial statements.

THE MOSES H. CONE MEMORIAL HOSPITAL AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013
(In thousands of dollars)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	$ 78,224	$ 324,074
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities		
Inherent contribution from the acquisition of ARMC Health Care		(286,722)
Change in net unrealized gains on investments	(31,340)	(13,540)
Change in fair value of the floating-to-fixed swap agreements	3,347	(10,269)
Net realized gains on sale of investments	(17,669)	(31,479)
Depreciation and amortization	90,702	74,167
Provision for uncollectible accounts	124,489	119,392
Pension-related changes other than net periodic pension cost	1,092	(38,460)
Loss on disposal of property and equipment	461	302
Earnings of unconsolidated affiliates	(8,627)	(5,821)
Distributions from unconsolidated affiliates	850	7,075
Changes in		
Patient accounts receivable	(123,872)	(90,634)
Other current assets	(12,734)	(10,069)
Inventories	(2,269)	(2,810)
Accounts payable and accrued expenses	15,298	12,726
Other operating assets and liabilities—net	308	(2,585)
Net cash provided by operating activities	118,260	45,347
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(115,530)	(166,000)
Proceeds from sale of property and equipment	17	67
Liquidation of assets whose use is limited to pay for construction expenditures	11,988	29,809
Purchases of investments	(351,604)	(760,942)
Proceeds from sale of investments	373,457	823,453
Acquisition of physician practices	(2,788)	(781)
Purchase of interests in unconsolidated affiliates	(273)	115
Net cash used in investing activities	(84,733)	(74,279)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from debt issuances	168,746	108,898
Repayments of debt	(165,585)	(69,837)
Debt issuance costs	(511)	
Payments on capital lease obligations	(2,255)	(1,315)
Net cash provided by financing activities	395	37,746
NET INCREASE IN CASH AND CASH EQUIVALENTS	33,922	8,814
CASH AND CASH EQUIVALENTS		
Beginning of year	11,895	3,081
End of year	$ 45,817	$ 11,895
SUPPLEMENTAL INFORMATION		
Cash paid during the year for interest—net of amounts capitalized	$ 9,567	$ 5,982
Purchases of equipment under capital lease	$ 294	$ 1,176
Property and equipment purchases in accounts payable	$ 11,136	$ 6,463

See notes to consolidated financial statements

1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Organization and Business—The Moses H. Cone Memorial Hospital ("Parent Corporation"), a nonstock, not-for-profit, parent-holding company and its affiliates: The Moses H. Cone Memorial Hospital Operating Corporation ("Operating Corporation"); The Moses Cone Medical Services, Inc. ("Medical Services"); The Moses Cone Physician Services, Inc. ("Physician Services"); The Moses Cone Affiliated Physicians, Inc. (MCAP); The Wesley Long Community Health Services Inc. ("Wesley Long Health Services"); and Alamance Regional Medical Center Healthcare ("ARMC") were established to provide health care services to the residents of Guilford County, Alamance County, and the surrounding regional area. The organization operates as an integrated network of health services called Cone Health (the "Health System"). The Health System seeks to provide affordable and superior health care to patients through continued expansion of acute care and nonhospital programs.

Effective October 5, 2012, Cone Health and ARMC Health Care entered into an Integration Agreement. Effective May 1, 2013, the Parent Corporation became the sole member of the ARMC Health Care entities.

On October 1, 2012, the Health System entered into a management services agreement (the "Agreement") with Charlotte-Mecklenburg Hospital Authority which does business as Carolinas HealthCare System (CHS). Under the Agreement, the top five executives on the leadership team became employees of CHS but continue to manage the organization as a local team in Greensboro, North Carolina. The Health System reimburses CHS for the salary and benefits costs of these executives. The terms of the Agreement also call for the Health System to pay CHS an annual management fee based on a percentage of net revenue. The Health System continues to be governed by its local and independent Board of Trustees.

The Moses H. Cone Memorial Hospital—The Parent Corporation was founded through a trust established by Mrs. Bertha Lindau Cone as a memorial to her late husband, Mr. Moses H. Cone. Following the death of Mrs. Bertha Lindau Cone, the cornerstone of The Moses H. Cone Memorial Hospital was laid on May 2, 1951, and the facility opened with 53 beds on February 25, 1953, in Greensboro, North Carolina. In 1985, the Parent Corporation reorganized and created the Operating Corporation to operate its health care facilities and provide health care services to the community. The Parent Corporation retained the real estate and other noncurrent assets, while the current assets and liabilities were transferred to the Operating Corporation. The real property is leased to the Operating Corporation pursuant to a lease of 10 years. The lease was renewed effective October 1, 2006, for a third 10-year term.

The net assets of the Parent Corporation primarily include an investment portfolio, including investment income thereon, and the hospitals' land, buildings, and fixed equipment. Additionally, the Parent Corporation holds the long-term debt and reports the related activity associated with financing certain hospital expansion projects. The majority of cash and investments held by the Parent Corporation have been invested in securities for the purpose of funding future capital requirements. Certain assets have been classified as noncurrent in the accompanying consolidated balance sheets due to these designations.

The Cone Health Foundation (the "Foundation")—The Foundation operates as a charitable foundation created to support and promote community health programs in concert with the Health System. The Foundation was capitalized with $50 million received in October 1997 from the Health System and $60 million received from the Health System in April 1999. The activities of the Foundation are not considered core to the provision of health care services. Therefore, the results of its operations are included in Other Income (Expense) in the accompanying consolidated statements of operations.

The Moses H. Cone Memorial Hospital Operating Corporation—Acute care hospital services are provided to the community by The Moses H. Cone Memorial Hospital, The Women's Hospital of Greensboro, Wesley Long Hospital, The Cone Behavioral Health Hospital, and Annie Penn Hospital. Long-term care services are offered through Penn Nursing Center. Patient care services and other major facilities include the Family Practice Center; the Short-Stay Hospital, a pre- and post-surgery and minor procedure facility attached to Cone Hospital; the Outpatient Surgery Center, an in-house outpatient surgery facility located at Wesley Long Hospital; the Outpatient Rehabilitation Centers; the HealthServe Medical Clinics; a Nutrition and Diabetes Management Center; a Wound and Hyperbaric Center; a Developmental and Psychological Center; a Center for Pain and Rehabilitative Medicine; Moses Cone MedCenter operations at both Kernersville and High Point; and various medical office buildings.

Two ambulatory surgery centers previously wholly owned and operated by the Operating Corporation were transferred to a joint venture in September 2004. Wesley Long Surgery Center and Moses Cone Surgery Center began operations in September 2005 under the new corporate structure. In September 2005, the physician partners joined the joint venture and both ambulatory surgery centers began operations as Day Surgery Center of Greensboro, LLC. Day Surgery Center of Greensboro, LLC was consolidated as of September 30, 2004. The Management Board of the Day Surgery Center of Greensboro, LLC voted in December 2006 to revise the operations of the Day Surgery Center of Greensboro, LLC from a full operating joint venture to a venture that owns the moveable equipment of the Moses Cone and Wesley Long Surgery Centers. That equipment is leased to the Health System, which operates the centers. The change in the operation of the Day Surgery Center of Greensboro, LLC was made on January 1, 2007.

ARMC Health Care—ARMC Health Care was founded primarily to coordinate and support the delivery of health services in Alamance County, North Carolina and the surrounding area. The not-for-profit affiliates of the corporation include Alamance Regional Medical Center, Inc. (ARMC), a not-for-profit acute care hospital; ARMC Physicians Care, Inc., a 10 practice physician group entity; Alamance Extended Care, Inc. (AEC), a continuing care retirement community which includes accommodations and services at various levels of care – independent living, assisted living, and skilled nursing care; and ARMC Foundation, Inc., a charitable foundation. Mebane Medical Investors, LLC (MMI), is a limited liability corporation created to construct and own the building which houses an ambulatory surgery center, an urgent care center, space for various outpatient diagnostic services and medical offices. MMI is a joint venture majority-owned by Alamance Regional Medical Center and is reported on a consolidated basis.

Alamance Community and Health Foundation, Inc. (d/b/a "Impact Alamance")—As part of the ARMC acquisition, the Health System contributed $54 million to capitalize Impact Alamance. The Impact Alamance Foundation was established to support and promote community health programs in Alamance County in concert with the activities of the other Health System entities. The activities of Impact Alamance are not considered core to the provision of health care services. Therefore, the results of its operations are included in Other Income (Expense) in the accompanying consolidated statements of operations.

The Moses Cone Medical Services, Inc.; The Moses Cone Physician Services, Inc.; The Moses Cone Affiliated Physicians, Inc. (Not-For-Profit Corporations); and Wesley Long Community Health Services, Inc. (a For-Profit Corporation)—These entities were established to participate in ventures, including ownership of physician practices, which provide nonhospital health care services. Additionally, the entities participate in services to support the overall Health System activities. This participation exists in the form of direct ownership, as well as other affiliation arrangements.

Principles of Consolidation—The accompanying consolidated financial statements include the accounts of the Parent Corporation, the Operating Corporation, the Foundation, ARMC Health Care, Impact Alamance, Medical Services, Physician Services, MCAP, the Wesley Long Health Services, and the Day Surgery Center of Greensboro, LLC. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates—The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Actual results could differ from those estimates.

Cash and Cash Equivalents—Cash and cash equivalents include demand deposits and certain investments in highly liquid debt instruments with original maturities at the time of purchase of three months or less.

Short-Term Investments—Short-term investments include certain investments in mutual fund securities and cash equivalents that are expected to be used in current operations.

Inventories—Inventories are stated at the lower of cost (first-in, first-out method) or market. Inventories include medical and surgical supplies and pharmaceuticals.

Investments—Investments in equity securities with readily determinable fair values, investments in common/commingled/collective trusts, and all investments in debt securities are measured at fair value in the accompanying consolidated balance sheets. Interests in alternative investments, whose operating and financial policies the Health System's management has virtually no influence over, are measured at cost in the accompanying consolidated balance sheets. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in excess of revenues over expenses. Changes in unrealized gains and losses on investments are included as changes in unrestricted net assets in the accompanying consolidated statements of operations.

The Health System periodically evaluates investments that have declined below original cost to determine if the decline is other than temporary. If the investment decline in value below cost is determined to be other than temporary, the loss is recorded as a realized loss.

Assets Limited as to Use—Assets limited as to use include cash and investments held by the trustee under bond indenture agreements and certain long-term investments. The long-term investments are designated to support and promote community health programs for the Foundation, Annie Penn Foundation, Impact Alamance, and ARMC Foundation. Assets limited as to use that are required for settlement of current liabilities are reported in current assets.

Other Current Assets—Other current assets consist primarily of prepaid expenses and sales tax receivable.

Deferred Revenue—Deferred revenue related to Alamance Extended Care includes the reservation deposit and non-refundable portion of entrance fees paid by the residents. The entrance fees vary according to the type and size of the residence and contract type. When the residents take occupancy, the non-refundable portions are recognized as revenue based on amortization over the life expectancy of each resident in the independent living units. Additionally, some residents paid amounts required to complete small changes to the dwelling units as they were built. Net unamortized entrance fees and the amounts paid to make changes to the dwelling units were $6.6 million and $6.5 million as of September 30, 2014 and 2013, respectively, and are included in other noncurrent liabilities.

Property and Equipment—Property and equipment are recorded at cost or, if donated, at fair market value at the date of receipt. Depreciation is recorded over the estimated useful life of each class of depreciable assets and is computed on the straight-line method for financial reporting purposes. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period 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. Interest cost incurred on borrowed funds, less any interest earned on temporary investment of those funds, during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

In accordance with ASC 360, *Property, Plant, and Equipment*, the Health System reviews its long-lived assets and certain identifiable intangibles for evidence of impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. There were no adjustments to the carrying value of long-lived assets in fiscal years 2014 or 2013.

Deferred Costs—Deferred costs, included within other assets in the accompanying consolidated balance sheets, primarily include underwriting costs, legal expenses, insurance, and other direct costs incurred in connection with the issuance of the revenue bonds. Costs associated with the bond issuance have been deferred and are amortized over the term of the bonds.

Goodwill—Goodwill represents the excess of purchase price over the assigned value of the net assets of acquired entities. Goodwill is assessed annually 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, respectively. Goodwill increased as a result of the purchase of a physician practice during the year ended September 30, 2014.

The changes in goodwill for the years ended September 30, 2014 and 2013, are as follows (in thousands of dollars):

Balance—September 30, 2012	$ 5,531
Additions	781
Balance—September 30, 2013	6,312
Additions	2,635
Balance—September 30, 2014	$ 8,947

Noncontrolling Interests—Noncontrolling interests represent the minority stockholders' proportionate share of the net assets of certain consolidated subsidiaries. Revenues in excess of expenses are allocated to the noncontrolling interests in proportion to their ownership percentage and are reflected as income attributable to noncontrolling interests on the consolidated statements of operations.

Temporarily Restricted Net Assets—Temporarily restricted net assets are those whose use by the Health System has been limited by donors to a specific time period or purpose.

Net Patient Service Revenue—The Health System has agreements with third-party payors that provide for payments to the Health System at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. 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.

Allowance for Doubtful Accounts—Accounts receivable are reduced by an allowance for amounts that could become uncollectible in the future. The Health System estimates the allowance for doubtful accounts by reserving a percentage of all self-pay accounts receivable by aging category, based on collection history, adjusted for expected recoveries and, if present, anticipated changes in trends. The percentages used to reserve for self-pay accounts are based on the Health System's collection history. The Health System collects substantially all of its third-party insured receivables, which include receivables from governmental agencies.

The Health System's allowance for doubtful accounts increased as a percentage of patient accounts receivable (net of contractuals) from September 30, 2013 (36.4%) to 2014 (36.6%). The increase in the allowance was largely the result of an increase in uncollectible accounts due from patients in 2014 as compared to 2013.

Charity Care—The Health System provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Health System does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue.

Other Operating Revenue—Other operating revenue consists of cafeteria revenue, child care center revenue, contract pharmacy revenue, lease income, grant revenue, and other non-patient related revenues.

Grant Revenue and Expense—The Foundation records grants as expense in the period in which the grants are authorized. Grant expense incurred by the Foundation of approximately $0.5 million and $1.7 million in fiscal years 2014 and 2013, respectively, is included in nonoperating expense in the accompanying consolidated statements of operations.

Revenues on restricted grant funds are recognized only to the extent of expenditures that satisfy the restricted purpose of these grants. Grant revenue of approximately $3.3 million and $3.4 million in fiscal years 2014 and 2013, respectively, is included in other revenue in the accompanying consolidated statements of operations.

Estimated Malpractice Costs—The provision for estimated medical malpractice claims includes estimates of the ultimate costs for both reported claims and claims incurred, but not reported.

Excess of Revenues over Expenses—The accompanying consolidated statements of operations include excess (deficit) of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses include inherent contributions, unrealized gains and losses on investments and hedging derivative instruments, permanent transfers of assets to and from affiliates for

other than goods and services, pension-related changes other than net periodic pension cost, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets).

Income Taxes—The Parent Corporation, Operating Corporation, Medical Services Corporation, Physicians Services, and the Foundation have been recognized by the Internal Revenue Service as tax exempt under Internal Revenue Code 501(c)(3). As of September 30, 2014 and 2013, the Health System had no uncertain tax positions under FASB ASC Topic 740, *Income Taxes*, requiring adjustments to its consolidated financial statements. The Health System does not expect that unrecognized tax benefits will materially increase within the next 12 months. Interest and penalties related to uncertain tax positions, if any, would be reported in the consolidated financial statements as income tax expense. Fiscal years 2011 through 2013 are subject to examination by the federal and state taxing authorities. There are no income tax examinations currently in process.

Fair Value Measurements—The Health System uses the framework established by the FASB for measuring fair value and disclosures about fair value measurements. The Health System uses fair value measurements in areas that include, but are not limited to, the valuation and impairment of short-term and long-term investments and valuation of long-term debt and financial instruments including derivatives.

U.S. GAAP defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Additionally, the inputs used to measure fair value are prioritized based on a three-level hierarchy. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1—Valuations based on unadjusted quoted prices for identical instruments in active markets that are available as of the measurement date

Level 2—Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly

Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement

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 (NAV) per share 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.

Transfers Between Levels—The availability of market observable data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or valuation methodologies may require the transfer of financial instruments from one fair value hierarchy level to another. In such instances, the transfer would be reported at the beginning of the reporting period. The Health System evaluates the significance of transfers based on the nature of the financial instrument and the size of the transfer. There were no transfers of investments between levels for the years ending September 30, 2014 and 2013.

Valuation methods of the primary fair value measurements disclosed below are as follows:

Cash Equivalents, Patient and Other Receivables, and Accounts Payable—The carrying amount approximates fair value because of the short maturity of these instruments.

Short-Term and Long-Term Investments—The Health System's investments in equity securities and debt and equity mutual funds are stated at fair value based on observable unadjusted quoted prices for identical assets in active markets. The Health System did not have any significant investments in directly held debt securities as of September 30, 2014 or 2013. The fair values of investments in common/commingled/collective trusts, which are recorded at fair value in the consolidated balance sheets, and alternative investments, which are recorded at cost in the consolidated balance sheets and disclosed at fair value in Note 4, are generally measured using the NAV per share reported by the respective fund managers or the general partners.

The estimated fair values of certain alternative investments, such as private equity interests, are based on valuations performed prior to the balance sheet date by the external investment managers and adjusted for cash receipts, cash disbursements, and securities distributions through September 30. Because alternative investments are not readily marketable, their estimated fair 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.

The Health System's management, with the assistance of a third-party investment consultant, where appropriate, evaluates the NAV information and valuations provided by external fund managers or general partners for appropriateness through review of the most recently available annual audited financial statements and unaudited interim reporting for the respective funds, review of the methodologies used to determine fair value, and comparisons of fund performance to market benchmarks.

Long-Term Debt—The fair value of the Health System's variable-rate long-term debt approximates its carrying value. In determining the estimated fair value of the Health System's remaining long-term debt, Level 2 inputs based on discounted cash flow analyses and the Health System's current incremental borrowing rates for similar types of borrowing arrangements were considered. As of September 30, 2014 and 2013, the fair value of the Health System's long-term debt, inclusive of the current portion, was $505.0 million and $497.1 million, respectively.

Derivatives—The Health System is a party to two swap agreements, financial instruments with derivative features. In October 2005, the Health System entered into a floating-to-fixed swap agreement with a notional amount of $85.2 million for 30 years to hedge the floating rate 2001 Series bonds. Under this agreement, the Health System receives a floating interest rate based on the three-month LIBOR index and pays a fixed interest rate of 3.437%. In August 2013, the Health System entered into a floating-to-fixed swap agreement with a notional amount of $48.0 million for 22 years to hedge the floating rate 2011B Series bonds. Under this agreement, the Health System receives a floating interest rate based on the one-month LIBOR index and pays a fixed interest rate of 2.097%. These interest rate swap agreements have been designated as cash flow hedges and are carried in the balance sheet at fair value. The Health System's swaps are measured at fair valued using pricing models, with all significant inputs derived from or corroborated by observable market data such as interest rates, futures pricing, and volatility metrics. The swaps are included in Level 2 of the fair value hierarchy, and are in a liability position $17.1 million and $13.8 million as of September 30, 2014 and 2013, respectively.

The swaps were assessed for effectiveness at the time each contract was entered into and are assessed for effectiveness on an ongoing basis. Unrealized gains and losses related to the effective portion of the

swaps are recognized in other changes in unrestricted net assets, and gains or losses related to ineffective portions are recognized in the excess of revenue over expenses. The Series 2001 swap was considered effective at September 30, 2014 and 2013, and $2.4 million unrealized loss and $10.6 million unrealized gain, respectively, were reported in other changes in unrestricted net assets, resulting in a corresponding cumulative liability of $15.8 million and $13.4, respectively. Should the fair value of the Series 2001 interest rate swap exceed negative $25 million, the Health System would be required to post collateral against the swap for amounts in excess of the $25 million threshold. The Series 2011B swap was considered effective at September 30, 2014 and 2013, and $0.9 million unrealized loss and $0.4 million unrealized loss, respectively, were reported in other changes in unrestricted net assets, resulting in a corresponding cumulative liability of $1.3 million and $0.4 million, respectively. Should the fair value of the Series 2011B interest rate swap exceed negative $50 million, the Health System would be required to post collateral against the swap for amounts in excess of the $50 million threshold.

Reclassifications—The Health System changed the basis of presentation for interest expense from non-operating expense to operating expense. The presentation of interest expense for 2013 has been changed to conform to the current presentation.

Subsequent Events—The Health System evaluated events and transactions for potential recognition or disclosure through January 27, 2015, the date the consolidated financial statements were issued.

New Accounting Pronouncements—

In July 2012, the FASB issued ASU 2012-01, Health Care Entities (Topic 954): *Continuing Care Retirement Communities—Refundable Advance Fees*. ASU 2012-01 requires that a continuing care retirement community recognize a deferral of revenue when a contract between a continuing care retirement community and a resident stipulates that (1) a portion of the advanced fee is refundable if the contract holder's unit is re-occupied by a subsequent resident, (2) the refund is limited to the proceeds of re-occupancy, and (3) the legal environment and the entity's management policy and practice support the withholding of refunds under condition (2). The adoption of ASU 2012-01 did not have a significant effect on the Health System's consolidated financial position, results of operations, or cash flows.

In February 2013, the FASB issued ASU 2013-04, Liabilities (Topic 405): *Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date*. ASU 2013-04 provides guidance for the recognition, measurement, and disclosure of obligations resulting from joint and several liability arrangements for which the total amount of the obligation within the scope of this guidance is fixed at the reporting date. ASU 2013-04 requires entities to measure these obligations as the sum of the amount the reporting entity agreed to pay on the basis of its arrangement among its co-obligors and any additional amount the reporting entity expects to pay on behalf of its co-obligors. ASU 2013-04 is effective for nonpublic entities for fiscal years ending after December 15, 2014. The Health System is currently evaluating the provisions of this update and their impact on its consolidated financial statements.

In April 2014, the FASB issued ASU 2014-08, Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*. ASU 2014-08 changes the requirements for reporting discontinued operations, such that a disposal of a component of an entity or a group of components of an entity is required to be reported in discontinued operations, if the disposal represents a strategic shift that has, or will have, a major effect on an entity's operations and financial results. ASU 2014-08 requires an entity to present, for each comparative period, the assets and liabilities of a disposal group that includes a discontinued operation separately in the asset and liability sections, respectively, of the statement of financial position, as well as additional disclosures about discontinued operations. Additionally, ASU 2014-08 requires disclosures about a disposal of an individually significant component of an entity

that does not qualify for discontinued operations presentation in the financial statements and expands the disclosures about an entity's significant continuing involvement with a discontinued operation. The guidance provided in ASU No. 2014-08 is effective for fiscal years beginning after December 15, 2014. The Health System is currently evaluating the provisions of this update and their impact on its consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-09 affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards. The core principle of the guidance in ASU 2014-09 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance provided in ASU 2014-09 is effective for fiscal years beginning after December 15, 2016. The Health System is currently evaluating the provisions of this update and their impact on its consolidated financial statements.

2. ACQUISITION OF ARMC HEALTH CARE

The summarized fair values of the assets acquired and liabilities assumed in connection with the acquisition of ARMC Health Care effective May 1, 2013, are as follows (in thousands of dollars):

Assets:	
Short-term investments	$ 30,986
Patient accounts receivable	30,545
Other current assets	8,490
Property and equipment	277,926
Long-term investments	78,925
Other assets	2,161
Total assets acquired at fair value	429,033
Liabilities:	
Current portion of long-term debt	7,001
Other current liabilities	31,279
Long-term debt	87,238
Other long-term liabilities	16,793
Total liabilities assumed at fair value	142,311
Inherent contribution from the acquisition of ARMC Health Care	$ 286,722

The fair value of assets acquired exceeded the liabilities assumed resulting in an inherent contribution of $286.7 million, which was recorded in the consolidated statement of operations and changes in net assets for the year ended September 30, 2013. Transaction costs incurred, primarily for the legal and consulting services are included in Other Direct Expenses in the consolidated statements of operations.

Subsequent to the acquisition, a portion of the ARMC Health Care long-term debt was refinanced and ARMC Parent, Alamance Regional Medical Center, and Impact Alamance became obligated under the Health System master trust indenture. See Note 6.

The operating results of ARMC for the period May 1, 2013 through September 30, 2013, included total unrestricted revenue of $108.7 million and revenues over expenses of $3.4 million.

The amount of Cone Health's revenue and changes in net assets for the year ended September 30, 2013, had the acquisition of ARMC Health Care occurred on October 1, 2012, are as follows (in thousands of dollars):

	(Pro forma)
Total operating revenue	$ 1,277,133
(Deficit) excess of revenues over expenses	(20,311)
Change in net assets	35,875

3. NET PATIENT SERVICE REVENUE AND PATIENT ACCOUNTS RECEIVABLE

The Health System has agreements with third-party payors that provide for payments to the Health System at amounts different from its established rates. A summary of the payment arrangements with major third-party payors is as follows:

Medicare—Inpatient acute care services rendered to Medicare program beneficiaries are paid at primarily prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors and cover both operating and capital costs. Outpatient services are generally reimbursed at prospectively determined rates. The Health System is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Health System and audits thereof by the Medicare fiscal intermediary. The Health System's classification of patients under the Medicare program and the appropriateness of their admission are subject to review by an independent quality review organization.

The Health System's Medicare cost reports have been audited by the Medicare fiscal intermediary through September 30, 2007.

Medicaid—Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. Outpatient services are reimbursed based on 80% of actual costs incurred through December 31, 2013 and 70% of costs thereafter. The Health System's Medicaid cost reports have been final settled through September 30, 2008.

Net revenue from the Medicare and Medicaid programs accounted for 19.9% and 12.8%, respectively, of the Health System's net patient service revenue for the year ended September 30, 2014, and 23.2% and 13.2%, respectively, of the Health System's net patient service revenue for the year ended September 30, 2013. Recorded estimates are subject to change as a result of complex laws and regulations governing the Medicare and Medicaid programs, which are subject to interpretation.

The Health System has participated in the North Carolina Medicaid Reimbursement Initiative (the "MRI Plan") since 1996. In connection therewith, the Health System received and recognized as patient service revenue $18 million and $16 million from the MRI Plan during the years ended September 30, 2014 and 2013, respectively.

Beginning in 2012, the Health System began participating in the North Carolina Gap Assessment Plan (the "GAP Plan"). The GAP Plan is designed to fund hospitals for a portion of unreimbursed costs of treating Medicaid and uninsured patients. Under the GAP Plan, hospitals periodically pay an assessment to the State of North Carolina (the "State") and periodically receive Medicaid payments from the State. The total assessment payments made by the Health System were $28 million and $24 million for fiscal years 2014 and 2013, respectively, and are reported as other direct expenses in the accompanying statements of operations. The total GAP Plan receipts for the Health System were $55 million and $47 million for fiscal years 2014 and 2013, respectively, and are reported in patient service revenue (net of contractual adjustments) in the accompanying combined statements of operations.

Under the Medicare and Medicaid programs, the Health System is entitled to reimbursements for certain patient charges at rates determined by federal and state governments. Differences between established billing rates and reimbursements from these programs are recorded as contractual adjustments to arrive at net patient service revenue. Final determination of amounts due from Medicare and Medicaid programs is subject to review by these programs. Changes resulting from final determination are reflected as changes in estimates, generally in the year of determination. In the opinion of management, adequate provision has been made for any adjustments that may result from such reviews. Net patient service revenue increased approximately $3.8 million and $6.0 million for the years ended September 30, 2014 and 2013, respectively, due to prior-year retroactive adjustments different than amounts previously estimated.

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, and government health care participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and/or allegations concerning possible violations of fraud and abuse statutes and/or regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Health System is in compliance with fraud and abuse as well as other applicable government laws and regulations. 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.

Patient service revenue (net of contractual allowances and discounts) for the years ended September 30, 2014 and 2013, is summarized as follows (in thousands of dollars):

	2014	2013
Medicare and Medicare Advantage	$ 521,895	$ 429,888
Medicaid	174,081	150,618
Third-party payors	690,351	574,379
Self-Pay	73,770	62,990
Patient service revenue (net of contractual allowances and discounts)	1,460,097	1,217,875
Provision for bad debt	124,489	119,392
Net patient service revenue	$ 1,335,608	$ 1,098,483

Charity Care—The Health System provides charity care to patients who are financially unable to pay for the healthcare services received and who are unable to access federal or state entitlement programs. The Health System does not pursue collection of amounts determined to qualify as charity care and does not report such amounts as revenue. Uninsured patients whose total annual household income is at or below 200% of the federal poverty level may be eligible for charity care. Uninsured patients whose income exceeds 200% of the federal poverty level also may be eligible for charity care, if incurred charges are considered to be beyond the patient's ability to pay. The federal poverty level is established by the federal government and is based on income and family size. The federal poverty level percentages changed from 125% to 200% effective June 1, 2014. The Health System provided charity care at a cost of approximately $76 million and $69 million for the years ended September 30, 2014 and 2013, respectively. The estimated costs of providing charity services is calculated based on the ratio of cost to charges from the Health System's financial statements applied to each period's gross uncompensated charges for charity care patients.

4. INVESTMENTS

The Health System's investment portfolios, including assets limited as to use, consist of marketable equity and fixed-income securities, hedge funds and private investment funds. In addition, the Health System's investment in unconsolidated affiliated entities reflects the Health System's ownership interests in various health care-related entities accounted for primarily through the equity method.

Short-Term Investments—Short-term investments consist primarily of cash equivalents and mutual fund securities and are measured at fair value based on Level 1 inputs. Short-term investments at September 30, 2014 and 2013, totaled $16.5 million and $45.2 million, respectively. These investments are to be used for general corporate purposes.

Long-Term Investments—The Health System's long-term investments are reflected at fair value except for alternative investments, which are recorded at the lower of cost or market. At September 30, 2014, the composition of the Health System's investments, recorded at fair value within long-term investments and assets limited as to use, is as follows (in thousands of dollars):

	Fair Value Measurement Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Fixed-income securities and funds	$171,411	$ 61,200	$ -	$232,611
U S equity securities and funds	66,963	67,133		134,096
International equity securities and funds		156,794		156,794
Commodity securities funds		25,377		25,377
Balanced securities funds		13,662		13,662
	$238,374	$324,166	$ -	$562,540

At September 30, 2013, the composition of the Health System's investments, recorded at fair value within long-term investments and assets limited as to use, is as follows (in thousands of dollars):

	Fair Value Measurement Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Fixed-income securities and funds	$154,094	$ 53,629	$ -	$207,723
U S equity securities and funds	93,865	52,898		146,763
International equity securities and funds	9,802	117,603		127,405
Commodity securities funds		23,101		23,101
Balanced securities funds		14,184		14,184
REIT funds	2,739			2,739
Emerging market funds	3,534	18,815		22,349
	$264,034	$280,230	$ -	$544,264

The Health System's investments consist of a diversified portfolio, including equity and fixed-income securities, real estate assets, fund of fund and direct hedge funds, private equity and other investment strategies. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect the Health System's investment balances reported in the consolidated balance sheets.

Alternative investments are less liquid compared to the Health System's other investments. These investments held by the Health System and the Foundation at September 30, 2014 and 2013, are summarized as follows (in thousands of dollars):

	2014		2013	
	Cost	Estimated Fair Value (Level 3)	Cost	Estimated Fair Value (Level 3)
Held by the Health System:				
Private equity	$ 40,471	$ 49,114	$ 24,783	$ 28,379
Private debt	39,879	50,945	34,091	42,006
Hedge funds	112,146	125,598	118,573	129,395
Risk parity	31,359	36,789	38,497	40,461
Real estate	21,297	25,169	20,505	22,494
	245,152	287,615	236,449	262,735
Held by the Foundation:				
Private equity	3,703	4,800	2,150	2,584
Private debt	7,266	9,536	5,925	7,554
Hedge funds	16,313	18,555	16,296	17,505
Risk parity	9,138	10,660	10,550	11,026
Real estate	3,674	4,313	3,620	3,974
	40,094	47,864	38,541	42,643
Total	$ 285,246	$ 335,479	$ 274,990	$ 305,378

Alternative investments include limited partnerships, limited liability corporations, and offshore investments funds. Included in investments of the limited partnerships are certain types of financial instruments, including, among others, futures and forward contracts, options, and securities sold not yet purchased, intended to hedge against changes in the market value of investments. These financial instruments may result in loss due to changes in the market (market risk).

The Health System's alternative investments represent 33% of total long-term investments held at September 30, 2014. These instruments may contain elements of both credit and market risks. Such risks include, but are not limited to, limited liquidity, dependence upon key individuals, emphasis on speculative investments (both derivatives and nonmarketable investments), and nondisclosure of portfolio composition. 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.

The estimated fair value of private equity investments are based on valuations as of June 30, adjusted for cash receipts, cash disbursements, and securities distributions through September 30. Estimated values are based on a series of inputs that provide support to the valuations provided by the private equity managers, including analysis of the investment statements and supporting documents performed by management and its investment advisor as well as audited financial statements provided by external independent auditors. Portfolio updates are provided by the managers at least quarterly and are updated more frequently for major events or new capital investment in the portfolio.

Investments in non-publicly traded common/commingled/collective trusts are treated as mutual funds. These investment funds are very similar to mutual funds registered under the Investment Company Act of 1940. The Health System determines the fair values of these investments using NAV per share reported by the fund managers or the general partners, as well as other sources of information.

A summary of the investments with a reported NAV recorded within long-term investments and assets limited as to use as of September 30, 2014, is as follows (in thousands of dollars):

	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Investments in common, comingled, and collective trust funds carried at fair value on the consolidated balance sheet				
Equity securities	$212,066	$ -	Daily, semi-monthly and monthly	1–30 days
Equity securities	11,861		End of any calendar quarter	65 days
Fixed-income securities	61,200		Daily and monthly	1–30 days
Commodity securities	25,377		Daily and monthly	None–35 days
Balanced securities	13,662		Monthly	15 business days
	$324,166	$ -		
Alternative investment funds carried at cost on the consolidated balance sheet				
Private equity	$ 53,914	$39,161	N/A–Illiquid	N/A–Illiquid
Private debt	9,404	5,629	N/A–Illiquid	N/A–Illiquid
Private debt	39,827	1,843	Quarterly	60–90 days
Hedge funds	72,147		Monthly and quarterly	30–90 days
Hedge funds	83,256		Daily, monthly, and quarterly	1–90 days
Risk parity	47,450		Monthly	15 days
Real estate	29,481		Quarterly	90 days
	$335,479	$46,633		

A summary of the investments with a reported NAV recorded within long-term investments and assets limited as to use as of September 30, 2013, is as follows (in thousands of dollars):

	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Investments in common, comingled, and collective trust funds carried at fair value on the consolidated balance sheet				
Equity securities	$181,088	$ -	Daily, semi-monthly and monthly	1–30 days
Equity securities	8,228		End of any calendar quarter	65 days
Fixed-income securities	53,629		Daily and monthly	1–30 days
Commodity securities	23,101		Daily and monthly	None–35 days
Balanced securities	14,184		Monthly	15 business days
	$280,230	$ -		
Alternative investment funds carried at cost on the consolidated balance sheet				
Private equity	$ 30,963	$32,215	N/A–Illiquid	N/A–Illiquid
Private debt	6,757	9,226	N/A–Illiquid	N/A–Illiquid
Private debt	37,566	1,081	Quarterly	60–90 days
Hedge funds	62,991		Monthly and quarterly	30–90 days
Hedge funds	89,146	5,640	Daily, monthly, and quarterly	1–90 days
Risk parity	51,487		Monthly	15 days
Real estate	26,468		Quarterly	90 days
	$305,378	$48,162		

Assets Limited as to Use—Assets limited as to use are stated at fair value except for alternative investments which are recorded at the lower of cost or market. The composition of assets limited as to use at September 30, 2014 and 2013, is set forth as follows (in thousands of dollars):

	2014	2013
By Cone Health Foundation and Impact Alamance:		
Equity securities	$ 70,876	$ 61,105
Emerging market equities		2,688
Commodity securities	1,996	2,147
Balanced securities	14,068	14,184
Alternative investments	40,093	38,401
Fixed-income investment fund	49,206	51,055
	176,239	169,580
By the Annie Penn Foundation—fixed-income investment fund	2,752	2,592
AEC—fixed-income investment fund	3,391	2,276
Genomics Grant—fixed-income investment fund	74	74
Collateral held for variable rate bonds (Note 5)		
Under bond indenture agreements—held by trustee—money market funds	11,093	2,080
Total assets limited as to use	193,549	176,602
Less assets limited as to use that are required for current liabilities	(6,455)	(5,933)
Assets limited as to use—net of portion required for current liabilities	$ 187,094	$ 170,669

At September 30, 2014 and 2013, the Health System has set aside approximately $2.0 million and $1.8 million, respectively, of assets limited as to use under bond indenture agreements for mandatory debt service requirements and bond funded construction. Additionally, at September 30, 2014 and 2013, the Foundation has committed to provide grants to various entities totaling approximately $4.4 million and $4.1 million during fiscal years 2014 and 2013, respectively. Accordingly, these amounts have been recorded as assets limited as to use required for current liabilities in the accompanying consolidated balance sheets.

Other Than Temporary Impairment of Investments—The Health System evaluates the near-term prospects for improvement of unrealized investment losses in relation to the severity and duration of the loss for each individual investment by analyzing the earnings trends and economic conditions and other sources of information. Based on this evaluation the Health System recorded realized losses of $4.6 million on investments that were other-than-temporarily impaired at September 30, 2014. The total amount of unrealized losses remaining at September 30, 2014, was $11.0 million, of which $9.4 million relates to investments that have been in a continuous unrealized loss position for less than 12 months. The Health System did not record any other-than-temporary losses during the year ended September 30, 2013.

Investment income, and gains and losses for the years ended September 30, 2014 and 2013, consist of the following (in thousands of dollars):

	2014	2013
Dividend and interest income	$ 11,776	$ 13,573
Realized gains—net	17,669	31,479
Total	$ 29,445	$ 45,052

Investments in Unconsolidated Affiliated Entities—These investments are accounted for using the equity method.

A summary of investments, ownership percentages, investment amounts, and the Health System's share of earnings for the years ended September 30, 2014 and 2013, is as (in thousands of dollars):

	Percent Ownership		Investment Balance		Health System's Share of Net Income	
	2014	2013	2014	2013	2014	2013
Investment name						
Diagnostic Radiology and Imaging	50 00 %	50 00 %	$ 2.237	$ 1.246	$ 2.410	$ 1.778
Hospice at Greensboro	50 00	50 00	13.869	11.884	1.985	405
Advanced Homecare	36 13	36 13	21.497	17.912	3.585	2.293
Other			9.022	7.533	647	1.345
Total			$ 46.625	$ 38.575	$ 8.627	$ 5.821

Financial information related to investments in unconsolidated affiliated entities at September 30, 2014 and 2013, is summarized as follows (in thousands of dollars):

	2014	2013
Assets	$ 232,340	$ 223,161
Liabilities	93,115	107,143
Equity	139,224	116,018
Total revenue	215,802	208,272
Total expenses	193,675	196,178
Net income	22,127	12,094
Health System's share of net income	8,627	5,821

5. PROPERTY AND EQUIPMENT

A summary of property and equipment at September 30, 2014 and 2013, is as follows (in thousands of dollars):

	Depreciable Lives	2014	2013
Land and land improvements	10–15 years	$ 78,218	$ 75,522
Buildings and leasehold improvements	5–40 years	1,084,990	1,017,156
Equipment	3–15 years	376,722	362,670
		1,539,930	1,455,348
Less accumulated depreciation		(598,983)	(541,988)
		940,947	913,360
Construction in progress		74,089	65,719
Total		$ 1,015,036	$ 979,079

Depreciation expense for the years ended September 30, 2014 and 2013, amounted to approximately $90.7 million and approximately $74.2 million, respectively.

The Health System did not have material unexpended project contractual commitments at September 30, 2014.

6. LONG-TERM DEBT

Long-term debt at September 30, 2014 and 2013 consists of the following (in thousands of dollars):

	2014	2013
Series 2001, payable in annual installments increasing in fiscal year 2024 through fiscal year 2035, interest payable monthly at variable rates (0 04% and 0 07% at September 30, 2014 and 2013, respectively	$ 85,200	$ 85,200
Series 2004A, payable in annual installments in fiscal year 2016 through fiscal year 2035, interest payable monthly at variable rates (0 06% and 0 08% at September 30, 2014 and 2013, respectively)	47,500	47,500
Series 2007, Alamance Extended Care, Inc bonds payable in annual installments in fiscal years 2014 through 2032, interest semiannually fixed at 4 5% to 5 25%		28,320
Series 2011A, payable in annual installments in fiscal year 2014 through fiscal year 2024, interest payable semiannually at fixed rates of 3 2% to 5 0%	54,425	60,170
Series 2011B, payable in annual installments in fiscal year 2016 through fiscal year 2036, interest payable monthly at variable rates 0 19% and 0 19% at September 30, 2014 and 2013, respectively)	47,885	47,980
Series 2011C, payable in annual installments in fiscal year 2014 through fiscal year 2045, interest payable monthly at variable rates (0 80% and 0 43% at September 30, 2014 and 2013)	49,435	49,745
Series 2011D, payable in annual installments in fiscal years 2013 through 2023, variable interest payable monthly (0 80% and 0 52% at September 30, 2014 and 2013)	49,440	49,755
Series 2013A, payable in annual installments in fiscal 2024 through fiscal 2045, interest payable monthly a fixed rate of 3 08%	88,775	
Series 2013B, payable in annual installments in fiscal 2014 through fiscal 2023 interest payable monthly at a fixed rate of 2 24%	23,395	
Series 2013C, payable in annual installments in fiscal 2014 through fiscal 2023 interest payable monthly at a fixed rate of 2 26%	15,355	
Revolving credit agreement with a commercial bank at a variable rates (0 582% at September 30, 2013) maturing October 1, 2014		87,398
Note payable to a commercial bank in annual installments through fiscal year 2013 with the remaining balance due in 2023 at a fixed rate of 2 73%	20,640	21,500
Note payable to a commercial bank with principal and interest due monthly and a final payment due May 15, 2017 at a variable interest rate of LIBOR plus 1 6%	11,824	12,001
Various notes payable to a commercial bank payable through September 2015 at variable interest of the Prime Rate + 0 125%	283	1,027
Note payable of joint venture, payable in annual installments 2004 through 2019 interest payable annually at variable interest of the Prime Rate + 1%	1,187	1,586
	495,344	492,182
Less scheduled payments due within one year	12,734	8,339
Less additional portion of Series 2001A, 2004A, and 2011B classified as current	180,585	95,881
Total long-term debt	$302,025	$387,962

The Obligated Group for the debt consists of the Parent Corporation, the Operating Corporation, the Foundation, Impact Alamance, and ARMC Health Care (excluding AEC), The weighted-average interest rate on the Health System's Master Indenture Trust debt was approximately 2.37% and 1.91% in fiscal years 2014 and 2013, respectively.

The Health System has set aside approximately $11.1 million and $2.0 million at September 30, 2014 and 2013, respectively, in a debt service interest fund designated to meet scheduled interest payments. These amounts are included in assets limited as to use required for current liabilities in the accompanying consolidated balance sheets at September 30, 2014 and 2013.

Certain puttable variable rate debt instruments are included in the current portion of long-term debt because of subjective acceleration clauses or due-on-demand provisions in the respective liquidity facilities from the supporting financial institutions. The future annual scheduled principal payment requirements of long-term debt at September 30, 2014, are as follows (in thousands of dollars):

Years Ending September 30	
2015	$ 12,734
2016	12,902
2017	24,683
2018	13,180
2019	13,670
Thereafter	418,175
Total	$ 495,344

On August 1, 2011, the Health System issued the Second Amended and Restated Master Trust Indenture (the "Indenture"). The Indenture provides that all obligations issued and outstanding under the Indenture shall be uncollateralized obligations of the Obligated Group. Certain assets of the Health System, including patient accounts receivable, may collateralize future obligations issued under the Indenture.

There are several restrictive covenants contained in the Indenture, including, but not limited to, financial reporting, debt coverage requirements, and the maintenance of insurance coverage. The Health System is also restricted from pledging, mortgaging, or assigning interest in its property. Approximately 86% of the Health System's revenues and 94% of the Health System's assets are part of the Obligated Group under the revenue bonds as of and for the year ended September 30, 2014.

The Series 2013A, 2013B, and 2013C Revenue Bonds were issued November 20, 2013 in the aggregate amount of $130.2 million that, along with debt service reserve funds, were used to reimburse construction costs and fund a construction fund in the amount of approximately $59.8 million for construction at ARMC, fund an escrow in the amount of $29.9 million to retire the AEC Series 2007 bonds, reimburse borrowings under a bank line of credit and pay issuance costs. On January 1, 2014, the above escrow, along with accrued interest was used to retire the AEC Series 2007 bonds.

The Series 2011C and 2011D Hospital Revenue Bonds were issued September 21, 2011, with $50 million each of new proceeds to provide funding for qualifying Health System projects. The bonds are variable rate bonds issued by a bank with variable rate commitments through the termination date of October 1, 2020.

The Series 2011B Hospital Revenue Bonds were issued August 3, 2011 to refund the 2008 Series bonds. The Health System provides self-liquidity in support of the bonds. Bonds that have not been remarketed for a period of 30 days are payable after an additional 180 days. The Series 2011B bonds are classified as current liabilities on the consolidated balance sheet; however, they are reflected in the table of scheduled payments above based on their stated maturities.

The Series 2011A Hospital Revenue Bonds were issued to fully refund the 1993 bonds and are payable in annual installments in fiscal year 2014 through fiscal year 2024 at fixed rates of between 3.2% and 5.0%.

The Series 2004A Hospital Revenue Bonds are puttable variable-rate bonds supported by self-liquidity of the Health System. Additionally, the Health system has entered into a revolving credit agreement through October 1, 2016 with a bank to provide loans to cover 2004A bonds that are not remarketed. The revolving loans convert to a term loan if not repaid within 366 days and the term loan is amortized in six equal semiannual installments. The Series 2004A Hospital Revenue Bonds are classified as current liabilities on the balance sheet; however, they are reflected in the table of scheduled payments above based on their stated maturities.

The Series 2001A and 2001B Hospital Revenue Bonds are puttable variable-rate bonds under which the Health System has entered into two separate Standby Bond Purchase Agreements ("Liquidity Facilities") with a bank to provide credit and liquidity support for the bonds. The Liquidity Facilities were amended during fiscal year 2014 and expire on December 20, 2018. In the event that the bonds are tendered for purchase and cannot be remarketed, the Liquidity Facilities provide the funds to purchase the unremarketed bonds. These agreements will expire if the bonds are converted or required to be converted to a fixed interest rate. Principal payments by the Health System under agreement begin 455 days after the day on which the bonds failed to be remarketed and continue in six semiannual installments. The Series 2001A and Series 2001B are classified as current liabilities on the consolidated balance sheet as of September 30, 2014, because of subjective acceleration provisions in the amended Liquidity Facilities.

On November 30, 2012 the Health System purchased a medical services building and entered into a $21.5 million term loan with a commercial bank to partially fund the purchase. The loan carries a fixed interest rate of 2.73% and amortizes over ten years with a final payment due in November 2023.

The Health System executed a revolving credit agreement on May 1, 2013 with a commercial bank in the amount of $135 million to provide interim financing for the ARMC merger and for general working capital purposes. The ARMC portion included funds to retire outstanding debt and funds for construction projects on the ARMC campus. On November 20, 2013, the permanent financing was completed for the ARMC portion through the issuance of the 2013A, B and C bonds and the revolving credit agreement was reduced to $25 million. The revolving credit agreement expired October 1, 2014. There were no borrowings outstanding as of September 30, 2014.

The 2007 Hospital Revenue Bonds were issued under the Alamance Extended Care, Inc. Master Trust Indenture. The bonds are payable in annual installments through 2032 and carry remaining fixed interest rates between 4.5% and 5.25%. On November 20, 2013, the Health System funded an escrow with a portion of the proceeds of the 2013A, B and C bonds in an amount necessary to fully repay this loan, which occurred January 1, 2014.

In addition, the Health System had capital lease obligations of $3.8 million and $5.7 million at September 30, 2014 and September 30, 2013, respectively, of which $0.4 million and $0.6 million, respectively, were classified as short-term in the accompanying consolidated balance sheet.

7. LEASE COMMITMENTS

The Health System leases various equipment and buildings used in its operations. Future minimum lease payments on operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of September 30, 2014, are as follows:

Years Ending September 30	
2015	$ 9,257
2016	8,497
2017	7,322
2018	5,201
2019	4,301
Thereafter	15,640
Total	$ 50,218

Rent expense for the years ended September 30, 2014 and 2013, was approximately $12.2 million and $10.9 million, respectively.

8. COMMITMENTS UNDER BERTHA L. CONE GIFT

Under the terms of a gift by Mrs. Bertha Lindau Cone, the Parent Corporation is required to meet certain conditions. The more significant conditions of the gift are that the existing hospital and land will be forever used and maintained for hospital purposes and that the name of The Moses H. Cone Memorial Hospital will never be changed.

A substantial portion of the Parent Corporation's investment in its hospital building has been funded by this gift and is subject to the above conditions. Failure to comply with the conditions of the gift could result in the forfeiture to unrelated parties of all property purchased from the original gift and earnings on the gift.

9. EMPLOYEE RETIREMENT PLANS

Defined benefit pension plan benefits are based on years of service and employees' compensation during their years of employment. The Health System's pension funding policy is based upon actuarially calculated amounts to fund normal pension cost.

The Health System froze the plan as of December 31, 2011, at which time benefit accruals under the plan ceased. Effective October 1, 2003, the Plan was amended to close the Plan to new participants after October 1, 2003, and to offer current participants the right to continue to participate in the Plan or to freeze their accrued benefits and participate in a defined contribution plan sponsored by the Health System. Approximately 93% of participants at October 1, 2003, elected to continue participation in the Plan.

The Health System's pension costs are calculated using various actuarial assumptions and methodologies as prescribed by ASC 715, Compensation. These assumptions include discount rates, expected return on plan assets, inflation, mortality rates, and other factors and are reviewed on an annual basis.

A discount rate is used to determine the present value of the Health System's future pension benefit obligations. The discount rate is determined by matching the expected cash flows to a yield curve based on long-term, high-quality fixed-income debt instruments available as of the measurement date and is updated on an annual basis.

An assumption for return on plan assets is used to determine the expected return on asset component of net periodic benefit cost for the Health System's pension plan. The expected long-term target rate of return on plan assets is based upon the Health System's projected investment mix of plan assets, the assumption that future returns will be close to the historical long-term rate of return experienced for equity and fixed-income securities, actuarial surveys performed in association with the Health System's investment policies, and a 10- to 15-year investment horizon. This assumption is consistent with the assumption used for funding purposes and target asset allocations.

Actuarial Assumptions—The weighted-average actuarial assumptions used to determine the net periodic benefit cost of the Health System's pension plan, (the "Plan") are as follows:

	Pension Plan	
	2014	**2013**
Discount rate	5.05 %	4.15 %
Expected return on plan assets	7.00	7.00

The weighted-average actuarial assumptions used to determine the benefit obligations of the Health System's pension plan are as follows:

	Pension Plan	
	2014	**2013**
Discount rate	4.50 %	5.05 %
Expected return on plan assets	7.00	7.00

Assets of the Plan are invested in marketable equity and fixed-income securities, hedge funds and private investment vehicles.

Plan Asset Investment Policy—The Health System's Investment Committee establishes investment policies and strategies that support the objectives of the plan. The primary objective of the plan is to provide a source of retirement income for its participants and beneficiaries. The primary financial objective of the plan is to maintain full funding of the plans as well as minimize cash contributions over the long term. The desired investment objective is a long-term real rate of return on assets that is approximately 4.5% greater than the assumed rate of inflation as measured by the Consumer Price Index. The target rate of return for the plan has been based upon an analysis of historical returns supplemented with an economic and structural review for each asset class. The plan currently has target allocations of 60% growth assets, 30% income assets, and 10% diversified strategy assets.

Subsequent to September 30, 2014, 20% of the portfolio assets were reallocated to an asset/liability matching allocation whereby the duration of liabilities was matched with a like duration of US Treasury securities.

The Health System's defined benefit plan asset allocations at September 30, 2014 and 2013, respectively, are as follows:

Asset Category	Percentage of Plan Assets at September 30, 2014	2013
Equity securities	31 %	36 %
Fixed-income securities	20	28
Alternative investments	37	33
Commodities and other	2	2
Cash	10	1
Total	100 %	100 %

The following table summarizes the basis used to measure the fair value of the Health System's pension plan assets as of September 30, 2014 (in thousands of dollars).

	Fair Value Measurement at September 30, 2014			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total September 30, 2013
Cash and cash equivalents	$13,837	$ -	$ -	$ 13,837
Equity securities and funds				
U S equity	9,526	6,678		16,204
Non-U S equity—developed countries		29,100		29,100
Fixed-income securities and funds	22,747	6,506		29,253
Commodity securities funds		2,813		2,813
Alternative investments			54,450	54,450
Total	$46,110	$45,097	$54,450	$145,657

The following table summarizes the basis used to measure the fair value of the Health System's pension plan assets as of September 30, 2013 (in thousands of dollars).

	Fair Value Measurement at September 30, 2013			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total September 30, 2013
Cash and cash equivalents	$ 2,300	$ -	$ -	$ 2,300
Equity securities and funds				
U S equity	17,376	7,778		25,154
Non-U S equity—developed countries		26,322		26,322
Emerging market		3,755		3,755
Fixed-income securities and funds	36,308	6,573		42,881
Commodity securities funds		3,010		3,010
Alternative investments			51,929	51,929
Total	$55,984	$47,438	$51,929	$155,351

A reconciliation of the beginning and ending balances of the fair value measurements using significant unobservable inputs (Level 3) for the years ended September 30, 2014 and 2013, is as follows (in thousands of dollars):

	Fair Value Measurements Using Significant Unobservable Inputs Level 3				
	Private Debt	Hedge Funds	Risk parity	Real Estate	Total
Ending balance— September 30, 2012	$ 4,261	$ 16,740	$ 15,453	$ 6,155	$ 42,609
Unrealized gains (losses)	941	1,928	(825)	419	2,463
Realized gain (losses)	40	(6)	114	239	387
Purchases	2,576	4,200	3,500		10,276
Sales	(306)		(3,500)		(3,806)
Ending balance— September 30, 2013	$ 7,512	$ 22,862	$ 14,742	$ 6,813	$ 51,929
Unrealized gains (losses)	709	1,167	2,237	419	4,532
Realized gain (losses)	164	235	300	249	948
Purchases	2,382	2,000	2,000		6,382
Sales	(728)	(2,613)	(6,000)		(9,341)
Ending balance— September 30, 2014	$ 10,039	$ 23,651	$ 13,279	$ 7,481	$ 54,450

A reconciliation of the projected benefit obligation, a reconciliation of plan assets, the funded status of the plans, and amounts recognized in the Health System's consolidated balance sheets at September 30, 2014 and 2013, are as follows (in thousands of dollars):

	2014	2013
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 205,751	$ 240,690
Interest cost	9,812	9,201
Actuarial loss (gain)	19,813	(27,983)
Benefits paid	(3,033)	(2,942)
Settlements	(29,208)	(13,215)
Benefit obligation at end of year	203,135	205,751
Change in plan assets:		
Fair value of plan assets at beginning of year	155,350	155,760
Actual return on plan assets	12,548	11,061
Employer contributions	10,000	4,686
Benefits paid	(3,033)	(2,942)
Settlements	(29,208)	(13,215)
Fair value of plan assets at end of year	145,657	155,350
Net pension liability	$ (57,478)	$ (50,401)

In 2014, vested participants who no longer work at Cone Health but are not retired were offered a lump sum payment in lieu of continued participation in the plan. The amount paid to those accepting the offer was $12.4 million, and settlement expense incurred was $4.7 million.

The accumulated benefit obligation was $203.1 million and $205.8 million as of September 30, 2014 and 2013, respectively. The amounts recognized in the consolidated balance sheets as noncurrent liabilities are $57.5 million and $50.4 million at September 30 2014 and 2013, respectively. Amounts recorded as changes in unrestricted net assets arising from the defined-benefit plan but not yet included in net periodic benefit cost are $77.4 million and $76.3 million at September 30, 2014 and 2013, respectively. The estimated net actuarial loss and prior service cost to be amortized into net periodic pension costs over the next fiscal year are approximately $5.6 million and $2.2 million, respectively.

The components of net periodic pension costs and other pension-related changes in net assets for fiscal years 2014 and 2013, are as follows (in thousands of dollars):

	2014	2013
Interest cost on projected benefit obligation	$ 9,812	$ 9,201
Expected return on plan assets	(9,251)	(8,912)
Net amortization	4,299	3,428
Settlements	11,125	4,899
Net periodic pension cost	$ 15,985	$ 8,616

Other pension-related changes in net assets recognized in unrestricted net assets are as follows (in thousands of dollars):

	2014	2013
Current-year actuarial net loss (gain)	$ 16,516	$ (30,133)
Amortization of net actuarial loss	(4,299)	(3,428)
Settlements	(11,125)	(4,899)
Total recognized in unrestricted net assets	$ 1,092	$ (38,460)
Total recognized in net periodic benefit cost and unrestricted net assets	$ 17,077	$ (29,844)

The Health System made contributions totaling $10.0 million to the pension plan in fiscal year 2014. The following benefit payments are expected to be paid in the following fiscal years (in thousands of dollars):

2015	$ 17,915
2016	17,602
2017	17,743
2018	17,872
2019	18,108
2020–2024	78,901

In addition, Cone Health and ARMC Health Care operate certain voluntary savings and defined contribution retirement plans. Contribution expense related to the plans was $23.0 million in 2014, and $22.6 million in 2013, and is reflected in fringe benefits expense in the accompanying consolidated statement of operations.

10. NET ASSETS

A summary of the changes in consolidated unrestricted net assets attributable to Moses H. Cone Memorial Hospital and Affiliates and the non-controlling interests for the year ended September 30, 2014, is as follows (in thousands of dollars):

	Total	Moses H. Cone Memorial Hospital & Affiliates	Noncontrolling Interests
Balance—beginning of year	$ 1,402,918	$ 1,395,335	$ 7,583
Excess of revenues over expenses from consolidated operations	53,261	52,280	981
Inherent contribution from acquisition of ARMC Health Care			
Change in net unrealized gains and losses on investments	31,340	31,340	
Pension-related changes other than periodic benefit cost	(1,092)	(1,092)	
Change in the fair value of the floating-to-fixed swap agreements	(3,347)	(3,347)	
Other changes in net assets	(4,309)	(3,941)	(368)
Increase in unrestricted net assets	75,853	75,240	613
Balance—end of year	$ 1,478,771	$ 1,470,575	$ 8,196

A summary of the changes in consolidated unrestricted net assets attributable to Moses H. Cone Memorial Hospital and Affiliates and the non-controlling interests for the year ended September 30, 2013, is as follows (in thousands of dollars):

	Total	Moses H. Cone Memorial Hospital & Affiliates	Noncontrolling Interests
Balance—beginning of year	$ 1,076,932	$ 1,073,386	$ 3,546
(Deficit) excess of revenues over expenses from consolidated operations	(23,330)	(25,747)	2,417
Inherent contribution from acquisition of ARMC Health Care	286,722	286,722	
Change in net unrealized gains and losses on investments	13,540	13,540	
Pension-related changes other than periodic benefit cost	38,460	38,460	
Change in the fair value of the floating-to-fixed swap agreements	10,269	10,269	
Other changes in net assets	325	(1,295)	1,620
Increase in unrestricted net assets	325,986	321,949	4,037
Balance—end of year	$ 1,402,918	$ 1,395,335	$ 7,583

Temporarily restricted net assets are available for the following purposes at September 30, 2014 and 2013 (in thousands of dollars):

	2014	2013
Building fund	$ 2,157	$ 1,624
Community outreach	2,804	2,684
Patient support	4,440	3,017
Staff development and education	1,519	1,224
Temporarily restricted net assets	$ 10,920	$ 8,549

Temporarily restricted funds are those which have been limited by donors to a specific time period or purpose. As required by accounting principles generally accepted in the United States of America, temporarily restricted net assets are classified and reported based on the existence or absence of donor-imposed restrictions. Funds associated with temporary restrictions are included in assets limited as to use.

11. CONTINGENCIES

The Health System purchases professional and general liability insurance to cover medical malpractice claims. There are known claims and incidents that may result in the assertion of additional claims, as well as claims from unknown incidents that may be asserted arising from services provided to patients. The Health System has estimated and recorded accruals for the self-insurance portion of these arrangements.

The Health System purchases workers' compensation insurance to cover claims. The Health System has employed independent actuaries to estimate the ultimate cost for the self-insurance portion, if any, of the settlement of such claims. The Health System is self-insured for its employee group health insurance and has estimated and recorded accruals for the self-insurance portion of these arrangements. In management's opinion, these accruals provide adequate reserve for loss contingencies.

The Health System is involved in litigation and regulatory investigations arising in the normal course of business. After consultation with legal counsel, management believes that these matters will be resolved without material adverse effect on the Health System's financial position, results of operations, or cash flows.

The aggregate amount accrued for these contingencies is approximately $26.6 million and approximately $21.8 million as of September 30, 2014 and 2013, respectively.

12. CONCENTRATIONS OF CREDIT RISK

The Health System grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of net receivables from patients and third-party payors at September 30, 2014 and 2013, was as follows:

	2014	2013
Medicare	13.8 %	17.3 %
Medicare Managed Care	15.9	15.8
Medicaid	7.1	8.1
Commercial	52.6	47.3
Other	8.2	8.0
Self-Pay	2.4	3.5
	100.0 %	100.0 %

13. FUNCTIONAL EXPENSES

The Health System provides general health care services to residents within its geographic location. Expenses related to providing these services as determined by the Medicare Home Office Cost Reporting methodology as of September 30, 2014 and 2013, are as follows (in thousands of dollars):

	2014	2013
Health care services	$ 1,151,198	$ 1,042,208
General and administrative	219,267	147,184
	$ 1,370,465	$ 1,189,392

* * * * * *

CONSOLIDATING SUPPLEMENTAL SCHEDULES

THE MOSES H. CONE MEMORIAL HOSPITAL AND AFFILIATES

CONSOLIDATING BALANCE SHEET
AS OF SEPTEMBER 30, 2014
(In thousands of dollars)

	Obligated Group						Nonobligated Group				
ASSETS	Operating Corporation	Parent Corporation	Alamance Regional	Community Foundations	Reclassification and Eliminating Entries	Total Group	Other Entities	Alamance Extended Care		Reclassification and Eliminating Entries	Consolidated
CURRENT ASSETS											
Cash and cash equivalents	$ 27 834	$ 4 881	$ 7 580	$ 708	$ -	$ 41 003	$ 1 392	$ 3 422		$ -	$ 45 817
Short-term investments	11 032	4 568		872		16 472					16 472
Patient accounts receivable—net of allowance for uncollectible accounts of $109 173 in 2014 and $108 416 in 2013	138 343		26 327			164 670	22 108	2 229			189 007
Inventories	21 331		5 207			26 538	95	37			26 670
Assets limited as to use—required for current liabilities					6 455	6 455					6 455
Other current assets	38 745	9 969	7 510	1		56 225	13 433	213		(5 268)	64 603
Total current assets	237 285	19 418	46 624	1 581	6 455	311 363	37 028	5 901		(5 268)	349 024
LONG-TERM INVESTMENTS	2 752	684 406	49	173 499	(184 665)	676 041				(2 752)	673 289
ASSETS LIMITED AS TO USE			2 741		178 210	180 951		3 391	(1)	2 752	187 094
INVESTMENTS IN UNCONSOLIDATED AFFILIATED ENTITIES	40 597	75	7 605			48 277	6 128			(7 780)	46 625
PROPERTY AND EQUIPMENT—Net	165 950	515 810	239 926	96		921 782	33 455	59 799	(2)		1 015 036
INTANGIBLE ASSETS—Net	2 635	779				3 414	5 533				8 947
OTHER ASSETS—Net	19 747	3 482	2 963			26 192	23 800				49 992
INTERCOMPANY RECEIVABLES (PAYABLES	183 049	(253 915)	102 504	(524)		31 114	(33 910)	2 796			
TOTAL	$652 015	$ 970 055	$402 412	$174 652	$ -	$2 199 134	$ 72 034	$71 887		$(13 048)	$2 330 007

(1) Amount for AEC represents the restricted Cash Investment for NC Department of Insurance Operating Reserve Requirement of $3 391 thousand
(2) AEC Property and Equipment - Net includes $8 938 thousand in Land and Land Improvements and $53 370 thousand building and equipment net of $2 509 accumulated depreciation

(Continued)

THE MOSES H. CONE MEMORIAL HOSPITAL AND AFFILIATES

CONSOLIDATING BALANCE SHEET
AS OF SEPTEMBER 30, 2014
(In thousands of dollars)

LIABILITIES AND NET ASSETS	Obligated Group						Nonobligated Group			
	Operating Corporation	Parent Corporation	Alamance Regional	Community Foundations	Eliminating Entries	Total Group	Other Entities	Alamance Extended Care	Eliminating Entries	Consolidated
CURRENT LIABILITIES										
Accounts payable	$ 37,634	$ 15,274	$ 3,108	$ 77	$ -	$ 56,093	$ 5,549	$ 173	$ -	$ 61,815
Accrued expenses	43,031	19,138	29,492	4,472		96,133	53,223	3,379	(343)	152,392
Current portion of long-term debt		192,490	689			193,179	551			193,730
Total current liabilities	80,665	226,902	33,289	4,549		345,405	59,323	3,552	(343)	407,937
LONG-TERM DEBT—Net of current portion		289,560				289,560	17,390		(4,925)	302,025
CAPITAL LEASE LONG-TERM PORTION	3,275		105			3,380	6			3,386
OTHER NONCURRENT LIABILITIES	87,562	618	546	25		88,751	23,877	14,340		126,968
Total liabilities	171,502	517,080	33,940	4,574	-	727,096	100,596	17,892	(5,268)	840,316
NET ASSETS (DEFICIT)										
Unrestricted										
Moses H Cone Memorial Hospital and Affiliates	472,094	452,975	365,197	170,078	1,000	1,461,344	(28,582)	53,789	(15,976)	1,470,575
Noncontrolling interests									8,196	8,196
Total unrestricted net assets (deficit)	472,094	452,975	365,197	170,078	1,000	1,461,344	(28,582)	53,789	(7,780)	1,478,771
Temporarily restricted	8,419		3,275		(1,000)	10,694	20	206		10,920
Total net assets (deficit)	480,513	452,975	368,472	170,078	-	1,472,038	(28,562)	53,995	(7,780)	1,489,691
TOTAL	$652,015	$970,055	$402,412	$174,652	$ -	$2,199,134	$ 72,034	$71,887	$(13,048)	$2,330,007

(Concluded)

THE MOSES H. CONE MEMORIAL HOSPITAL AND AFFILIATES

CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(In thousands of dollars)

	Obligated Group						Nonobligated Group				
	Operating Corporation	Parent Corporation	Alamance Regional	Community Foundations	Eliminating Entries	Total Group	Other Entities	Alamance Extended Care		Eliminating Entries	Consolidated
UNRESTRICTED REVENUES GAINS AND OTHER SUPPORT											
Net patient service revenue	$932 355	$ -	$226 241	$ -	$	$1 158 596	$162 727	$14 285		$ -	$1 335 608
Other revenue	35 760	31 511	11 805	6	(32 762)	46 320	29 908	2 916	(1)	(10 901)	68 243
Total revenue	968 115	31 511	238 046	6	(32 762)	1 204 916	192 635	17 201		(10 901)	1 403 851
EXPENSES											
Salaries and wages	337 356	607	96 550	744	(1 134)	434 123	116 755	6 557			557 435
Fringe benefits	137 395	223	23 804	310	(421)	161 311	24 793	1 842			187 946
Supplies	199 115	40	43 559	24	(56)	242 682	14 118	988			257 788
Other direct expenses	212 417	12 249	50 823	359	(40 979)	234 869	39 384	3 916		(11 077)	267 092
Interest expense		9 502				9 502					9 502
Depreciation and amortization	38 550	31 304	15 322	19		85 195	3 536	1 971	(2)		90 702
Total expenses	924 833	53 925	230 058	1 456	(42 590)	1 167 682	198 586	15 274		(11 077)	1 370 465
OPERATING INCOME (LOSS)	43 282	(22 414)	7 988	(1 450)	9 828	37 234	(5 951)	1 927		176	33 386
OTHER INCOME (EXPENSE)											
Investment income	245	23 355	1 112	4 906		29 618		3		(176)	29 445
Nonoperating income (expense)	9 575	(4 911)	(8 299)	(1 191)	(9 828)	(14 654)	4 063	6 050		(5 029)	(9 570)
Total other income (expense)	9 820	18 444	(7 187)	3 715	(9 828)	14 964	4 063	6 053		(5 205)	19 875
EXCESS (DEFICIENCY) REVENUE OVER EXPENSE FROM CONSOLIDATED OPERATIONS	53 102	(3 970)	801	2 265		52 198	(1 888)	7 980		(5 029)	53 261
INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS										(981)	(981)
EXCESS (DEFICIENCY) REVENUE OVER EXPENSE ATTRIBUTABLE TO MOSES H CONE MEMORIAL HOSPITAL AND AFFILIATES	$ 53 102	$ (3 970)	$ 801	$ 2 265	$ -	$ 52 198	$ (1 888)	$ 7 980		$ (6 010)	$ 52 280

(1) Includes $1 258 thousand for amortization of entrance fees $187 thousand for administrative fees $904 thousand for termination fees and $567 thousand for other miscellaneous services
(2) Includes $1 971 thousand depreciation expense and no amortization expense

Additional Data

Software ID:

Software Version:

EIN: 58-1588823

Name: MOSES H CONE MEMORIAL HOSPITAL OPERATING CORPORATION

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
Jacob B Balsley Trustee	0 0 0 0	X						0	0	0
Louise F Brady Trustee	0 0 0 0	X						0	0	0
Carol Bruce Trustee	0 0 0 0	X						0	0	0
John F Campbell MD Physician & Trustee	0 0 40 0	X						0	402,579	51,482
Edward Cone Trustee	0 0 0 0	X						0	0	0
Dwight M Davidson III Trustee	0 0 0 0	X						0	0	0
Allen Gant Jr Trustee	0 0 0 0	X						0	0	0
Nancy G Hemric Trustee	0 0 0 0	X						0	0	0
Deborah Hooper Chair	0 0 0 0	X		X				0	0	0
FD Hornaday Vice Chair	0 0 0 0	X		X				0	0	0
J Wayne Keeling MD Trustee	0 0 0 0	X						0	0	0
J Edward Kitchen Trustee	0 0 0 0	X						0	0	0
David F Leeper Trustee	0 0 0 0	X						0	0	0
James H Maxwell MD Trustee	0 0 0 0	X						0	0	0
M Lee McAllister Trustee	0 0 0 0	X						0	0	0
Chapman McQueen MD Trustee	0 0 0 0	X						0	0	0
Diane Moffett Trustee	0 0 0 0	X						0	0	0
Henry WB Smith III MD Trustee	0 0 0 0	X						0	0	0
Inex Tuck PhD Trustee	0 0 0 0	X						0	0	0
Peter W Whitfield MD Trustee	0 0 0 0	X						0	0	0
Terrance B Akin COO & Secretary	0 0 40 0			X				0	635,700	66,185
Andrew Barrow VP & Asst Treasurer	40 0 0 0			X				218,858	0	17,076
Theresa Brodrick EXEC VP & ASST SEC	0 0 40 0			X				0	343,240	53,821
Noel F Burt Chief HR Officer & Asst Secre	40 0 0 0			X				455,004	0	52,306
Wendi Carroll Asst Treasurer	40 0 0 0			X				173,845	0	6,333

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
Timothy J Clontz Exec VP & Asst Sec	40 0 0 0			X				347,057	0	55,811
Marva Jarman Asst Treasurer	40 0 0 0			X				164,383	0	4,774
Jeffrey Jones CFO & Treasurer	0 0 40 0			X				0	451,490	27,674
David Kitzmiller Asst Treasurer	40 0 0 0			X				127,734	0	31,471
John M Miller Treasurer & Chief Inv Officer	40 0 0 0			X				244,567	0	29,760
R Timothy Rice President & CEO	0 0 40 0			X				0	965,510	100,924
James Roskelly VP/Asst Secretary	40 0 0 0			X				456,966	0	60,581
Judith Schanel VP & Asst Secretary	40 0 0 0			X				336,847	0	52,431
Rene Smith Asst Treasurer	40 0 0 0			X				202,582	0	19,987
William Bowman VP of Medical Affairs	40 0 0 0				X			345,257	0	31,319
Mary Jo Cagle Chief Quality Officer	0 0 40 0				X			0	448,170	52,247
Cynthia Farrand Site President-Women's Hospita	40 0 0 0				X			200,950	0	71,319
Steven Horsley Chief Information Officer	40 0 0 0				X			323,982	0	27,855
Paul Jeffrey Site President-Wesley Long Hos	40 0 0 0				X			262,670	0	32,186
William Porter VP of Fund Development	40 0 0 0				X			220,613	0	43,132
Michael Simms VP of Revenue Cycle	40 0 0 0				X			202,443	0	21,882
Bruce Swords MD Chief Medical Info Officer	40 0 0 0				X			354,206	0	49,960
Jeffrey Hatcher MD Physician	40 0 0 0					X		339,147	0	39,989
Glenn Jennings MD Physician	40 0 0 0					X		273,258	0	30,191
Zachary Swartz MD Physician	40 0 0 0					X		286,204	0	41,934
Mark Uhl MD Physician	40 0 0 0					X		304,934	0	23,216
Cornelius Van Dam MD Physician	40 0 0 0					X		370,130	0	43,416
Kenneth Boggs Chief Financial Officer	0 0 0 0						X	381,664	0	45,246
John Jenkins Chief Information Officer	0 0 0 0						X	269,334	0	51,094