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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
PALMETTO HEALTH

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
293 GREYSTONE BOULEVARD NO 2ND FL

City or town, state or province, country, and ZIP or foreign postal code
COLUMBIA, SC 29210

D Employer identification number
58-2296052

E Telephone number
(803) 296-2100

G Gross receipts $ 1,420,970,002

F Name and address of principal officer
CHARLES D BEAMAN JR
293 GREYSTONE BOULEVARD NO 2ND FL
COLUMBIA, SC 29210

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 PALMETTOHEALTH ORG

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

L Year of formation 1996

M State of legal domicile SC

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PALMETTO HEALTH IS COMMITTED TO IMPROVING THE PHYSICAL, EMOTIONAL, AND SPIRITUAL HEALTH OF ALL INDIVIDUALS AND COMMUNITIES WE SERVE, TO PROVIDING CARE WITH EXCELLENCE AND COMPASSION, AND, TO WORKING WITH OTHERS WHO SHARE OUR FUNDAMENTAL COMMITMENT TO IMPROVING THE HUMAN CONDITION

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**	16
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	13
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	10,624
6	Total number of volunteers (estimate if necessary)	**6**	534
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	9,486,441
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	20,832

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	11,519,353	10,427,852
	9 Program service revenue (Part VIII, line 2g)	1,090,084,801	1,339,166,082
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	36,737,607	36,522,888
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-3,204,057	25,356,817
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,135,137,704	1,411,473,639
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	4,690,474	1,337,298
	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)	595,933,879	631,672,288
	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)	485,355,653	764,781,366
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,085,980,006	1,397,790,952
	19 Revenue less expenses Subtract line 18 from line 12	49,157,698	13,682,687

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	1,660,519,828	1,732,101,707
	21 Total liabilities (Part X, line 26)	827,129,288	901,893,602
	22 Net assets or fund balances Subtract line 21 from line 20	833,390,540	830,208,105

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

****** | 2015-08-13
Signature of officer | Date

PAUL K DUANE 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
AMY BIBBY				P00445891

Firm's name ▶ DIXON HUGHES GOODMAN LLP | Firm's EIN ▶ 56-0747981

Firm's address ▶ 500 RIDGEFIELD COURT
ASHEVILLE, NC 28806 | Phone no (828) 254-2254

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

SEE SCHEDULE OPALMETTO HEALTH IS COMMITTED TO IMPROVING THE PHYSICAL, EMOTIONAL, AND SPIRITUAL HEALTH OF ALL INDIVIDUALS AND COMMUNITIES WE SERVE, TO PROVIDING CARE WITH EXCELLENCE AND COMPASSION, AND, TO WORKING WITH OTHERS WHO SHARE OUR FUNDAMENTAL COMMITMENT TO IMPROVING THE HUMAN CONDITION

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 $ 1,235,018,845 including grants of $ 1,337,298) (Revenue $ 1,322,868,150)

PALMETTO HEALTH IS THE LARGEST AND MOST COMPREHENSIVE INTEGRATED HEALTH CARE SYSTEM IN THE SOUTH CAROLINA MIDLANDS REGION WE'RE ON A JOURNEY TO TRANSFORM THE HEALTH CARE EXPERIENCE FOR OUR PATIENTS AND THEIR FAMILIES OUR MORE THAN 9,000 TEAM MEMBERS AND VOLUNTEERS, AND MORE THAN 1,000 PHYSICIANS, ARE DEDICATED TO WORKING TOGETHER TO FULFILL THE PALMETTO HEALTH VISION TO BE REMEMBERED BY EACH PATIENT AS PROVIDING THE CARE AND COMPASSION WE WANT FOR OUR FAMILIES AND OURSELVES (SEE SCHEDULE O FOR CONTINUATION)(CONTINUED FROM PAGE 2) OUR LOCALLY OWNED, NONPROFIT SYSTEM INCLUDES FIVE JOINT COMMISSION-ACCREDITED ACUTE-CARE HOSPITALS WITH 1,138 PATIENT BEDS - PALMETTO HEALTH BAPTIST, PALMETTO HEALTH BAPTIST PARKRIDGE, PALMETTO HEALTH CHILDREN'S HOSPITAL, PALMETTO HEALTH HEART HOSPITAL AND PALMETTO HEALTH RICHLAND - AS WELL AS AN EXPANSIVE PHYSICIAN PRACTICE NETWORK, DOZENS OF AFFILIATED CLINICS AND SPECIALTY CARE PRACTICES, AND A 501(C)(3) FOUNDATION AS ONE OF THE LARGEST EMPLOYERS IN THE STATE, PALMETTO HEALTH HAS BEEN RECOGNIZED NATIONALLY AS ONE OF THE BEST PLACES TO WORK AND RECEIVE CARE READERS OF THE STATE NEWSPAPER HAVE NAMED PALMETTO HEALTH THE BEST IN HEALTH CARE FOR THE FIVE YEARS IN A ROW, INCLUDING "BEST HOSPITAL SYSTEM" AND "BEST HOSPITAL FOR HEART HEALTH " IN 2014, PALMETTO HEALTH WAS NAMED THE FOSTER G MCGAW PRIZE WINNER THIS PRIZE IS AWARDED TO ONE HEALTH CARE SYSTEM IN THE COUNTRY THAT EXEMPLIFIES EXCELLENCE IN COMMUNITY HEALTH SERVICES PALMETTO HEALTH WAS A FINALIST FOR THE AWARD IN 2012 AND 2011 PALMETTO HEALTH ALSO TRAINS THE NEXT GENERATION OF PHYSICIANS THROUGH ITS 22 RESIDENCY AND FELLOWSHIP PROGRAMS AFFILIATED WITH THE UNIVERSITY OF SOUTH CAROLINA SCHOOL OF MEDICINE PALMETTO HEALTH'S PHYSICIAN PRACTICE NETWORK INCLUDES MORE THAN 120 PRIMARY AND SPECIALTY CARE DOCTORS CONVENIENTLY LOCATED IN OVER 130 PRACTICES ACROSS THE MIDLANDS AND THROUGH THE PALMETTO HEALTH QUALITY COLLABORATIVE, MORE THAN 700 MEMBER PHYSICIANS COME TOGETHER TO FOSTER CLINICAL INTEGRATION, FOCUS ON EVIDENCE-BASED CARE AND IMPROVE CLINICAL OUTCOMES TO ENSURE PATIENTS RECEIVE THE HIGHEST QUALITY, COORDINATED, PROACTIVE CARE PALMETTO HEALTH PROVIDES HEALTH CARE FOR NEARLY 70 PERCENT OF THE RESIDENTS OF RICHLAND COUNTY AND ALMOST 55 PERCENT OF THE HEALTH CARE FOR THE COMBINED RICHLAND/LEXINGTON COUNTY AREA EACH YEAR, OUR HOSPITALS HAVE MORE THAN A HALF MILLION PATIENT VISITS, WELCOME NEARLY 6,000 BABIES INTO THE WORLD, DIAGNOSE OR TREAT MORE THAN 3,000 CANCER PATIENTS, TREAT MORE THAN 80,000 PEDIATRIC PATIENTS, ACCOMMODATE MORE THAN 140,000 EMERGENCY DEPARTMENT VISITS, PERFORM MORE THAN 40,000 MAMMOGRAMS, AND MAKE MORE THAN 36,000 HOME CARE VISITS AREAS OF SPECIALTY AT PALMETTO HEALTH INCLUDE BARIATRIC SURGERY, BEHAVIORAL CARE, CARDIOLOGY, GERIATRICS, NEONATOLOGY, NEUROLOGY, OBSTETRICS (INCLUDING HIGH-RISK PREGNANCY AND GENETIC COUNSELING, AND TWO LEVEL III NEONATAL INTENSIVE CARE UNITS), ONCOLOGY, ORTHOPAEDICS, SURGERY, LEVEL I TRAUMA CARE, AND WOMEN'S CARE MANY OF OUR PROGRAMS AND SERVICES HAVE BEEN UNIQUELY ACCREDITED FOR EXCELLENCE, SUCH AS THE STATE'S FIRST ACCREDITED CHEST PAIN CENTER, AND ACCREDITED BREAST CENTER BY THE AMERICAN COLLEGE OF SURGEONS' NATIONAL ACCREDITATION PROGRAM THE JOINT COMMISSION HAS ACCREDITED PALMETTO HEALTH'S HEART FAILURE AND VENTRICULAR ASSIST DEVICE (VAD) PROGRAMS, AND ITS PRIMARY STROKE CENTER, AND BLUECROSS BLUESHIELD HAS AWARDED PALMETTO HEALTH THEIR BLUE DISTINCTION DESIGNATION FOR ITS CARDIAC CARE AND JOINT REPLACEMENT PROGRAMS PALMETTO HEALTH HAS PLEDGED 10 PERCENT OF ITS ANNUAL BOTTOM LINE TO FUND COMMUNITY HEALTH CARE INITIATIVES IN CANCER EDUCATION AND PREVENTION, MATERNAL AND CHILD HEALTH SERVICES, DIABETES PREVENTION AND MANY OTHERS IN THE LAST 17 YEARS, PALMETTO HEALTH HAS SPENT MORE THAN $46 MILLION IN THIS SPECIAL EFFORT ALONE THIS TITHE IS A CONTRIBUTION OVER AND ABOVE THE CARE PROVIDED IN OUR HOSPITALS FOR SERVICES TO PATIENTS IN NEED PALMETTO HEALTH IS FOCUSED ON QUALITY AND PATIENT SAFETY IMPROVEMENT INITIATIVES AND SET ABOUT CREATING THE STRUCTURE, CULTURE AND ACCOUNTABILITY TO ACHIEVE IT THESE EFFORTS HAVE ALLOWED OUR HOSPITALS TO ACHIEVE SIGNIFICANT PROGRESS IN DECREASING MORTALITY AND INCREASING THE PERFORMANCE IN APPROPRIATE CARE MEASURES FOR NATIONALLY BENCHMARKED STANDARDS OF CARE FOR SIX HIGH-VOLUME PROCEDURES THIS AMBITIOUS AND CONCERTED QUALITY GOAL OF ELIMINATING ALL PREVENTABLE ERRORS AND DEATHS CONTINUES TO BE A FOCUS FOR ALL AT PALMETTO HEALTH, WHILE ATTENTION HAS INCREASED ON REDUCING "HARM EVENTS," SUCH AS INFECTIONS AND FALLS, AND ON REDUCING UNNECESSARY READMISSIONS IN ADDITION TO THESE EFFORTS, PALMETTO HEALTH PLAYS A KEY ROLE IN COMMUNITY SUPPORT THROUGH INVESTMENT BY ITS TEAM MEMBERS IN THE UNITED WAY AND THE PALMETTO HEALTH FOUNDATION ADDITIONALLY, THE ORGANIZATION AND ITS TEAM MEMBERS PARTICIPATE AND INVEST IN COMMUNITY AGENCIES SUCH AS THE AMERICAN HEART ASSOCIATION, MARCH OF DIMES, AMERICAN CANCER SOCIETY, NAACP, SALVATION ARMY, COMMISSION OF HIGHER EDUCATION, AND MANY OTHER HEALTH AND HUMAN SERVICES ORGANIZATIONS WITH KEY LEADERS VOLUNTEERING FOR SIGNIFICANT ROLES IN ORGANIZATIONS LIKE THE CHAMBERS OF COMMERCE, CITY CENTER PARTNERSHIP, CENTRAL CAROLINA ECONOMIC DEVELOPMENT ALLIANCE AND A HOST OF OTHERS, PALMETTO HEALTH IS ACTIVE IN ITS COMMUNITY

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** ▶ 1,235,018,845

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *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**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	**26**	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	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**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
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	696		
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	10,624		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
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**	16		
	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**	13		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**		Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**		Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**		Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

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

Section C. Disclosure

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

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

▶ BENJAMIN M CUNNINGHAM JR 293 GREYSTONE BLVD
COLUMBIA, SC 29210 (803) 296-2135

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)** . . . . . ▶								14,456,799	0	437,616

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 ▶627

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
CAROLINA CARE 215 RECBAY ROAD ELGIN SC 29045	EMERGENCY CARE PHYSICIANS	14,856,676
PROFESSIONAL PATHOLOGY SERVICES ONE SCIENCE COURT SUITE 200 COLUMBIA SC 29203	PATHOLOGISTS	4,424,723
MRI INC OF THE CAROLINAS 1519 MARION STREET COLUMBIA SC 29201	RADIOLOGISTS	3,581,045
FRESENIUS MED CARE PO BOX 281471 ATLANTA GA 303841471	DIALYSIS	2,616,803
JENKINS HANCOCK & SIDES 1812 LINCOLN STREET 3RD FLOOR COLUMBIA SC 292012310	ARCHITECTURE	2,119,686

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 ▶118

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations . . .	1d	4,179,295			
	e	Government grants (contributions)	1e	1,728,643			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	4,519,914			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		10,427,852			
Program Service Revenue			Business Code				
	2a	NET PATIENT REVENUE	621300	1,299,229,732	1,299,229,732		
	b	PALMETTO SENIOR CARE	623000	16,001,468	16,001,468		
	c	PHARMACY	446110	11,814,082			11,814,082
	d	BAPTIST EASLEY FEE	900099	7,636,950	7,636,950		
	e	REFERENCE LABORATORY	621500	4,483,850		4,483,850	
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		1,339,166,082			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		18,667,302			18,667,302
	4	Income from investment of tax-exempt bond proceeds . . ▶		190,896			190,896
	5	Royalties . . . . . ▶					

		(i) Real	(ii) Personal				
	6a	Gross rents	6,355,328					
	b	Less rental expenses	9,496,363					
	c	Rental income or (loss)	-3,141,035					
	d	Net rental income or (loss) . . . . . ▶			-3,141,035			-3,141,035

		(i) Securities	(ii) Other				
	7a	Gross amount from sales of assets other than inventory	17,595,717	68,973				
	b	Less cost or other basis and sales expenses	0	0				
	c	Gain or (loss)	17,595,717	68,973				
	d	Net gain or (loss) . . . . . ▶			17,664,690			17,664,690
	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 . . ▶						
	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 . . ▶						
	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 . . ▶						
Other Revenue		Miscellaneous Revenue	Business Code					
	11a	MISCELLANEOUS REVENUE	900099	19,103,851		5,002,591	14,101,260
	b	CAFETERIA	900099	5,327,709			5,327,709
	c	REBATES	900099	3,611,443			3,611,443
	d	All other revenue		454,849			454,849
	e	**Total.** Add lines 11a–11d . . . . . ▶		28,497,852			
	12	**Total revenue.** See Instructions . . . . . ▶		1,411,473,639	1,322,868,150	9,486,441	68,691,196

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	1,337,298	1,337,298		
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	8,900,080		8,900,080	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	78,992	78,992		
7 Other salaries and wages	511,359,310	468,457,635	42,901,675	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	12,540,420	11,291,971	1,248,449	
9 Other employee benefits	60,343,237	54,335,828	6,007,409	
10 Payroll taxes	38,450,249	34,622,374	3,827,875	
11 Fees for services (non-employees)				
a Management	4,347,475	1,405,916	2,941,559	
b Legal	1,485,907	309,550	1,176,357	
c Accounting	273,297	3,012	270,285	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	131,794,801	111,505,820	20,288,981	
12 Advertising and promotion	1,485,761	104,787	1,380,974	
13 Office expenses	4,418,131	2,832,516	1,585,615	
14 Information technology	25,089,817	532,375	24,557,442	
15 Royalties . .				
16 Occupancy	44,426,956	34,195,560	10,231,396	
17 Travel	2,782,995	2,339,006	443,989	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	27,361,826	1,141,010	26,220,816	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	55,512,680	54,883,808	628,872	
23 Insurance	7,675,738	2,480,506	5,195,232	
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 BAD DEBT EXPENSE	236,250,891	236,250,891		
b MEDICAL SUPPLIES	190,407,078	190,016,269	390,809	
c UBI TAX	191	191		
d FOOD AND OTHER CONSUMAB	8,528,012	8,353,689	174,323	
e All other expenses	22,939,810	18,539,841	4,399,969	
25 **Total functional expenses.** Add lines 1 through 24e	1,397,790,952	1,235,018,845	162,772,107	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		23,499,388	1	33,190,976
	2	Savings and temporary cash investments		70,654,517	2	50,643,000
	3	Pledges and grants receivable, net		406,096	3	347,758
	4	Accounts receivable, net		235,607,662	4	215,837,807
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net		1,993,250	7	1,868,017
	8	Inventories for sale or use		17,933,747	8	20,113,526
	9	Prepaid expenses and deferred charges		897,903	9	751,358
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 1,442,304,165			
	b	Less accumulated depreciation	10b 848,187,699	552,124,277	10c	594,116,466
	11	Investments—publicly traded securities		614,388,494	11	612,438,044
	12	Investments—other securities See Part IV, line 11		75,174,571	12	149,362,037
	13	Investments—program-related See Part IV, line 11		28,016,295	13	21,563,524
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		39,823,628	15	31,869,194
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1,660,519,828	16	1,732,101,707
Liabilities	17	Accounts payable and accrued expenses		125,396,296	17	117,670,192
	18	Grants payable			18	
	19	Deferred revenue		218,845	19	19,444
	20	Tax-exempt bond liabilities		628,623,582	20	694,229,388
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	556,695
	23	Secured mortgages and notes payable to unrelated third parties		662,416	23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		72,228,149	25	89,417,883
	26	**Total liabilities.** Add lines 17 through 25		827,129,288	26	901,893,602
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		799,524,189	27	794,907,091
	28	Temporarily restricted net assets		26,132,526	28	27,382,159
	29	Permanently restricted net assets		7,733,825	29	7,918,855
		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		833,390,540	33	830,208,105
	34	Total liabilities and net assets/fund balances		1,660,519,828	34	1,732,101,707

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	1,411,473,639
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,397,790,952
3	Revenue less expenses Subtract line 2 from line 1	3	13,682,687
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	833,390,540
5	Net unrealized gains (losses) on investments	5	-13,031,820
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	-2,708,098
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-1,125,204
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	830,208,105

Part XII Financial Statements and Reporting

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

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

Additional Data

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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			
JAMES E WHEELER CHAIRMAN	5 00	X		X				19,392	0	0
PAUL V FANT SR TRUSTEE	3 00	X						0	0	0
WILLIAM L FREEMAN III VICE CHAIRMAN	5 00	X		X				22,984	0	0
JEAN E DUKE SECRETARY	3 00	X		X				15,801	0	0
JEROME D ODOM PHD TREASURER	3 00	X		X				15,801	0	0
LESTER P BRANHAM JR TRUSTEE	3 00	X						15,801	0	0
BEVERLY D CHRISMAN TRUSTEE	3 00	X						15,801	0	0
TRACI YOUNG COOPER EDD TRUSTEE (TERM ENDED)	3 00	X						15,801	0	0
CALVIN H ELAM TRUSTEE (TERM ENDED)	3 00	X						15,801	0	0
SARA B FISHER TRUSTEE	3 00	X						15,801	0	0
ROSALYN W FRIERSON TRUSTEE	3 00	X						15,801	0	0
WILLIAM C GERARD MD TRUSTEE	3 00	X						102,401	0	0
JAMES H HERLONG MD TRUSTEE	3 00	X						15,801	0	0
JOEL E JOHNSON DMD TRUSTEE	3 00	X						15,801	0	0
GEORGE S KING JR TRUSTEE	3 00	X						0	0	0
CANDY Y WAITES TRUSTEE	3 00	X						15,801	0	0
JOHN W FOSTER JR TRUSTEE	3 00	X						15,801	0	0
CHARLES D BEAMAN JR CEO	50 00	X		X				4,957,786	0	44,732
JOHN J SINGERLING PRESIDENT	50 00			X				596,315	0	-53,141
PAUL K DUANE CHIEF FINANCIAL OFFICER	50 00			X				489,859	0	92,770
JAMES I RAYMOND CHIEF MEDICAL & ACADEMIC OFFICER	50 00				X			559,264	0	36,327
ELLIS M KNIGHT CHIEF PHYSICIAN & CLINICAL INTEGRATION	50 00				X			289,666	0	20,479
JAMES BRIDGES CHIEF, SYSTEM PERFORMANCE	50 00				X			354,773	0	-36,192
HOWARD P WEST GENERAL COUNSEL	50 00				X			369,442	0	41,444
MICHELLE E EDWARDS CHIEF INFORMATION OFFICER	50 00				X			328,496	0	63,643

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			
BENJAMIN M CUNNINGHAM SYSTEM VICE PRESIDENT FINANCE	50 00				X			217,752	0	27,757
AMY C BARRY CHIEF HR & INNOVATION OFFICER	50 00				X			202,769	0	16,920
JAMES E LATHREN CHIEF OPERATING OFFICER ACUTE CARE	50 00				X			328,317	0	26,570
JUDITH P BASKINS PHYSICIAN PRACTICE, AMBULATORY EXECUTIVE	50 00				X			205,642	0	27,857
CHARLES P TOUSSAINT PHYSICIAN	50 00					X		1,323,164	0	26,855
JEFFREY T EHRETH PHYSICIAN	50 00					X		1,065,347	0	25,067
HARRIS H PARKER III PHYSICIAN	50 00					X		1,026,967	0	37,707
JOHN K BAUGH PHYSICIAN	50 00					X		910,147	0	20,135
ROLAND R CRAFT PHYSICIAN	50 00					X		896,704	0	18,686

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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
PALMETTO HEALTH

Employer identification number
58-2296052

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

Facts And Circumstances Test		
Return Reference	Explanation	

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

If the organization answered "Yes" to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes" to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes" to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization	Employer identification number
PALMETTO HEALTH	58-2296052

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

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

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

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

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

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		278,821
j	Total Add lines 1c through 1i			278,821
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Return Reference	Explanation
PART II-B, LINE 1	PALMETTO HEALTH PAYS ANNUAL MEMBERSHIP DUES AS PART OF ITS MEMBERSHIP WITH THE SC HOSPITAL ASSOCIATION AND 9 49% ($35,428) OF THESE DUES ARE USED FOR LOBBYING ACTIVITIES PALMETTO HEALTH ALSO PAYS ANNUAL MEMBERSHIP DUES TO THE AMERICAN HOSPITAL ASSOCIATION AND 22 80% ($32,293) OF THESE DUES ARE USED FOR LOBBYING ACTIVITIES THE REMAINING $211,100 ARE FEES PAID TO DARRELL M CAMPBELL AND MCNAIR LAW FIRM, INDEPENDENT CONSULTANTS THAT PROVIDE LOBBYING SERVICES

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
PALMETTO HEALTH

Employer identification number
58-2296052

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	4,059,918	4,554,077	5,205,956	3,908,288	3,436,758
b	Contributions	3,793,641	3,718,869	3,703,676	5,305,006	2,875,614
c	Net investment earnings, gains, and losses					
d	Grants or scholarships					
e	Other expenditures for facilities and programs	4,104,993	4,213,028	4,355,555	4,007,338	2,404,084
f	Administrative expenses					
g	End of year balance	3,748,566	4,059,918	4,554,077	5,205,956	3,908,288

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

- a Board designated or quasi-endowment ▶ 2 990 %
- b Permanent endowment ▶ 22 780 %
- c Temporarily restricted endowment ▶ 74 230 %

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		41,746,439		41,746,439
b Buildings		656,873,009	305,973,389	350,899,620
c Leasehold improvements		16,260,440	8,609,875	7,650,565
d Equipment		711,727,451	533,604,435	178,123,016
e Other		15,696,826		15,696,826
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				594,116,466

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) BOND FUNDS	30,320,839	C
(B) INVESTMENT IN FOUNDATION	29,692,253	C
(C) INVESTMENT IN BAPTIST FOUNDATION	830,945	C
(D) ALTERNATIVE INVESTMENTS	88,518,000	C
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	149,362,037	

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	
DERIVATIVE FMV	41,013,569
CAPITAL LEASE OBLIGATIONS	20,750,538
POST RETIREMENT RESERVE	12,275,122
DEFERRED COMPENSATION	5,974,219
SELF INSURANCE RESERVE	8,274,254
ASSET RETIREMENT RESERVE	1,130,181
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	89,417,883

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

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

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

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

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

Part XIII Supplemental Information

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

Return Reference	Explanation
PART V, LINE 4	PALMETTO HEALTH'S ENDOWMENT FUNDS BENEFIT A VARIETY OF PROGRAMS FOR THE WELL BEING OF ITS PATIENTS WHICH IS CONSISTENT WITH THE WISHES AND DESIGNATIONS OF DONORS
PART X, LINE 2	PALMETTO HEALTH QUALIFIES AS AN ORGANIZATION EXEMPT FROM FEDERAL AND STATE INCOME TAXES ON RELATED INCOME UNDER IRC SECTION 501(C)(3) PALMETTO HEALTH HAS TWO TAXABLE SUBSIDIARIES, HEALTHSOURCE, INC AND PPM AS OF SEPTEMBER 30, 2014, PALMETTO HEALTH HAS DETERMINED THAT IT DOES NOT HAVE ANY MATERIAL UNRECOGNIZED TAX BENEFITS OR OBLIGATIONS FISCAL YEARS ENDING ON OR AFTER SEPTEMBER 30, 2011 REMAIN SUBJECT TO EXAMINATION BY FEDERAL AND STATE TAX AUTHORITIES

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990. ▶ See separate instructions.

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
PALMETTO HEALTH

Employer identification number
58-2296052

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

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

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

3 Activites per Region (The following Part I, line 3 table can be duplicated if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) CENTRAL AMERICA/CARIBBEAN	0	0	INVESTMENTS		88,518,253
(2)					
(3)					
(4)					
(5)					
3a Sub-total	0	0			88,518,253
b Total from continuation sheets to Part I	0	0			0
c **Totals** (add lines 3a and 3b)	0	0			88,518,253

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

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

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

3 Enter total number of other organizations or entities . . . . . ▶

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

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

Part IV Foreign Forms

1	Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*	☐ Yes	☑ No
2	Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*	☐ Yes	☑ No
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations. (see Instructions for Form 5471)*	☑ Yes	☐ No
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*	☐ Yes	☑ No
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships. (see Instructions for Form 8865)*	☐ Yes	☑ No
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713).*	☐ Yes	☑ No

Additional Data

Software ID:
Software Version:
EIN: 58-2296052
Name: PALMETTO HEALTH

Part V **Supplemental Information**

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

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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
PALMETTO HEALTH

Employer identification number
58-2296052

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			68,147,984	32,548,880	35,599,104	3 050 %
b Medicaid (from Worksheet 3, column a)			72,439,619	61,039,945	11,399,674	0 980 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			140,587,603	93,588,825	46,998,778	4 030 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			13,553,374		13,553,374	1 160 %
f Health professions education (from Worksheet 5)			39,699,934	2,489,655	37,210,279	3 190 %
g Subsidized health services (from Worksheet 6)			139,723,798	125,427,024	14,296,774	1 220 %
h Research (from Worksheet 7)			753,453		753,453	0 060 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			340,000		340,000	0 030 %
j **Total.** Other Benefits			194,070,559	127,916,679	66,153,880	5 660 %
k **Total.** Add lines 7d and 7j			334,658,162	221,505,504	113,152,658	9 690 %

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			11,291		11,291	0 %
9 Other						
10 **Total**			11,291		11,291	

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	56,390,696		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3	1,426,560		
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	221,604,069
6	Enter Medicare allowable costs of care relating to payments on line 5	6	293,353,496
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-71,749,427
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 1 RADIATION ONCOLOGY	OUTPATIENT ONCOLOGY	51 000 %		49 000 %
2 2 PARKRIDGE SURGERY	OUTPATIENT SURGERY	72 360 %		27 640 %
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V Facility Information

Section A. Hospital Facilities

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

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

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

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) SEE PAGE 8, PART VI			
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 000000000000% 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 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☑ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

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

Form and Line Reference	Explanation
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? **63**

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

Part VI Supplemental Information

Provide the following information

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

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

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

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

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

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

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

Form and Line Reference	Explanation
PART I, LINE 7	COSTING METHODOLOGY FOR INPATIENT AND OUTPATIENT SERVICES WERE DERIVED USING A COMBINATION OF IRS PROVIDED WORKSHEETS AND PALMETTO HEALTH'S MEDICARE COST REPORT HOWEVER, ACTUAL DATA FROM PALMETTO HEALTH'S AUDITED FINANCIAL STATEMENTS WERE USED IN THE COSTING METHODOLOGY FOR SUBSIDIZED HEALTH SERVICES

Form and Line Reference	Explanation
PART I, LINE 7, COLUMN (F)	THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $ 239,752,912

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	PALMETTO HEALTH'S WORKFORCE DEVELOPMENT AIDS IN THE PROFESSIONAL DEVELOPMENT OF HEALTH CARE PROFESSIONALS OVER 2,500 INDIVIDUALS PARTICIPATED IN CAREER OBSERVATION EVENTS (IE JOB SHADOWING, INTERNSHIPS, GRADUATE ASSISTANCESHIPS, AND RESIDENCIES) THROUGH PARTNERSHIPS WITH LOCAL SCHOOLS AND COLLEGES CONTACTS WERE MADE AT VARIOUS CAREER EVENTS AND COMMUNITY SPEAKING ENGAGEMENTS

Form and Line Reference	Explanation
PART III, LINE 2	THE COST OF BAD DEBT IS FORMULATED BY MULTIPLYING THE APPROPRIATE COST TO CHARGE RATIO FOR EACH ENTITY BY THE ACTUAL BAD DEBT CHARGES FOR EACH CORRELATING ENTITY REPORTED WITHIN THE AUDITED FINANCIAL STATEMENTS

Form and Line Reference	Explanation
PART III, LINE 3	THE AMOUNT REPRESENTS THE BAD DEBT EXPENSE FOR THOSE WHO QUALIFIED FOR OUR CHARITY CARE POLICY BUT DID NOT PROVIDE THE APPROPRIATE PAPERWORK THEREFORE, THEY WOULD BE CLASSIFIED AS SELF PAY WITHIN OUR FINANCIAL STATEMENTS THE APPROPRIATE COST TO CHARGE RATIO FOR EACH ENTITY IS MULTIPLIED BY THE TOTAL CHARGES FOR EACH PATIENT

Form and Line Reference	Explanation
PART III, LINE 4	FY2014 FINANCIALS, EXCERPT FROM NOTE 3 - NET PATIENT SERVICE REVENUE AND PATIENT ACCOUNTS RECEIVABLE ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS IN EVALUATING THE COLLECTABILITY OF ACCOUNTS RECEIVABLE, PALMETTO HEALTH ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS AND PROVISION FOR UNCOLLECTIBLE ACCOUNTS, AS WELL AS PERFORMING A DETAIL REVIEW OF HIGH DOLLAR ACCOUNTS ON A CASE BY CASE BASIS MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYOR SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY COVERAGE, PALMETTO HEALTH ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES BOTH AN ALLOWANCE AND A PROVISION FOR UNCOLLECTIBLE ACCOUNTS, IF NECESSARY (FOR EXAMPLE, FOR EXPECTED UNCOLLECTIBLE DEDUCTIBLES AND COPAYMENTS ON ACCOUNTS FOR WHICH THE THIRD-PARTY PAYOR HAS NOT YET PAID, OR FOR PAYORS WHO ARE KNOWN TO BE HAVING FINANCIAL DIFFICULTIES THAT MAKE THE REALIZATION OF AMOUNTS DUE UNLIKELY) FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS (WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUTCIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL), PALMETTO HEALTH RECORDS A SIGNIFICANT PROVISION FOR UNCOLLECTIBLE ACCOUNTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE THE DIFFERENCE BETWEEN THE STANDARD RATES (OR THE DISCOUNTED RATES, IF NEGOTIATED) AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS PALMETTO HEALTH'S ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS FOR SELF-PAY PATIENTS WAS 86 2% AND 83 5% OF SELF-PAY ACCOUNTS RECEIVABLE AT SEPTEMBER 30, 2014 AND 2013, RESPECTIVELY EFFECTIVE JANUARY 1, 2014, PALMETTO HEALTH CHANGED ITS POLICY OF CHARITY CARE AND UNINSURED DISCOUNT POLICIES TO ALIGN WITH NEW REQUIREMENTS OF THE AFFORDABLE CARE ACT CHARITY IS NOT LIMITED PRIMARILY TO PATIENTS THAT ARE LESS THAN 100% OF FEDERAL POVERTY GUIDELINES, LIVE IN PALMETTO HEALTH'S PRIMARY SERVICE AREA (RICHLAND, LEXINGTON OR FAIRFIELD COUNTIES), AND WHO ARE NOT ELIGIBLE FOR ANY OTHER COVERAGE INCLUDING THAT OFFERED THROUGH THE HEALTH INSURANCE MARKETPLACE SELF PAY PATIENTS NOT ELIGIBLE FOR CHARITY CARE ARE PROVIDED A 20% DISCOUNT OFF OF GROSS CHARGES PALMETTO HEALTH DOES NOT MAINTAIN A MATERIAL ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS FROM THIRD-PARTY PAYORS, NOR DID IT HAVE SIGNIFICANT WRITE-OFFS FROM THIRD-PARTY PAYORS

Form and Line Reference	Explanation
PART III, LINE 8	THE AMOUNT WITHIN LINE 7 OF PART III PRESENTS THE SHORTFALL AFTER COMPARING THE NEW REVENUE AND COST OF PATIENTS CLASSIFIED AS MEDICARE WHO WERE NOT INCLUDED WITHIN THE SUBSIDIZED HEALTH SERVICE COMPONENT OF LINE 7G OF PART I THE $71 7 MILLION SHORTFALL CONSISTS OF THE MEDICARE PATIENTS WHO INCURRED A LOSS BUT WERE NOT INCLUDED WITHIN THE SUBSIDIZED HEALTH SERVICE COMMUNITY BENEFIT FIGURE THE COSTS REPORTED WITHIN LINE 6, PART III WERE FORMULATED USING A HOSPITAL WIDE COST TO CHARGE RATIO

Form and Line Reference	Explanation
PART III, LINE 9B	ON THE FRONT END OF THE DEBT COLLECTION PROCESS, PRE-REGISTRATION STAFF, AS WELL AS FINANCIAL COUNSELORS, ARE PROACTIVE IN EXPLAINING FINANCIAL AND AGENCY ASSISTANCE PALMETTO HEALTH UTILIZES DEPARTMENT OF HEALTH AND HUMAN SERVICES ON-SITE WORKERS, IN ADDITION TO FINANCIAL COUNSELORS, WHO MEET WITH THE PATIENTS OR FAMILY TO DETERMINE THEIR ELIGIBILITY FOR ASSISTANCE A THIRD PARTY BUSINESS PARTNER IS ALSO EMPLOYED TO SUPPLEMENT PALMETTO HEALTH'S EFFORTS IN SCREENING PATIENTS FOR FINANCIAL ASSISTANCE PALMETTO HEALTH ALSO PROVIDES HELPFUL INFORMATION ON FINANCIAL ASSISTANCE IN THE PATIENTS' HANDBOOK AND AS PART OF THE BILLING PROCESS IN BOTH ENGLISH AND SPANISH THERE ARE SIGNS POSTED AROUND THE CAMPUSES AND INFORMATION ON THE WEBSITE FOR RELATED PROGRAMS AVAILABLE AT PALMETTO HEALTH POST DISCHARGE, ALL STATEMENTS TO SELF PAY PATIENTS INCLUDE DISCLOSURES THAT THEY MAY BE ELIGIBLE FOR FINANCIAL ASSISTANCE THERE IS A DESIGNATED UNIT THAT PURSUES FINANCIAL ASSISTANCE OR AGENCY ASSISTANCE FOR THE PATIENT, INCLUDING POSSIBLE DISCOUNTS OR PAYMENT PLANS A THIRD PARTY BUSINESS PARTNER IS EMPLOYED TO WORK THE MORE DIFFICULT AND TIME CONSUMING SUPPLEMENTAL SECURITY INCOME AND DISABILITY RELATED CASES IN ADDITION, PATIENTS WHO DO NOT RESPOND TO INTERNAL COLLECTION EFFORTS ARE REFERRED TO THIRD PARTY COLLECTION AGENCIES WHO CAN REVIEW THE PATIENTS' STATUS FOR FINANCIAL ASSISTANCE AND REFER TO THE HOSPITAL FOR FINAL DETERMINATION

Form and Line Reference	Explanation
PART VI, LINE 2	PALMETTO HEALTH HAS CONTRIBUTED MORE THAN $46 MILLION DOLLARS TOWARDS COMMUNITY HEALTH OUTREACH INITIATIVES OVER THE PAST SEVENTEEN YEARS THESE COMMUNITY OUTREACH PROGRAMS BENEFIT THE COMMUNITY BY OFFERING SERVICES IN AREAS OF NEED AND BY SUPPORTING EXISTING SUCCESSFUL COMMUNITY HEALTH OUTREACH INITIATIVES IN ORDER TO ASSESS THE NEEDS OF THE COMMUNITIES AND DETERMINE WHAT PALMETTO HEALTH'S COMMUNITY PRIORITIES ARE, PALMETTO HEALTH STUDIES DISEASE SPECIFIC RESEARCH AND STATISTICS FOR NATIONAL, STATE AND COUNTY DATA PALMETTO HEALTH ALSO USES INPATIENT AND EMERGENCY DEPARTMENT TRENDS DATA AND FOCUS GROUP DATA TO HELP DETERMINE WHAT COMMUNITY PRIORITIES WILL BE IN ADDITION, PALMETTO HEALTH UTILIZES HEALTHY PEOPLE 2020 (FORMERLY KNOWN AS HEALTHY PEOPLE 2010) OBJECTIVES TO HELP DRIVE THE COMMUNITY NEEDS PROGRAM DESIGN

Form and Line Reference	Explanation
PART VI, LINE 3	PALMETTO HEALTH STRIVES TO IMPROVE THE WELL BEING OF THE COMMUNITIES IT SERVES QUALITY SERVICES ARE MADE AVAILABLE TO ALL MEMBERS OF THE COMMUNITY REGARDLESS OF AN ABILITY TO PAY PALMETTO HEALTH WILL WORK WITH UNINSURED PATIENTS TO SEEK FINANCIAL ASSISTANCE AND UNDERINSURED PATIENTS ON PAYMENT ARRANGEMENTS PATIENTS ARE EDUCATED ABOUT THEIR ELIGIBILITY FOR ASSISTANCE UNDER FEDERAL, STATE OR LOCAL GOVERNMENT PROGRAMS OR UNDER PALMETTO HEALTH'S FINANCIAL ASSISTANCE POLICY DURING THE REGISTRATION PROCESS DURING PRE-REGISTRATION AND REGISTRATION, PATIENTS ARE INTERVIEWED BY A FINANCIAL COUNSELOR TO DETERMINE WHETHER THE PATIENT HAS A NEED FOR FINANCIAL ASSISTANCE THE FINANCIAL COUNSELOR REVIEWS THE FINANCIAL STATUS OF THE PATIENT TO DETERMINE WHICH PROGRAM(S) THE PATIENT MAY BE ELIGIBLE TO PARTICIPATE IF IT IS DEEMED THAT A PATIENT MAY BE ELIGIBLE FOR MEDICAID, DEPARTMENT OF HEALTH AND HUMAN SERVICES WORKERS ARE AVAILABLE TO ASSIST PATIENTS AND THEIR FAMILIES WITH COMPLETING APPLICATIONS PALMETTO HEALTH'S WEBSITE, WWW PALMETTOHEALTH ORG, STATES, "PALMETTO HEALTH WILL PROVIDE FINANCIAL COUNSELING TO UNINSURED/UNDERINSURED PATIENTS THIS INCLUDES HELP IN UNDERSTANDING AND APPLYING FOR LOCAL, STATE, AND FEDERAL HEALTH CARE PROGRAMS SUCH AS MEDICAID " POST DISCHARGE, STATEMENTS TO SELF PAY PATIENTS INCLUDE A NOTE THAT PALMETTO HEALTH OFFERS FINANCIAL ASSISTANCE TO THE UNINSURED AND PATIENTS SEEKING ASSISTANCE ARE REFERRED TO FINANCIAL COUNSELORS

Form and Line Reference	Explanation
PART VI, LINE 4	THE PRIMARY SERVICE AREA FOR PALMETTO HEALTH CONSISTS OF RICHLAND AND LEXINGTON COUNTIES THERE ARE APPROXIMATELY 667,161 RESIDENTS WHO LIVE WITHIN THE PRIMARY SERVICE AREA THE MEDIAN HOUSEHOLD INCOME OF THE CONSTITUENTS IN RICHLAND AND LEXINGTON COUNTIES IS $44,242 AND $52,077 RESPECTIVELY THE UNEMPLOYMENT RATE FOR RICHLAND COUNTY IS 6 88% AND LEXINGTON COUNTY IS 6 89% THE SECONDARY SERVICE AREA FOR PALMETTO HEALTH CONSISTS OF CALHOUN, FAIRFIELD, KERSHAW, LEE, NEWBERRY, ORANGEBURG, SALUDA AND SUMTER COUNTIES THERE ARE APPROXIMATELY 376,221 RESIDENTS WHO LIVE IN THESE SECONDARY SERVICE AREAS THE MEDIAN HOUSEHOLD INCOME FOR CALHOUN COUNTY IS $35,099, FAIRFIELD COUNTY IS $31,232, KERSHAW COUNTY IS $41,460, LEE COUNTY IS $23,220, NEWBERRY COUNTY IS $43,585, ORANGEBURG COUNTY IS $29,267, SALUDA COUNTY IS $39,135 AND SUMTER COUNTY IS $33,620 THE UNEMPLOYMENT RATE FOR THE SECONDARY MARKET IN CALHOUN COUNTY IS 7 1%, FAIRFIELD COUNTY IS 5 79%, KERSHAW COUNTY IS 5 89%, LEE COUNTY IS 8 97%, NEWBERRY COUNTY IS 5 73%, ORANGEBURG COUNTY IS 8 66%, SALUDA COUNTY IS 8 5% AND SUMTER COUNTY IS 8 36%

Form and Line Reference	Explanation
PART VI, LINE 5	PALMETTO HEALTH IS SOUTH CAROLINA'S LARGEST AND MOST COMPREHENSIVE NOT-FOR-PROFIT HEALTH SYSTEM IN OUR PROGRESSIVE ENVIRONMENT, THE LATEST TECHNOLOGY AND TREATMENT PROTOCOLS GO HAND-IN-HAND WITH QUALITY PATIENT CARE PALMETTO HEALTH IS A SOUTH CAROLINA NONPROFIT PUBLIC BENEFIT CORPORATION RECOGNIZED AS AN IRC SECTION 501(C)(3) CHARITY, WHICH CONSISTS OF THE OUTSTANDING HOSPITALS - PALMETTO HEALTH RICHLAND, PALMETTO HEALTH BAPTIST, PALMETTO HEALTH PARKRIDGE, CHILDREN'S HOSPITAL, AND PALMETTO HEALTH HEART HOSPITAL IN COLUMBIA PALMETTO HEALTH ALSO JOINTLY OWNS BAPTIST EASLEY HOSPITAL IN EASLEY, SC THE 1,247-BED SYSTEM IS A JCAHO-ACCREDITED INSTITUTION AND HAS MORE THAN 8,500 EMPLOYEES AND 1,300 PHYSICIANS PALMETTO HEALTH FURTHERS ITS EXEMPT PURPOSES BY ADOPOTING A FINANCIAL ASSISTANCE POLICY THAT PROVIDES FREE CARE TO INDIVIDUALS WHO ARE UNINSURED AND AT OR BELOW THE 100% OF FEDERAL POVERTY GUIDELINES PALMETTO HEALTH ALSO PROVIDES QUALITY CARE TO RECIPIENTS OF MEDICARE, MEDICAID, AND OTHER GOVERNMENT PAYOR PROGRAMS PALMETTO HEALTH ALSO OPERATES 24-HOUR EMERGENCY ROOMS AND VARIOUS URGENT CARE SITES, PROVIDING SERVICES TO ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY AN OPEN AND DIVERSE MEDICAL STAFF IS MAINTAINED IN ORDER TO HAVE PROPER STAFFING COVERAGE AND ALLOW FOR MORE EFFICIENT CARE AND DELIVERY OF SERVICES IN OUR HOSPITAL FACILITIES OUT OF HOSPITAL-BASED SERVICES AND CARE, PALMETTO HEALTH ALSO ALLOCATES 10% OF ITS ANNUAL BOTTOM LINE TO FUND COMMUNITY HEALTH OUTREACH PROGRAMS THAT ADDRESS CRITICAL AND/OR UNDERSERVE HEALTHCARE NEEDS AND SUPPORT EXISTING SUCCESSFUL HEALTHCARE INITIATIVES IN THE COMMUNITY PALMETTO HEALTH'S GOAL IS TO PROMOTE THE HEALTH, WELLNESS, AND WELFARE OF THE UNINSURED AND UNDERSERVED PALMETTO HEALTH ALSO SPONSORS CONTINUING MEDICAL EDUCATION CLASSES, HEALTH EDUCATION WORKSHOPS, PREVENTATIVE HEALTH SCREENINGS AND HEALTH FAIRS IN THE COMMUNITY

Form and Line Reference	Explanation
PART VI, LINE 7, REPORTS FILED WITH STATES	SC

Additional Data

Software ID:
Software Version:
EIN: 58-2296052
Name: PALMETTO HEALTH

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	FACILITY REPORTING GROUP A

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
FACILITY REPORTING GROUP A CONSISTS OF	- FACILITY 1 PALMETTO HEALTH RICHLAND, - FACILITY 2 PALMETTO HEALTH BAPTIST, - FACILITY 3 PALMETTO HEALTH BAPTIST PARKRIDGE

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
FACILITY 1 -- PALMETTO HEALTH RICHLAND PART V, SECTION B, LINE 3	THE HOSPITAL FACILITY TOOK INTO ACCOUNT IMPUT FROM PERSONS WHO REPRESENT THE COMMUNITY BY HOLDING A TOWN HALL MEETING AND CONSULTING COMMUNITY LEADERS APPROXIMATELY 50 COMMUNITY LEADERS/STAKEHOLDERS ATTENDED PALMETTO HEALTH AND PROVIDENCE CONDUCTED OVER 35 ONE-ON-ONE INTERVIEWS WITH ELECTED OFFICIALS, COMMUNITY STAKEHOLDERS AND OTHER PROVIDERS

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
FACILITY 1 -- PALMETTO HEALTH RICHLAND PART V, SECTION B, LINE 4	PALMETTO HEALTH WORKED WITH PROVIDENCE HOSPITALS TO JOINTLY CONDUCT THE CHNA HOSPITAL FACILITIES INCLUDED PALMETTO HEALTH RICHLAND, PALMETTO HEALTH BAPTIST, AND PROVIDENCE HOSPITALS (INCLUDES PROVIDENCE HOSPITAL AND PROVIDENCE ORTHOPEDIC HOSPITAL)

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
FACILITY 1 -- PALMETTO HEALTH RICHLAND PART V, SECTION B, LINE 5D	EACH PALMETTO HEALTH HOSPITAL FACILITY (RICHLAND AND BAPTIST) MADE THE JOINT CHNA AVAILABLE IN THE HOSPITAL LOBBY AND ADMINISTRATION AREAS THE CHNA CAN BE FOUND AT WWW PALMETTOHEALTH ORG/COMMUNITY OUTREACH BAPTIST AND RICHLAND DO NOT HAVE SEPARATE WEBSITES

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
FACILITY 1 -- PALMETTO HEALTH RICHLAND PART V, SECTION B, LINE 7	PALMETTO HEALTH'S COMMUNITY HEALTH NEEDS ASSESSMENT IDENTIFIED SEVERAL SIGNIFICANT HEALTH NEEDS IN OUR COMMUNITY THE MOST CONSISTENT RECURRING THEMES INCLUDED ACCESS TO CARE, DIABETES, DENTAL, HEALTH DISEASE AND MENTAL HEALTH OTHER CONDITIONS/ISSUES WHERE THERE IS CONSIDERABLE NEED INCLUDE VISION, TRANSPORTATION AND OBESITY PALMETTO HEALTH HAS CHOSEN THREE PROGRAMS TO FOCUS OUR EFFORTS ON ADDRESSING THE TOP THREE ISSUES THE PROGRAMS ARE AMBULATORY CARE CENTER FOR EVALUATION AND STABILIZATION CLINIC (ACCES), DENTAL SERVICES AND DIABETES THESE PROGRAMS, ALONG WITH OTHER EXISTING PROGRAMS AT PALMETTO HEALTH, ADDRESS NOT ONLY THE TOP THREE NEEDS, BUT ALSO HEART DISEASE AND MENTAL HEALTH THE ACCES CLINIC PROVIDES ACCESS TO CARE FOR PATIENTS WHO HAVE LIMITED RESOURCES AND NO PRIMARY CARE PROVIDER THE CLINIC PROVIDES MEDICAL HOME MANAGEMENT WHERE NUMEROUS HEALTH RELATED CONDITIONS ARE ADDRESSED, I E SMOKING AND BLOOD PRESSURE MANAGEMENT MANAGING PATIENTS THROUGH A MEDICAL HOME PROVIDES THE WELLNESS COMPONENT AND NOT JUST ATTENDING TO THE ACUTE CARE EPISODE THE ACCES CLINIC ALSO HAS A BEHAVIORAL HEALTH COMPONENT TO IT IN HOPES TO IDENTIFY UNDERLYING ISSUES THAT COULD PREVENT COMPLIANCE WITH THE CARE PLAN THE REMAINING IDENTIFIED AREA OF NEED (VISION, TRANSPORTATION AND OBESITY) ARE AREAS OF NEED THAT PALMETTO HEALTH WILL CHOOSE TO COLLABORATE WITH OTHERS AND SUPPORT, BUT NOT TAKE THE LEAD OR CREATE A NEW INITIATIVE, ONE EXAMPLE BEING TRANSPORTATION PALMETTO HEALTH WAS VERY INVOLVED IN EDUCATING THE PUBLIC AND ITS EMPLOYEES ON THE SIGNIFICANCE OF HAVING AND FUNDING A PUBLIC TRANSPORTATION SYSTEM, BUT DOES NOT DIRECTLY FUND A TRANSPORTATION SYSTEM FOR THE PUBLIC AS THIS IS A NEED BETTER SUITED TO BEING ADDRESSED BY THE LOCAL GOVERNMENT OR OTHER ORGANIZATIONS OTHER AREAS WERE VISION AND OBESITY PALMETTO HEALTH IS SUPPORTING VISION AND OBESITY THROUGH THE OFFICE OF COMMUNITY HEALTH, BUT IS NOT MAKING THESE A PRIMARY FOCUS DUE TO LIMITED RESOURCES

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
FACILITY 1 -- PALMETTO HEALTH RICHLAND PART V, SECTION B, LINE 14G	A SUMMARY OF THE POLICY IS ATTACHED TO BILLING INVOICES AND INCLUDED IN PATIENT HANDBOOKS

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
FACILITY 1 -- PALMETTO HEALTH RICHLAND PART V, SECTION B, LINE 20D	BOTH HOSPITAL FACILITIES PROVIDED DISCOUNTED CARE TO PATIENTS AT OR BELOW 400% OF THE FEDERAL POVERTY GUIDELINES AND FREE CARE TO PATIENTS BELOW 200% OF FEDERAL POVERTY GUIDELINES

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
FACILITY 2 -- PALMETTO HEALTH BAPTIST PART V, SECTION B, LINE 3	THE HOSPITAL FACILITY TOOK INTO ACCOUNT IMPUT FROM PERSONS WHO REPRESENT THE COMMUNITY BY HOLDING A TOWN HALL MEETING AND CONSULTING COMMUNITY LEADERS APPROXIMATELY 50 COMMUNITY LEADERS/STAKEHOLDERS ATTENDED PALMETTO HEALTH AND PROVIDENCE CONDUCTED OVER 35 ONE-ON-ONE INTERVIEWS WITH ELECTED OFFICIALS, COMMUNITY STAKEHOLDERS AND OTHER PROVIDERS

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
FACILITY 2 -- PALMETTO HEALTH BAPTIST PART V, SECTION B, LINE 4	PALMETTO HEALTH WORKED WITH PROVIDENCE HOSPITALS TO JOINTLY CONDUCT THE CHNA HOSPITAL FACILITIES INCLUDED PALMETTO HEALTH RICHLAND, PALMETTO HEALTH BAPTIST, AND PROVIDENCE HOSPITALS (INCLUDES PROVIDENCE HOSPITAL AND PROVIDENCE ORTHOPEDIC HOSPITAL)

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
FACILITY 2 -- PALMETTO HEALTH BAPTIST PART V, SECTION B, LINE 5D	EACH PALMETTO HEALTH HOSPITAL FACILITY (RICHLAND AND BAPTIST) MADE THE JOINT CHNA AVAILABLE IN THE HOSPITAL LOBBY AND ADMINISTRATION AREAS THE CHNA CAN BE FOUND AT WWW PALMETTOHEALTH ORG/COMMUNITY OUTREACH BAPTIST AND RICHLAND DO NOT HAVE SEPARATE WEBSITES

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
FACILITY 2 -- PALMETTO HEALTH BAPTIST PART V, SECTION B, LINE 7	PALMETTO HEALTH'S COMMUNITY HEALTH NEEDS ASSESSMENT IDENTIFIED SEVERAL SIGNIFICANT HEALTH NEEDS IN OUR COMMUNITY THE MOST CONSISTENT RECURRING THEMES INCLUDED ACCESS TO CARE, DIABETES, DENTAL, HEALTH DISEASE AND MENTAL HEALTH OTHER CONDITIONS/ISSUES WHERE THERE IS CONSIDERABLE NEED INCLUDE VISION, TRANSPORTATION AND OBESITY PALMETTO HEALTH HAS CHOSEN THREE PROGRAMS TO FOCUS OUR EFFORTS ON ADDRESSING THE TOP THREE ISSUES THE PROGRAMS ARE AMBULATORY CARE CENTER FOR EVALUATION AND STABILIZATION CLINIC (ACCES), DENTAL SERVICES AND DIABETES THESE PROGRAMS, ALONG WITH OTHER EXISTING PROGRAMS AT PALMETTO HEALTH, ADDRESS NOT ONLY THE TOP THREE NEEDS, BUT ALSO HEART DISEASE AND MENTAL HEALTH THE ACCES CLINIC PROVIDES ACCESS TO CARE FOR PATIENTS WHO HAVE LIMITED RESOURCES AND NO PRIMARY CARE PROVIDER THE CLINIC PROVIDES MEDICAL HOME MANAGEMENT WHERE NUMEROUS HEALTH RELATED CONDITIONS ARE ADDRESSED, I E SMOKING AND BLOOD PRESSURE MANAGEMENT MANAGING PATIENTS THROUGH A MEDICAL HOME PROVIDES THE WELLNESS COMPONENT AND NOT JUST ATTENDING TO THE ACUTE CARE EPISODE THE ACCES CLINIC ALSO HAS A BEHAVIORAL HEALTH COMPONENT TO IT IN HOPES TO IDENTIFY UNDERLYING ISSUES THAT COULD PREVENT COMPLIANCE WITH THE CARE PLAN THE REMAINING IDENTIFIED AREA OF NEED (VISION, TRANSPORTATION AND OBESITY) ARE AREAS OF NEED THAT PALMETTO HEALTH WILL CHOOSE TO COLLABORATE WITH OTHERS AND SUPPORT, BUT NOT TAKE THE LEAD OR CREATE A NEW INITIATIVE, ONE EXAMPLE BEING TRANSPORTATION PALMETTO HEALTH WAS VERY INVOLVED IN EDUCATING THE PUBLIC AND ITS EMPLOYEES ON THE SIGNIFICANCE OF HAVING AND FUNDING A PUBLIC TRANSPORTATION SYSTEM, BUT DOES NOT DIRECTLY FUND A TRANSPORTATION SYSTEM FOR THE PUBLIC AS THIS IS A NEED BETTER SUITED TO BEING ADDRESSED BY THE LOCAL GOVERNMENT OR OTHER ORGANIZATIONS OTHER AREAS WERE VISION AND OBESITY PALMETTO HEALTH IS SUPPORTING VISION AND OBESITY THROUGH THE OFFICE OF COMMUNITY HEALTH, BUT IS NOT MAKING THESE A PRIMARY FOCUS DUE TO LIMITED RESOURCES

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
FACILITY 2 -- PALMETTO HEALTH BAPTIST PART V, SECTION B, LINE 14G	A SUMMARY OF THE POLICY IS ATTACHED TO BILLING INVOICES AND INCLUDED IN PATIENT HANDBOOKS

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
FACILITY 2 -- PALMETTO HEALTH BAPTIST PART V, SECTION B, LINE 20D	BOTH HOSPITAL FACILITIES PROVIDED DISCOUNTED CARE TO PATIENTS AT OR BELOW 400% OF THE FEDERAL POVERTY GUIDELINES AND FREE CARE TO PATIENTS BELOW 200% OF FEDERAL POVERTY GUIDELINES

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
FACILITY 3 -- PALMETTO HEALTH BAPTIST PARKRIDGE PART V, SECTION B, LINE 3	THE HOSPITAL FACILITY TOOK INTO ACCOUNT IMPUT FROM PERSONS WHO REPRESENT THE COMMUNITY BY HOLDING A TOWN HALL MEETING AND CONSULTING COMMUNITY LEADERS APPROXIMATELY 50 COMMUNITY LEADERS/STAKEHOLDERS ATTENDED PALMETTO HEALTH AND PROVIDENCE CONDUCTED OVER 35 ONE-ON-ONE INTERVIEWS WITH ELECTED OFFICIALS, COMMUNITY STAKEHOLDERS AND OTHER PROVIDERS

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
FACILITY 3 -- PALMETTO HEALTH BAPTIST PARKRIDGE PART V, SECTION B, LINE 4	PALMETTO HEALTH WORKED WITH PROVIDENCE HOSPITALS TO JOINTLY CONDUCT THE CHNA HOSPITAL FACILITIES INCLUDED PALMETTO HEALTH RICHLAND, PALMETTO HEALTH BAPTIST, AND PROVIDENCE HOSPITALS (INCLUDES PROVIDENCE HOSPITAL AND PROVIDENCE ORTHOPEDIC HOSPITAL)

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
FACILITY 3 -- PALMETTO HEALTH BAPTIST PARKRIDGE PART V, SECTION B, LINE 5D	EACH PALMETTO HEALTH HOSPITAL FACILITY (RICHLAND AND BAPTIST) MADE THE JOINT CHNA AVAILABLE IN THE HOSPITAL LOBBY AND ADMINISTRATION AREAS THE CHNA CAN BE FOUND AT WWW PALMETTOHEALTH ORG/COMMUNITY OUTREACH BAPTIST AND RICHLAND DO NOT HAVE SEPARATE WEBSITES

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
FACILITY 3 -- PALMETTO HEALTH BAPTIST PARKRIDGE PART V, SECTION B, LINE 7	PALMETTO HEALTH'S COMMUNITY HEALTH NEEDS ASSESSMENT IDENTIFIED SEVERAL SIGNIFICANT HEALTH NEEDS IN OUR COMMUNITY THE MOST CONSISTENT RECURRING THEMES INCLUDED ACCESS TO CARE, DIABETES, DENTAL, HEALTH DISEASE AND MENTAL HEALTH OTHER CONDITIONS/ISSUES WHERE THERE IS CONSIDERABLE NEED INCLUDE VISION, TRANSPORTATION AND OBESITY PALMETTO HEALTH HAS CHOSEN THREE PROGRAMS TO FOCUS OUR EFFORTS ON ADDRESSING THE TOP THREE ISSUES THE PROGRAMS ARE AMBULATORY CARE CENTER FOR EVALUATION AND STABILIZATION CLINIC (ACCES), DENTAL SERVICES AND DIABETES THESE PROGRAMS, ALONG WITH OTHER EXISTING PROGRAMS AT PALMETTO HEALTH, ADDRESS NOT ONLY THE TOP THREE NEEDS, BUT ALSO HEART DISEASE AND MENTAL HEALTH THE ACCES CLINIC PROVIDES ACCESS TO CARE FOR PATIENTS WHO HAVE LIMITED RESOURCES AND NO PRIMARY CARE PROVIDER THE CLINIC PROVIDES MEDICAL HOME MANAGEMENT WHERE NUMEROUS HEALTH RELATED CONDITIONS ARE ADDRESSED, I E SMOKING AND BLOOD PRESSURE MANAGEMENT MANAGING PATIENTS THROUGH A MEDICAL HOME PROVIDES THE WELLNESS COMPONENT AND NOT JUST ATTENDING TO THE ACUTE CARE EPISODE THE ACCES CLINIC ALSO HAS A BEHAVIORAL HEALTH COMPONENT TO IT IN HOPES TO IDENTIFY UNDERLYING ISSUES THAT COULD PREVENT COMPLIANCE WITH THE CARE PLAN THE REMAINING IDENTIFIED AREA OF NEED (VISION, TRANSPORTATION AND OBESITY) ARE AREAS OF NEED THAT PALMETTO HEALTH WILL CHOOSE TO COLLABORATE WITH OTHERS AND SUPPORT, BUT NOT TAKE THE LEAD OR CREATE A NEW INITIATIVE, ONE EXAMPLE BEING TRANSPORTATION PALMETTO HEALTH WAS VERY INVOLVED IN EDUCATING THE PUBLIC AND ITS EMPLOYEES ON THE SIGNIFICANCE OF HAVING AND FUNDING A PUBLIC TRANSPORTATION SYSTEM, BUT DOES NOT DIRECTLY FUND A TRANSPORTATION SYSTEM FOR THE PUBLIC AS THIS IS A NEED BETTER SUITED TO BEING ADDRESSED BY THE LOCAL GOVERNMENT OR OTHER ORGANIZATIONS OTHER AREAS WERE VISION AND OBESITY PALMETTO HEALTH IS SUPPORTING VISION AND OBESITY THROUGH THE OFFICE OF COMMUNITY HEALTH, BUT IS NOT MAKING THESE A PRIMARY FOCUS DUE TO LIMITED RESOURCES

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
FACILITY 3 -- PALMETTO HEALTH BAPTIST PARKRIDGE PART V, SECTION B, LINE 14G	A SUMMARY OF THE POLICY IS ATTACHED TO BILLING INVOICES AND INCLUDED IN PATIENT HANDBOOKS

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
FACILITY 3 -- PALMETTO HEALTH BAPTIST PARKRIDGE PART V, SECTION B, LINE 20D	BOTH HOSPITAL FACILITIES PROVIDED DISCOUNTED CARE TO PATIENTS AT OR BELOW 400% OF THE FEDERAL POVERTY GUIDELINES AND FREE CARE TO PATIENTS BELOW 200% OF FEDERAL POVERTY GUIDELINES

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

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

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

Name and address	Type of Facility (describe)
COLUMBIA GASTROENTEROLOGY 2739 LAUREL STREET SUITE 1A COLUMBIA,SC 29204	PHYSICIAN PRACTICE
LEXINGTON HEART 120 WEST HOSPITAL DRIVE WEST COLUMBIA,SC 29169	PHYSICIAN PRACTICE
SURGICAL ASSOCIATES OF SC 1850 LAUREL STREET COLUMBIA,SC 29201	PHYSICIAN PRACTICE
COLUMBIA WOMEN'S HEALTHCARE 1301 TAYLOR STREET SUITE 6J COLUMBIA,SC 29201	PHYSICIAN PRACTICE
PALMETTO HEALTH NEUROSURGERY 3 MEDICAL PARK SUITE 310 COLUMBIA,SC 29203	PHYSICIAN PRACTICE
PALMETTO HEART- COLUMBIA 8 MEDICAL PARK SUITE 100 COLUMBIA,SC 29203	PHYSICIAN PRACTICE
RICHLAND HOSPITAL INTERNAL MEDICINE 14 MEDICAL PARK SUITE 320 COLUMBIA,SC 29203	PHYSICIAN PRACTICE
CAROLINA CARDIAC SURGERY 8 MEDICAL PARK SUITE 400 COLUMBIA,SC 29203	PHYSICIAN PRACTICE
WOMEN PHYSICIAN ASSOCIATES OBGYN 9 MEDICAL PARK SUITE 620 COLUMBIA,SC 29203	PHYSICIAN PRACTICE
THREE RIVERS MEDICAL ASSOCIATES 1301 TAYLOR STREET SUITE 8A COLUMBIA,SC 29201	PHYSICIAN PRACTICE
PALMETTO HEALTH SURGICAL SPECIALISTS 9 MEDICAL PARK SUITE 450 COLUMBIA,SC 29203	PHYSICIAN PRACTICE
PALMETTO CHILDREN'S UROLOGY 9 MEDICAL PARK SUITE 420 COLUMBIA,SC 29203	PHYSICIAN PRACTICE
PARKRIDGE OBGYN ASSOCIATES 100 PALMETTO HEALTH PKWY COLUMBIA,SC 29212	PHYSICIAN PRACTICE
BAPTIST INPATIENT MEDICAL ASSOCIATES TAYLOR AT MARION STREET COLUMBIA,SC 29220	PHYSICIAN PRACTICE
PALMETTO HEALTH OPHTHAMOLOGY 4 MEDICAL PARK SUITE 100 COLUMBIA,SC 29203	PHYSICIAN PRACTICE

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

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

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

Name and address	Type of Facility (describe)
PEDIATRIC SURGERY 9 MEDICAL PARK SUITE 500 COLUMBIA,SC 29203	PHYSICIAN PRACTICE
PREMIER ORTHOPEDIC SPECIALIST TRAUMA 3 MEDICAL PARK SUITE 330 COLUMBIA,SC 29203	PHYSICIAN PRACTICE
THREE RIVERS MEDICAL ASSOCIATES- IRMO 7430 COLLEGE STREET IRMO,SC 29063	PHYSICIAN PRACTICE
PALMETTO PULMONARY 1333 TAYLOR STREET SUITE 4G COLUMBIA,SC 29201	PHYSICIAN PRACTICE
COLORECTAL ASSOCIATES 1410 BLANDING STREET SUITE 102 COLUMBIA,SC 29201	PHYSICIAN PRACTICE
SOUTH HAMPTON FAMILY PRACTICE 5900 GARNERS FERRY ROAD COLUMBIA,SC 29209	PHYSICIAN PRACTICE
PALMETTO SURGICAL ASSOCIATES 1333 TAYLOR ST SUITE 3A COLUMBIA,SC 29201	PHYSICIAN PRACTICE
CHILDRENS HOSPITAL INTENSIVISTS 9 MEDICAL PARK SUITE 530 COLUMBIA,SC 29203	PHYSICIAN PRACTICE
PALMETTO HEART- HARTSVILLE 701 MEDICAL PARK DR SUITE 103 HARTSVILLE,SC 29550	PHYSICIAN PRACTICE
PARKRIDGE MEDICAL ASSOCIATES 190 PARKRIDGE DR SUITE 220 COLUMBIA,SC 29212	PHYSICIAN PRACTICE
MARKOWITZ AND ASSOCIATES 103 SALUDA RIDGE COURT WEST COLUMBIA,SC 29169	PHYSICIAN PRACTICE
NORTHEAST FAMILY PRACTICE 3000 NE MEDICAL PARK SUITE 209 COLUMBIA,SC 29223	PHYSICIAN PRACTICE
PH ORTHO & SPINE SURGEONS OF SC 1333 TAYLOR ST SUITE 3J COLUMBIA,SC 29201	PHYSICIAN PRACTICE
FIRST CARE 2406 DECKER BLVD COLUMBIA,SC 29206	PHYSICIAN PRACTICE
MIDLANDS INTERNAL MEDICINE 3000 NE MEDICAL PARK SUITE 108 COLUMBIA,SC 29223	PHYSICIAN PRACTICE

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

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

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

Name and address	Type of Facility (describe)
HOSPITALISTS IN PSYCHIATRY 11 RICHLAND MEDICAL PARK DRIVE COLUMBIA,SC 29203	PHYSICIAN PRACTICE
LAKEVIEW FAMILY PRACTICE 1316 NORTHLAKE DRIVE LEXINGTON,SC 29072	PHYSICIAN PRACTICE
ATRIUM RIDGE INTERNAL MEDICINE 11 ATRIUM RIDGE COURT COLUMBIA,SC 29223	PHYSICIAN PRACTICE
PALMETTO OBGYN ASSOCIATES 1333 TAYLOR STREET SUITE 4G COLUMBIA,SC 29201	PHYSICIAN PRACTICE
UNIVERSITY FAMILY PRACTICE 4311 HARDSCRABBLE RD COLUMBIA,SC 29229	PHYSICIAN PRACTICE
PARKRIDGE BAPTIST HOSPITALISTS 400 PALMETTO HEALTH PKWY COLUMBIA,SC 29212	PHYSICIAN PRACTICE
BLYTHEWOOD FAMILY CARE 738 UNIVERSITY VILLAGE DRIVE BLYTHEWOOD,SC 29016	PHYSICIAN PRACTICE
PALMETTO INFECTIOUS DISEASE 1333 TAYLOR STREET SUITE 4G COLUMBIA,SC 29201	PHYSICIAN PRACTICE
PH SURGICAL ASSOC PARKRIDGE 300 PALMETTO HEALTH PKWY SUITE 200 COLUMBIA,SC 29212	PHYSICIAN PRACTICE
LONGEVITY CLINIC 3010 FARROW RD COLUMBIA,SC 29203	PHYSICIAN PRACTICE
TWELVE MILE CREEK FAMILY PRACTICE 4711 SUNSET BLVD HWY 378 LEXINGTON,SC 29072	PHYSICIAN PRACTICE
THREE RIVERS OBGYN 1301 TAYLOR STREET SUITE 7B COLUMBIA,SC 29201	PHYSICIAN PRACTICE
IRMO FAMILY PRACTICE 190 PARKRIDGE DR SUITE 220 COLUMBIA,SC 29212	PHYSICIAN PRACTICE
HARBISON FAMILY PRACTICE 190 PARKRIDGE DR SUITE 250 COLUMBIA,SC 29212	PHYSICIAN PRACTICE
CAROLINA COLON AND RECTAL SURGEONS 1730 ST JULIAN PLACE COLUMBIA,SC 29204	PHYSICIAN PRACTICE

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

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

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

Name and address	Type of Facility (describe)
WEIGHT MGT CENTER 1850 LAUREL ST SUITE 1A COLUMBIA,SC 29201	PHYSICIAN PRACTICE
RADIATION ONCOLOGY 166 STONERIDGE DRIVE COLUMBIA,SC 29210	PHYSICIAN PRACTICE
PARKRIDGE SURGERY CENTER LLC 190 PARKRIDGE DRIVE COLUMBIA,SC 29212	PHYSICIAN PRACTICE
PALMETTO HEALTH RICHLAND IMAGING CENTER 14 RICHLAND MEDICAL PARK DRIVE COLUMBIA,SC 29203	PHYSICIAN PRACTICE
PALMETTO HEALTH HOSPICE- COLUMBIA 1400 PICKENS STREET COLUMBIA,SC 29201	PHYSICIAN PRACTICE
PALMETTO HEALTH HOME CARE 1400 PICKENS STREET COLUMBIA,SC 29201	PHYSICIAN PRACTICE
PALMETTO HEALTH DENTAL CARE 10 MEDICAL PARK RD COLUMBIA,SC 29203	PHYSICIAN PRACTICE
SENIOR PRIMARY CARE PRACTICE 3010 FARROW RD SUITE 300 COLUMBIA,SC 29203	PHYSICIAN PRACTICE
PARKRIDGE CONVENIENCE CARE 190 PARKRIDGE DR SUITE 104 COLUMBIA,SC 29212	PHYSICIAN PRACTICE
PALMETTO HEALTH HEALTHWORKS 1333 TAYLOR STREET SUITE 3H COLUMBIA,SC 29201	PHYSICIAN PRACTICE
PALMETTO HEALTH HOSPICE- NEWBERRY 1400 CAMELLIA AVE NEWBERRY,SC 29108	PHYSICIAN PRACTICE
PALMETTO HEALTH PRIVATE SERVICES 1400 PICKENS STREET COLUMBIA,SC 29201	PHYSICIAN PRACTICE
PH CHILDREN'S SPECIAL CARE CENTER 9 RICHLAND MED PARK SUITE 420 COLUMBIA,SC 29203	PHYSICIAN PRACTICE
PALMETTO SENIOR CARE- LAUREL 1309 LAUREL STREET COLUMBIA,SC 29201	PHYSICIAN PRACTICE
PALMETTO SENIOR CARE- LEXINGTON 700 KNOX ABBOTT DRIVE WEST COLUMBIA,SC 29169	PHYSICIAN PRACTICE

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

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

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

Name and address	Type of Facility (describe)
PALMETTO SENIOR CARE- SHANDON 1100 SHIRLEY STREET COLUMBIA,SC 29205	PHYSICIAN PRACTICE
PALMETTO SENIOR CARE- WHITE ROCK 109 WARTBURG STREET WHITE ROCK,SC 29177	PHYSICIAN PRACTICE
SENIOR PRIMARY CARE PRACTICE 190 PARKRIDGE DR SUITE G100 COLUMBIA,SC 29212	PHYSICIAN PRACTICE

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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
PALMETTO HEALTH

Employer identification number
58-2296052

Part I General Information on Grants and Assistance

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

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

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

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

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

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 25

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

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
PART I, LINE 2	PALMETTO HEALTH PROVIDES FUNDING TO A NUMBER OF NON-PROFIT ORGANIZATIONS TO EXPAND SERVICES IN OUR COMMUNITY ORGANIZATIONS THAT RECEIVE FUNDING MUST SUBMIT MONTHLY REPORTS THAT DETAIL THE SCOPE AND TYPE OF SERVICES PROVIDED TO PATIENTS/CLIENTS EACH MONTH ORGANIZATIONS RECEIVE QUARTERLY PAYMENTS IF MONTHLY REPORTS ARE RECEIVED IN A TIMELY MANNER AND IF ALL CONDITIONS OF THE AGREEMENT WITH PALMETTO HEALTH ARE MET IN ADDITION, ACCORDING TO THE AGREEMENT PALMETTO HEALTH RESERVES THE RIGHT TO PERFORM A FINANCIAL AUDIT REGARDING THE USE OF FUNDING DOLLARS PROVIDED TO THE ORGANIZATION PALMETTO HEALTH WILL ALERT THE ORGANIZATION OF THE AUDIT 10 BUSINESS DAYS BEFORE SUCH AUDIT OCCURS ADDITIONALLY, THE ORGANIZATION MAKES CHARITABLE DONATIONS TO OTHER ORGANIZATIONS IN OUR COMMUNITY THAT ARE CONSISTENT WITH OUR MISSION

Additional Data

Software ID:
Software Version:
EIN: 58-2296052
Name: PALMETTO HEALTH

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 190 KNOX ABBOTT DRIVE SUITE 301 CAYCE,SC 28202	13-5613797	501(C)(3)	21,250				SPONSORSHIP

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
BENEDICT COLLEGE 1600 HARDEN STREET COLUMBIA,SC 29204	57-0314365	501(C)(3)	5,000				SPONSORSHIP

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
CENTRAL SC ALLIANCE 1201 MAIN STREET SUITE 100 COLUMBIA,SC 29201	57-1003750	501(C)(3)	10,000				SPONSORSHIP

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
CITY CENTER PARTNERSHIP 1201 MAIN STREET SUITE 150 COLUMBIA,SC 29201	57-1116130	501(C)(6)	60,500				GENERAL PURPOSE

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
COLUMBIA COLLEGE LEADERSHIP INSTITUTE 1301 COLUMBIA COLLEGE DRIVE COLUMBIA,SC 29203	57-0324915	501(C)(3)	25,000				GENERAL PURPOSE

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
COLUMBIA URBAN LEAGUE 1400 BARNWELL ST COLUMBIA,SC 29201	57-0482767	501(C)(3)	7,000				SPONSORSHIP

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
EAU CLAIRE COOPERATIVE HLTH CT 1228 HARDEN STREET COLUMBIA,SC 29204	57-0965445	501(C)(3)	200,000				INDIGENT HEALTHCARE

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 MEDICAL CLINIC -- COLUMBIA PO BOX 4616 COLUMBIA,SC 29240	57-0779279	501(C)(3)	56,000				INDIGENT HEALTHCARE

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
GREATER CHAPIN CHAMBER OF COMMERCE 302 COLUMBIA AVE CHAPIN,SC 29036	57-0936258	501(C)(3)	5,000				SPONSORSHIP

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
GREATER COLUMBIA CHAMBER OF COMMERCE 930 RICHLAND STREET COLUMBIA,SC 29201	57-0144900	501(C)(6)	37,525				SPONSORSHIP

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
GREATER IRMO CHAMBER OF COMMERCE 1248 LAKE MURRAY BLVD IRMO,SC 29063	58-2296052	501(C)(3)	9,100				SPONSORSHIP

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
HEALTH TEACHER INC 209 10TH AVE SUITE 350 NASHVILLE,TN 37203	20-3456491	501(C)(3)	40,517				SPONSORSHIP

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
JAMES R CLARK MEM SICLE CELL FOUNDATION 1420 GREGG STREET COLUMBIA,SC 29201	57-0858930	501(C)(3)	51,750				INIGENT HEALTHCARE

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
LEXINGTON CHAMBER OF COMMERCE PO BOX 44 LEXINGTON,SC 29071	57-0388041	501(C)(6)	10,000				SPONSORSHIP

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
MARCH OF DIMES 240 STONERIDGE DR STE 206 COLUMBIA,SC 29210	13-1846366	501(C)(3)	10,500				SPONSORSHIP

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
MENTAL ILLNESS RECOVERY CENTER 3809 ROSEWOOD DR COLUMBIA,SC 29240	57-0984185	501(C)(3)	110,458				HOMELESS HOUSING

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
MIDLANDS EDUC AND BUSINESS ALLIANCE PO BOX 2408 COLUMBIA,SC 29202	20-0350584	501(C)(3)	10,000				SPONSORSHIP

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
NORTHEAST FAMILY DENTISTRY PA 7711 TRENHOLM ROAD EXT COLUMBIA SC 29223 COLUMBIA,SC 29223	57-1007010	501(C)(3)	17,073				GENERAL PURPOSE

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
RICHLAND COUNTY SCHOOL DISTRICT ONE 1616 RICHLAND STREET COLUMBIA,SC 29201	57-6000243	GOVERNMENT	8,050				SPONSORSHIP

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
SC CAMPAIGN TO PREVENT TEEN PREGNANCY 1331 ELMWOOD AVENUE SUITE 140 COLUMBIA,SC 29201	57-0897120	501(C)(3)	25,000				TEEN PREGNANCY PREVENTION

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
SC CHAMBER OF COMMERCE 1301 GERVAIS ST COLUMBIA,SC 29201	57-0219655	501(C)(3)	8,750				SPONSORSHIP

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
SC RESEARCH FOUNDATION 901 SUMTER ST SUITE 501 COLUMBIA,SC 29208	57-0967350	501(C)(3)	25,000				CHILD HEALTH

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
SC HIV AIDS COUNCIL 1115 CALHOUN ST COLUMBIA,SC 29201	57-0994526	501(C)(3)	15,185				HIV TESTING AND PREVENTION

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
SEXUAL TRAUMA SERVICES 3700 FOREST DR COLUMBIA,SC 29204	57-0763120	501(C)(3)	31,000				CRISIS INTERVENTION

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
SILVER RING THING 238 MOON CLINTON RD STE 9 MOON TOWNSHIP,PA 15108	36-4550882	501(C)(3)	10,000				GENERAL PURPOSE

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 THE MIDLANDS 1800 MAIN STREET COLUMBIA,SC 29201	57-0314396	501(C)(3)	231,734				GENERAL PURPOSE

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
USC EDUCATIONAL FOUNDATION 1600 HAMPTON ST SUITE 736N COLUMBIA,SC 29208	57-6017985	501(C)(3)	24,000				SCHOLARSHIP

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
YMCA OF COLUMBIA 1420 SUMTER STREET COLUMBIA,SC 29201	57-0314423	501(C)(3)	191,906				SCHOLARSHIP

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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
PALMETTO HEALTH

Employer identification number
58-2296052

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III			
	☑ Compensation committee	☑ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☐ Form 990 of other organizations	☑ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		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
PART I, LINE 4B	THE FOLLOWING INDIVIDUALS PARTICIPATED IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN NAME ACCRUAL AMOUNTS CHARLES D BEAMAN, JR $1,113,229 PAUL K DUANE $53,000 MICHELLE E EDWARDS $38,900 JOHN J SINGERLING ($87,800) JAMES BRIDGES ($57,600) PALMETTO HEALTH PROVIDES A SUPPLEMENTAL RETIREMENT BENEFIT TO SENIOR EXECUTIVES THAT IS CONTINGENT ON THEM REMAINING AT PALMETTO HEALTH UNTIL RETIREMENT THE ACCRUAL AMOUNTS ABOVE REFLECT THE CHANGE IN THE ACTUARIAL VALUE DURING THE YEAR AND ARE IMPACTED BY VARIOUS FACTORS, INCLUDING THE AGE OF THE PARTICIPANT AND CHANGES IN INTEREST RATES DURING THE CALENDAR YEAR REPORTED WITHIN THIS YEAR, CHARLES D BEAMAN, JR REACHED RETIREMENT AGE AND HIS ACCRUED BENEFIT WAS PAID OUT AND $4,058,330 IS INCLUDED IN HIS REPORTED WAGES REFLECTED IN THIS FORM 990 $2,945,101 OF THE PAY OUT WAS REPORTED ON PRIOR FORMS 990 ON PART VII, COLUMN F AND SCHEDULE J, PART II, COLUMN C UNDER RETIREMENT AND OTHER DEFERRED COMPENSATION

Additional Data

Software ID:
Software Version:
EIN: 58-2296052
Name: PALMETTO HEALTH

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				
CHARLES D BEAMAN JR CEO	(I)	856,449	28,378	4,072,959	18,490	26,242	5,002,518	2,945,101
	(II)	0	0	0	0	0	0	0
JOHN J SINGERLING PRESIDENT	(I)	575,188	19,800	1,327	-72,069	18,928	543,174	0
	(II)	0	0	0	0	0	0	0
PAUL K DUANE CHIEF FINANCIAL OFFICER	(I)	450,256	31,074	8,529	61,336	31,434	582,629	0
	(II)	0	0	0	0	0	0	0
JAMES I RAYMOND CHIEF MEDICAL & ACADEMIC OFFICER	(I)	532,477	13,760	13,027	14,347	21,980	595,591	0
	(II)	0	0	0	0	0	0	0
ELLIS M KNIGHT CHIEF PHYSICIAN & CLINICAL INTEGRATI	(I)	263,854	23,218	2,594	9,289	11,190	310,145	0
	(II)	0	0	0	0	0	0	0
JAMES BRIDGES CHIEF, SYSTEM PERFORMANCE	(I)	341,868	9,617	3,288	-44,776	8,584	318,581	0
	(II)	0	0	0	0	0	0	0
HOWARD P WEST GENERAL COUNSEL	(I)	325,754	34,347	9,341	10,194	31,250	410,886	0
	(II)	0	0	0	0	0	0	0
MICHELLE E EDWARDS CHIEF INFORMATION OFFICER	(I)	295,449	31,583	1,464	50,858	12,785	392,139	0
	(II)	0	0	0	0	0	0	0
BENJAMIN M CUNNINGHAM SYSTEM VICE PRESIDENT FINANCE	(I)	206,387	10,689	676	10,040	17,717	245,509	0
	(II)	0	0	0	0	0	0	0
AMY C BARRY CHIEF HR & INNOVATION OFFICER	(I)	187,743	4,386	10,640	2,592	14,328	219,689	0
	(II)	0	0	0	0	0	0	0
JAMES E LATHREN CHIEF OPERATING OFFICER ACUTE CARE	(I)	310,164	9,886	8,267	10,826	15,744	354,887	0
	(II)	0	0	0	0	0	0	0
JUDITH P BASKINS PHYSICIAN PRACTICE, AMBULATORY EXECU	(I)	191,691	11,191	2,760	10,760	17,097	233,499	0
	(II)	0	0	0	0	0	0	0
CHARLES P TOUSSAINT PHYSICIAN	(I)	433,990	885,415	3,759	3,448	23,407	1,350,019	0
	(II)	0	0	0	0	0	0	0
JEFFREY T EHRETH PHYSICIAN	(I)	595,887	457,208	12,252	11,165	13,902	1,090,414	0
	(II)	0	0	0	0	0	0	0
HARRIS H PARKER III PHYSICIAN	(I)	554,490	471,331	1,146	9,245	28,462	1,064,674	0
	(II)	0	0	0	0	0	0	0
JOHN K BAUGH PHYSICIAN	(I)	861,421	45,000	3,726	3,046	17,089	930,282	0
	(II)	0	0	0	0	0	0	0
ROLAND R CRAFT PHYSICIAN	(I)	485,653	410,138	913	9,181	9,505	915,390	0
	(II)	0	0	0	0	0	0	0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
PALMETTO HEALTH

Employer identification number
58-2296052

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	SOUTH CAROLINA JOBS - ECONOMIC DEVELOPMENT AUTHORITY	57-0960018	83703EJCO	12-15-2005	257,150,000	REFUND OF 8-28-2003 BONDS		X		X		X
B	SOUTH CAROLINA JOBS - ECONOMIC DEVELOPMENT AUTHORITY	57-0960018	83703FAX0	03-15-2007	120,000,000	CONSTRUCTION & EQUIPMENT FOR HEALTH FACILITY		X		X		X
C	SOUTH CAROLINA JOBS - ECONOMIC DEVELOPMENT AUTHORITY	57-0960018	83703FDG4	09-23-2009	125,300,879	SEE PART VI		X		X		X
D	SOUTH CAROLINA JOBS - ECONOMIC DEVELOPMENT AUTHORITY	57-0960018		12-21-2010	215,000,000	CONSTRUCTION & EQUIPMENT FOR HEALTH FACILITY		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	60,425,000	50,890,000	13,955,000	2,505,000
2	Amount of bonds legally defeased		68,523,259		
3	Total proceeds of issue	257,150,000	120,000,000	125,300,879	215,000,000
4	Gross proceeds in reserve funds	17,375,620		11,242,416	
5	Capitalized interest from proceeds		9,572,106		
6	Proceeds in refunding escrows	242,169,011		77,047,618	
7	Issuance costs from proceeds	2,536,419	1,208,861	2,228,307	690,000
8	Credit enhancement from proceeds	12,444,570			
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds		115,613,320	26,253,150	188,599,000
11	Other spent proceeds			8,867,576	
12	Other unspent proceeds				25,711,000
13	Year of substantial completion		2009	2011	

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X		X	X			X
15	Were the bonds issued as part of an advance refunding issue?	X			X		X		X
16	Has the final allocation of proceeds been made?	X			X		X		X
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?	X		X		X		X	
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?		X		X		X		X
c	Are there any research agreements that may result in private business use of bond-financed property?	X		X		X		X	
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?	X		X		X		X	
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		0 150 %		0 270 %				
6	Total of lines 4 and 5		0 150 %		0 270 %				
7	Does the bond issue meet the private security or payment test?	X		X		X		X	
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		X
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X		X		X	

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X		X		X		X
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X		X		X		X
b	Exception to rebate?		X		X		X		X
c	No rebate due?	X		X			X		X
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X		X			X	X	
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X		X			X		X
b	Name of provider	MERRILL LYNCH		MERRILL LYNCH					
c	Term of hedge	7 800000000000		32 500000000000					
d	Was the hedge superintegrated?		X		X				
e	Was the hedge terminated?		X		X				

Part IV Arbitrage *(Continued)*

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

Part V Procedures To Undertake Corrective Action

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

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

Return Reference	Explanation
PART I, 2ND GROUP, ROW A, COLUMN F - DESCRIPTION OF PURPOSE	REFUND OF 8-28-2003 BONDS AND CONSTRUCTION AND EQUIPMENT FOR HEALTH FACILITIES

Return Reference	Explanation
PART I, 2ND GROUP, ROW D, COLUMN F - DESCRIPTION OF PURPOSE	REFUND OF 3-15-2007 BONDS AND 8-28-2003 BONDS

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
PALMETTO HEALTH

Employer identification number
58-2296052

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	SOUTH CAROLINA JOBS - ECONOMIC DEVELOPMENT AUTHORITY	57-0960018	83703FEL2	05-11-2011	93,905,983	REFUND OF 6-12-2008 BONDS	X			X		X
B	SOUTH CAROLINA JOBS - ECONOMIC DEVELOPMENT AUTHORITY	57-0960018	8370303FH	08-13-2013	142,615,470	SEE PART VI		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	7,175,000	9,635,000		
2	Amount of bonds legally defeased				
3	Total proceeds of issue	93,905,983	142,615,470		
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows	90,249,504	139,768,096		
7	Issuance costs from proceeds	1,878,115	2,847,374		
8	Credit enhancement from proceeds	1,778,365			
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion				

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X			X				
15	Were the bonds issued as part of an advance refunding issue?		X	X					
16	Has the final allocation of proceeds been made?	X			X				
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?	X		X					
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?		X		X				
c	Are there any research agreements that may result in private business use of bond-financed property?	X		X					
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?	X		X					
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		0 200 %		0 250 %				
6	Total of lines 4 and 5		0 200 %		0 250 %				
7	Does the bond issue meet the private security or payment test?	X		X					
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X					

Part IV Arbitrage

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

Part IV Arbitrage *(Continued)*

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

Part V Procedures To Undertake Corrective Action

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

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

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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
PALMETTO HEALTH

Employer identification number
58-2296052

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
(1) PARKRIDGE SURGERY CENTER	AN OFFICER, KEY EMPLOYEE, AND BOARD MEMBER ARE DIRECTORS OF PARKRIDGE	OPERATIONAL SUPPORT	X		1,500,000	556,695		No	Yes			No
Total		▶ $				556,695						

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) RADIATION ONCOLOGY	SEE PART V	320,202	RENT FACILITY/EQUIPMENT		No
(2) LAURA L REDDICK	SEE PART V	57,030	EMPLOYEE SERVICES		No
(3) BROOKE A EDWARDS	SEE PART V	21,962	EMPLOYEE SERVICES		No
(4) CAROLINA CARE	SEE PART V	14,856,676	PERFORMANCE OF SERVICES		No

Part V Supplemental Information

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

Return Reference	Explanation
PART IV BUSINESS TRANSACTIONS WITH INTERESTED PARTIES	(1)(B) THE FOLLOWING INDIVIDUAL IS A DIRECTOR OF RADIATION ONCOLOGY, A FOR-PROFIT PARTNERSHIP OWNED IN PART BY PALMETTO HEALTH KEY EMPLOYEE BENJAMIN M CUNNINGHAM JR THIS INDIVIDUALS SITS ON THE BOARD OF THIS ENTITY AS A REPRESENTATIVE OF PALMETTO HEALTH, BUT DOES NOT HOLD ANY OWNERSHIP INTEREST (2)(B) LAURA L REDDICK IS THE DAUGHTER OF A KEY EMPLOYEE, JUDITH PINNER BASKINS, AND SHE IS AN EMPLOYEE AT PALMETTO HEALTH (3)(B) BROOKE A EDWARDS IS THE DAUGHTER OF A KEY EMPLOYEE, MICHELLE EDWARDS, AND SHE IS AN EMPLOYEE AT PALMETTO HEALTH (4)(B) CAROLINA CARE IS AN ENTITY OF WHICH A BOARD MEMBER OF PALMETTO HEALTH, WILLIAM C GERARD, M D , IS AN OFFICER

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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
PALMETTO HEALTH

Employer identification number
58-2296052

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	PALMETTO HEALTH HAS TWO MEMBERS RICHLAND MEMORIAL HOSPITAL (CLASS R MEMBER) AND BAPTIST HEALTHCARE SYSTEM OF SC, INC (CLASS B MEMBER)

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	THE CLASS R MEMBER AND THE CLASS B MEMBER NOMINATE AND ELECT SIX DIRECTORS EACH TO THE PALMETTO HEALTH BOARD OF DIRECTORS THOSE TWELVE DIRECTORS AND THE CEO NOMINATE AND ELECT AN ADDITIONAL THREE MEMBERS THESE 15 DIRECTORS IN ADDITION TO THE CEO MAKE UP THE 16 TOTAL VOTING MEMBERS OF THE BOARD

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	THE CLASS R AND THE CLASS B MEMBER HAVE "RESERVED POWERS " THESE POWERS INCLUDE (QUOTED DIRECTLY FROM PALMETTO HEALTH BYLAWS) "(I) ANY CHANGE IN THE BOARD THAT WOULD RESULT IN THOSE DIRECTORS SELECTED BY THE CLASS R AND THE CLASS B MEMBERS COMPRISING, ON A COMBINED BASIS, LESS THAN A MAJORITY OF THE TOTAL NUMBER OF DIRECTORS, (II) ANY CHANGE THAT WOULD RESULT IN THE CLASS R MEMBER HAVING THE RIGHT TO ELECT A DIFFERENT NUMBER OF DIRECTORS THAN THE CLASS B MEMBER, (III) ANY CHANGE IN A MEMBER'S RIGHTS REGARDING THE ELECTION OR REMOVAL OF DIRECTORS, (IV) APPROVAL OF ANY AMENDMENT TO, OR REPEAL OF, THE ARTICLES OF INCORPORATION OF THE CORPORATION (THE "ARTICLES"), (V)APPROVAL OF ANY MERGER, CONSOLIDATION, SALE, OR LEASE OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF THE CORPORATION, (VI) APPROVAL OF THE DISSOLUTION OF THE CORPORATION, (VII) APPROVAL OF THE ADDITION OF A MEMBER, (VIII) ANY CHANGE IN PROVISIONS OF THE MEMBERS' PRE-INCORPORATION AND JOINT OPERATING AGREEMENT (THE "JOINT OPERATING AGREEMENT") OR THESE BYLAWS THAT REQUIRE THAT IF THE CHAIR IS ELECTED FROM AMONG THE RICHLAND DIRECTORS, THE VICE CHAIR MUST BE ELECTED FROM AMONG THE BAPTIST DIRECTORS AND VICE VERSA, (IX) ANY CHANGE IN PROVISIONS OF THE JOINT OPERATING AGREEMENT OR THESE BYLAWS REGARDING THE DUTIES OR COMPOSITION REQUIREMENTS OF THE EXECUTIVE MANAGEMENT COMMITTEE OF THE BOARD, (X) ANY OF THE BOARD ACTIONS DESCRIBED IN SECTION 3 14 2 7, BELOW, REGARDING PALMETTO HEALTH BAPTIST EASLEY, (XI) ANY CHANGE IN THE MISSION STATEMENT, (XII) APPROVAL OF THE STRATEGIC PLAN OF THE CORPORATION OR ANY MATERIAL MODIFICATION THERETO, AND (XIII) ANY AMENDMENT OR REPEAL OF THESE BYLAWS THAT WOULD AFFECT ANY AUTHORITY OR PRIVILEGE OF A MEMBER AS DESCRIBED ABOVE" FURTHER EXPLANATION FOR ITEM (X) APPROVAL OF A MERGER, CONSOLIDATION, SALE, OR LEASE OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF PALMETTO HEALTH BAPTIST EASLEY ("PHBE"), APPROVAL OF THE CONVERSION OF PHBE TO PRIMARILY AN OUTPATIENT FACILITY, OR APPROVAL OF THE DISCONTINUATION OF OPERATION OF PHBE.

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	PALMETTO HEALTH'S FORM 990 WAS REVIEWED IN DETAIL BY THE DIRECTOR OF ACCOUNTING AND SYSTEM VICE PRESIDENT OF FINANCE. THE FORM WAS DISCUSSED AND REVIEWED IN DETAIL BY OUTSIDE TAX ADVISORS. THE CFO THEN CONDUCTED A HIGHER LEVEL REVIEW OF THE FORM WITH THE SYSTEM VICE PRESIDENT OF FINANCE. THE 990 WAS PROVIDED TO PALMETTO HEALTH'S BOARD OF DIRECTORS AND EACH MEMBER WAS ALLOWED AMPLE TIME FOR REVIEW AND TO MAKE INQUIRIES BEFORE FILING WITH THE IRS

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	EACH MEMBER OF THE BOARD OF DIRECTORS SHALL COMPLETE AN ANNUAL ACKNOWLEDGEMENT STATEMENT THAT EACH OF THEM (A) HAS RECEIVED A COPY OF THE RULES OF CONDUCTED (CONFLICTS OF INTEREST POLICY), (B) HAS READ AND UNDERSTANDS THE POLICY, (C) AGREES TO COMPLY WITH THE POLICY, (D) UNDERSTANDS THAT THE POLICY APPLIES TO ALL COMMITTEES, AND (E) UNDERSTANDS THAT THE ORGANIZATION IS A CHARITABLE ORGANIZATION AND MUST CONTINUOUSLY ENGAGE PRIMARILY IN ACTIVITIES WHICH ACCOMPLISH ONE OR MORE OF ITS TAX-EXEMPT PURPOSES THESE ACKNOWLEDGEMENT STATEMENTS ARE RETURED TO THE AUDIT, COMPLIANCE, AND FINANCE COMMITTEE FOR REVIEW AND FOLLOW-UP AS APPROPRIATE THE CHAIR OF THE AUDIT COMPLIANCE AND FINANCE COMMITTEE REPORTS TO THE FULL BOARD THAT THE ABOVE-REFERENCED PROCESS HAS BEEN COMPLETED UPON HIRE, EACH EMPLOYEE IS EDUCATED ON PALMETTO HEALTH'S POTENTIAL CONFLICTS OF INTEREST POLICY AND IS ASKED TO DOCUMENT ANY RELATIONSHIPS THAT MAY CREATE A POTENTIAL CONFLICT OF INTEREST ON A FORM THAT IS REVIEWED BY CORPORATE COMPLIANCE AND RETAINED IN THE EMPLOYEE'S HUMAN RESOURCES FILE ANNUALLY, THE POLICY IS REVIEWED VIA COMPUTER-BASED TRAINING THAT IS MANDATORY FOR ALL EMPLOYEES SITUATIONS THAT ARE BELIEVED TO BE ACTUAL CONFLICTS ARE ADDRESSED BY CORPORATE COMPLIANCE, DEPARTMENT MANAGEMENT AND SENIOR LEADERSHIP AS NECESSARY

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	PALMETTO HEALTH'S EXECUTIVE COMPENSATION COMMITTEE (THE "COMMITTEE"), COMPOSED OF MEMBERS OF THE BOARD OF DIRECTORS WHO ARE DISINTERESTED IN AND INDEPENDENT FROM THE PERSONS COMPENSATED, OVERSEES PALMETTO HEALTH'S EXECUTIVE COMPENSATION AND BENEFITS PROGRAMS THE COMMITTEE ANNUALLY RECEIVES A REPORT FROM ITS INDEPENDENT EXECUTIVE COMPENSATION CONSULTANTS ON THE EXECUTIVE COMPENSATION PROGRAM, INCLUDING THIRD-PARTY COMPARABILITY DATE FOR FUNCTIONALLY-SIMILAR POSITIONS AT SIMILARLY-SITUATED ORGANIZATIONS (THE "COMPENSATION REVIEW") LAST COMPLETED IN FEBRUARY OF 2014, THE COMPENSATION REVIEWS INCLUDES MARKET ANALYSES FOR BASE SLARIES, TOTAL CASH COMPENSATION AND BENEFITS AND AGGREGATE TOTAL COMPENSATION VALUES FOR THE CHIEF EXECUTIVE OFFICER, PRESIDENT, EXECUTIVE VICE PRESIDENTS, SENIOR VICE PRESIDENTS AND SYSTEM VICE PRESIDENTS IN SUPPORT OF THE QUALIFICATION FOR THE REBUTTABLE PRESEUMPTION OF REASONABLENESS, THE COMMITTEE REVIEWS AND APPROVES THE CEO'S COMPENSATION AS WELL AS THE CEO'S RECOMMENDATIONS FOR COMPENSATION PAID TO THE PRESIDENT, EXECUTIVE VICE PRESIDENT, SENIOR VICE PRESIDENT AND SYSTEM VICE PRESIDENT POSITIONS, BASED ON THE BOARD-APPROVED COMPENSATION PHILOSOPHY AND THE COMPENSATION REVIEW, AND THE DECISION IS DOCUMENTED IN MEETING MINUTES IN ADDITION, THE COMMITTEE REVIEWS THE INFORMATION IN THE COMPENSATION REVIEW RELATING TO AGGREGATE TOTAL COMPENSATION PAID TO THE PRESIDENT, EXECUTIVE VICE PRESIDENT, SENIOR VICE PRESIDENT AND SYSTEM VICE PRESIDENT POSITIONS

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION'S AUDITED FINANCIAL STATEMENTS ARE PUBLISHED ANNUALLY AND QUARTERLY FINANCIAL INFORMATION INFORMATION IS AVAILABLE TO THE PUBLIC AT WWW DACBOND COM

Return Reference	Explanation
FORM 990, PART XI, LINE 9	NET ADJUSTMENT FOR DEFINED BENEFIT -1,284,503 CHANGE IN FOUNDATION INTEREST 159,299

Return Reference	Explanation
FORM 990, PART XII, LINE 2C	THIS PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR

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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
PALMETTO HEALTH

Employer identification number
58-2296052

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
(1) PALMETTO HEALTH QUALITY COLLABORATIVE LLC 1301 TAYLOR STREET STE 9A COLUMBIA, SC 29210 27-3029587	ACO	SC	893,830	1,207,581	PALMETTO HEALTH
(2) PARKRIDGE SURGERY CENTER LLC 190 PARKRIDGE DRIVE STE 108 COLUMBIA, SC 29212 37-1470219	HEALTHCARE	SC	4,023,826	667,859	PALMETTO HEALTH

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) Section 512(b)(13) controlled entity? No
(1) PALMETTO HEALTH FOUNDATION 1600 MARION STREET COLUMBIA, SC 29202 57-0725699	SUPPORTS HOSPITAL	SC	501(C)(3)	LINE 11C, III-FI	N/A		No
(2) PALMETTO RICHLAND MEMORIAL AUXILIARY 5 RICHLAND MEDICAL PARK DRIVE COLUMBIA, SC 29203 57-0645678	SUPPORTS HOSPITAL	SC	501(C)(3)	LINE 11A, I	N/A		No
(3) RICHLAND MEMORIAL HOSPITAL RESEARCH AND EDUCATION FOUNDATION 293 GREYSTONE BLVD 2ND FLOOR COLUMBIA, SC 29210 23-7010028	SUPPORTS HOSPITAL	SC	501(C)(3)	LINE 11C, III-FI	N/A		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(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) RADIATION ONCOLOGY 7 RICHLAND MEDICAL PARK ROAD COLUMBIA, SC 29203 36-4542465	HEALTHCARE	SC	N/A	RELATED	1,614,149	2,630,499		No			No	51 000 %
(2) CAROLINA HOME THERAPEUTICS 1528 UNION ROAD GASTONIA, NC 28054 57-0880120	HEALTHCARE	CA	N/A	RELATED	997,945	1,345,375		No		Yes		
(3) EASLEY MRI LLC PO BOX 2129 EASLEY, SC 29641 57-1131117	HEALTHCARE	SC	N/A	RELATED				No		Yes		50 000 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) HEALTHSOURCE INC 293 GREYSTONE BLVD COLUMBIA, SC 29210 57-0938686	HEALTHCARE	SC	PALMETTO HEALTH	C	916,609	3,182,635	100 000 %	Yes	
(2) PHYSICIAN PRACTICE SERVICES INC 293 GREYSTONE BLVD COLUMBIA, SC 29210 57-1013538	INACTIVE	SC	HEALTHSOURCE	C	-2,360	635,232	100 000 %	Yes	
(3) HOME CARE RESOURCES INC 293 GREYSTONE BLVD COLUMBIA, SC 29210 57-0938656	INACTIVE	SC	HEALTHSOURCE	C	-48	457,964	100 000 %	Yes	
(4) PREMIER PRACTICE MANAGEMENT CAROLINAS 293 GREYSTONE BLVD COLUMBIA, SC 29210 36-4366595	HEALTHCARE	SC	PALMETTO HEALTH	S	-4,862	688,944	100 000 %	Yes	
(5) BAPTIST MEDICAL FACILITIES INC 293 GREYSTONE BLVD COLUMBIA, SC 29210 57-0818162	INACTIVE	SC	PALMETTO HEALTH	C			100 000 %	Yes	
(6) PALMETTO HEALTH MEDICAL ASSOCIATES 1310 TAYLOR ST STE 9A COLUMBIA, SC 29201 45-5091267	INACTIVE	SC	PALMETTO HEALTH	C			100 000 %	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	Yes	
b Gift, grant, or capital contribution to related organization(s)	1b	Yes	
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d	Yes	
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	Yes	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m		No
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o Sharing of paid employees with related organization(s)	1o		No
p Reimbursement paid to related organization(s) for expenses	1p		No
q Reimbursement paid by related organization(s) for expenses	1q	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
(1) RADIATION ONCOLOGY LLC	A		
(2) RADIATION ONCOLOGY LLC	J		

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

Consolidated Financial Statements and Report of Independent Certified Public Accountants

Palmetto Health and Subsidiaries

September 30, 2014 and 2013

Palmetto Health and Subsidiaries

Table of Contents

DIXON HUGHES GOODMAN LLP

Independent Auditors' Report

To the Board of Directors of
Palmetto Health and Subsidiaries

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

Management's Responsibility for the 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 audit We conducted our audit in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements The procedures selected depend on the auditors' 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 Palmetto Health'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 Palmetto Health'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 Palmetto Health and Subsidiaries as of September 30, 2014, and the results of their operations and their cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America

Prior Period Consolidated Financial Statements

The consolidated financial statements of Palmetto Health and Subsidiaries as of and for the year ended September 30, 2013 were audited by other auditors, whose report dated December 11, 2013 expressed an unmodified opinion on those consolidated financial statements

Supplemental Information

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

Dixon Hughes Goodman LLP

November 25, 2014

Palmetto Health and Subsidiaries

Consolidated Balance Sheets
September 30, 2014 and 2013

(dollars in thousands)

	2014	2013
Assets		
Current assets:		
Cash and cash equivalents	$ 34,283	$ 23,499
Assets limited as to use	26,649	29,092
Patient accounts receivable, net	214,445	204,651
Other receivables	20,386	31,412
Inventories	20,114	17,934
Other current assets	11,827	11,132
Total current assets	327,704	317,720
Assets limited as to use	750,900	731,126
Property and equipment, net	594,117	552,124
Other assets	63,998	59,549
	$ 1,736,719	$ 1,660,519
Liabilities and Net Assets		
Current liabilities:		
Current portion of long-term debt	$ 21,858	$ 21,485
Current portion of capital lease obligations	794	757
Accounts payable	37,777	47,525
Accrued salaries and benefits	60,636	57,988
Other current liabilities	19,405	26,123
Total current liabilities	140,470	153,878
Long-term debt, net	672,372	607,801
Capital lease obligations, net	19,957	20,807
Other noncurrent liabilities	68,664	44,642
Total liabilities	901,463	827,128
Commitments and contingencies		
Net assets:		
Unrestricted	799,955	799,524
Temporarily restricted	27,382	26,133
Permanently restricted	7,919	7,734
Total net assets	835,256	833,391
	$ 1,736,719	$ 1,660,519

The accompanying notes are an integral part of these consolidated financial statements

Palmetto Health and Subsidiaries

Consolidated Statements of Operations
For the Years Ended September 30, 2014 and 2013

(dollars in thousands)

	2014	2013
Unrestricted revenue, gains and other support:		
Net patient service revenue	$ 1,299,230	$ 1,242,824
Provision for uncollectible accounts	(236,251)	(225,432)
Net patient service revenue less provision for uncollectible accounts	1,062,979	1,017,392
Other revenue	86,612	93,220
Total unrestricted revenue, gains and other support	1,149,591	1,110,612
Expenses:		
Salaries and benefits	626,575	595,020
Supplies and other expenses	450,727	413,162
Depreciation and amortization	60,572	56,048
Interest expense	27,362	29,036
Total expenses	1,165,236	1,093,266
Operating (loss) income	(15,645)	17,346
Nonoperating (expenses) income:		
Interest expense	-	(900)
Investment income, net	36,263	36,213
Swap termination costs	-	(543)
Start up costs	(4,434)	-
COPA – Community health improvement projects	(1,618)	(5,211)
Total nonoperating (expenses) income	30,211	29,559
Revenue and gains over expenses and losses before net change in unrealized (loss) gain on derivative financial instruments and trading investments and loss on debt extinguishment	14,566	46,905
Net change in unrealized (loss) gain on derivative financial instruments	(18,605)	20,712
Net change in unrealized gain on trading investments	5,574	5,172
Loss on debt extinguishment	-	(3,090)
Revenue and gains over expenses and losses	1,535	69,699
Increase (decrease) in interest in Affiliated Foundations	159	(174)
Subsidiary equity transaction	-	158
Capital contributions expended and received	22	707
Net adjustment for defined benefit plans	(1,285)	3,741
Increase in unrestricted net assets	$ 431	$ 74,131

The accompanying notes are an integral part of these consolidated financial statements

Palmetto Health and Subsidiaries

Consolidated Statements of Changes in Net Assets
For the Years Ended September 30, 2014 and 2013

(dollars in thousands)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance as of September 30, 2012	$ 725,393	$ 24,395	$ 7,259	$ 757,047
Revenue and gains over expenses and losses	69,699	-	-	69,699
(Decrease) increase in interest in Affiliated Foundations	(174)	1,021	475	1,322
Net adjustment for defined benefit plans	3,741	-	-	3,741
Subsidiary equity transaction	158	-	-	158
Contributions and grants	-	8,946	-	8,946
Net assets released from restrictions used for capital	707	(707)	-	-
Net assets released from restrictions used for operations	-	(7,522)	-	(7,522)
Increase in net assets	74,131	1,738	475	76,344
Balance as of September 30, 2013	799,524	26,133	7,734	833,391
Revenue and gains over expenses and losses	1,535	-	-	1,535
Increase in interest in Affiliated Foundations	159	2,030	185	2,374
Net adjustment for defined benefit plans	(1,285)	-	-	(1,285)
Contributions and grants	-	9,953	-	9,953
Net assets released from restrictions used for capital	22	(22)	-	-
Net assets released from restrictions used for operations	-	(10,712)	-	(10,712)
Increase in net assets	431	1,249	185	1,865
Balance as of September 30, 2014	$ 799,955	$ 27,382	$ 7,919	$ 835,256

The accompanying notes are an integral part of these consolidated financial statements

Palmetto Health and Subsidiaries

Consolidated Statements of Cash Flows
For the Years Ended September 30, 2014 and 2013

(dollars in thousands)

	2014	2013
Cash flows from operating activities:		
Increase in net assets	$ 1,865	$ 76,344
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Change in interest in Affiliated Foundations	(2,374)	(1,322)
Gain on equity method investments	(280)	2,132
Net change in unrealized loss (gain) on derivative financial instruments	18,605	(20,712)
Depreciation and amortization	60,572	56,048
Provision for uncollectible accounts	236,251	225,432
(Gain) loss on the disposal of property and equipment	(25)	224
Loss on extinguishment of debt	-	3,090
Net adjustment for defined benefit plans	1,285	(3,741)
Changes in operating assets and liabilities		
Patient accounts receivable	(246,045)	(226,082)
Other receivables	11,026	(1,260)
Accounts payable and accrued salaries and benefits	(7,100)	8,503
Other assets	(1,795)	(489)
Other liabilities	(2,586)	(33,738)
Other, net	(5,034)	(3,703)
Net cash provided by operating activities before trading investments	64,365	80,726
Trading investments	(17,331)	(16,186)
Net cash provided by operating activities	47,034	64,540
Cash flows from investing activities:		
Additions to property and equipment	(99,776)	(117,473)
Proceeds from sale of property and equipment	156	1
Net cash used in investing activities	(99,620)	(117,472)
Cash flows from financing activities:		
Proceeds from issuance of long term debt	86,820	71,874
Payments of long-term debt	(22,637)	(13,828)
Payments on capital lease obligations	(813)	(645)
Payments on 2003A and 2007 Bonds	-	(5,907)
Net cash provided by financing activities	63,370	51,494
Net increase (decrease) in cash and cash equivalents	10,784	(1,438)
Cash and cash equivalents, beginning of year	23,499	24,937
Cash and cash equivalents, end of year	$ 34,283	$ 23,499

The accompanying notes are an integral part of these consolidated financial statements

Palmetto Health and Subsidiaries

Consolidated Statements of Cash Flows (continued)
For the Years Ended September 30, 2014 and 2013

(dollars in thousands)

	2014	2013
Supplemental information – Cash paid during the year for interest	$ 31,312	$ 29,835
Supplemental information – Property and equipment additions under capital lease	$ -	$ 1,019
Noncash investing and financing activities:		
Accrued capital expenditures	$ 2,291	$ 12,377

In August 2013, Palmetto Health advance refunded existing bonds and issued new bonds The following amounts were noncash financing activities related to this transaction

Face value of Series 2013 Bonds	$ -	$ 139,480
Debt issuance costs and premium, net	-	288
Advance refund Series 2003A Bonds	-	(74,028)
Advance refund Series 2007 Bonds	-	(65,740)
	$ -	$ -

The accompanying notes are an integral part of these consolidated financial statements

Note 1 - Description of Organization and Summary of Significant Accounting Policies

Organization and Business

In 1998, Richland Memorial Hospital (Richland) and Baptist Healthcare System of South Carolina, Inc (Baptist) formed Palmetto Health through the execution of a joint operating agreement Palmetto Health is composed of substantially all of the assets and liabilities of Richland and Baptist In mid-March 2014 Palmetto Health opened Palmetto Health Baptist Parkridge Hospital (Parkridge Hospital) Palmetto Health is organized as a South Carolina nonprofit public benefit corporation exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) The governance of Palmetto Health consists of a 16-member board of directors, with six directors appointed by Richland, six by Baptist, three by the board of Palmetto Health, and the Palmetto Health Chief Executive Officer who serves as an ex officio voting member of the Board Both Richland and Baptist elect at least one director each that is a licensed physician or dentist, and the Chair of the Board of Trustees of each is a director without term limit. Palmetto Health also includes its for-profit, wholly owned subsidiaries HealthSource, Inc , Premier Practice Management-Carolina, Inc (PPM) and Parkridge Surgery Center, LLC (Parkridge LLC). Prior to May 2013, Parkridge LLC was majority owned (72.2% - owned at September 30, 2012) Effective July 1, 2014 Parkridge LLC ceased clinical operations and the clinical activities previously provided by Parkridge LLC are now included in the outpatient operations of Parkridge Hospital

Principles of Consolidation

The consolidated financial statements include all accounts of Palmetto Health and its Subsidiaries (Palmetto Health) All significant intercompany balances and transactions have been eliminated in consolidation Investments in affiliates which Palmetto Health does not control are accounted for either at cost or under the equity method

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that management make estimates and assumptions affecting the reported amounts of assets, liabilities, revenues and expenses, as well as disclosure of contingent assets and liabilities Actual results could differ from those estimates

Significant estimates include, but are not limited to, accounts receivable allowances, third-party payor receivables and payables, useful lives assigned to capital assets, professional liability and other self-insurance accruals, and pension and post-retirement plan assumptions

In particular, laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation As a result, there is at least a possibility that recorded estimates associated with these programs will change by a material amount in the near term.

Costs of Borrowing

Deferred financing costs and bond discounts are amortized over the period related obligations are outstanding using the effective interest method

Interest costs incurred on borrowed funds during the period of construction of capital assets, net of investment earnings on related trusteed funds, are capitalized as a component of the cost of acquiring those assets

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less

Palmetto Health maintains bank accounts at financial institutions, of which at September 30, 2014, $1,250 are covered by the Federal Depository Insurance Corporation (FDIC), while the remaining $33,033 is in excess of the federally insured limit of $250 per institution Management selects high-quality financial institutions for deposit maintenance and Palmetto Health has never experienced a loss in its FDIC-uninsured deposits

Other Receivables

Other receivables include amounts expected to be received and collected in connection with the settlement of Medicare and Medicaid cost report filings Other receivables also include funds expected to be received from the State of South Carolina disproportionate share program, which enhances Medicaid funding to acute care hospitals Palmetto Health recognizes revenue monthly based on the provisions of the program, which follows the state fiscal year of July 1 through June 30 Therefore, included in other receivables is an accrual for the estimated funds earned from the program that have not yet been collected during the periods reported

Inventories

Inventories, consisting principally of medical supplies and pharmaceuticals, are determined using the first-in, first-out (FIFO) method and are stated at the lower of cost or market

Assets Limited as to Use

Assets limited as to use include assets held by trustees under indenture agreements and designated assets set aside by the Board of Directors, primarily for future capital improvements, over which the board retains control and may, at its discretion, subsequently use for other purposes Amounts required to meet current liabilities have been reclassified as current assets

Assets limited as to use are comprised of cash and investments Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value in the accompanying consolidated balance sheets Interest and dividend income and realized gains and losses are reported as nonoperating gains or losses in the accompanying consolidated statements of operations, except for investment income on funds held by the trustee, which is included in other revenue Investment income and realized gains or losses on investments of donor-restricted funds are also included in other revenue unless the income or loss is restricted by donors, in which case the investment income is recorded directly to temporarily or permanently restricted net assets in accordance with the donor's wishes

Palmetto Health has designated and reported its entire investment portfolio as a trading portfolio – as defined by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 320, "Investments – Debt and Equity Securities " All changes in unrealized gains and losses on investments are also included within revenue and gains over expenses and losses (the performance indicator)

Property and Equipment

All property and equipment transferred from Richland and Baptist, either by long-term lease in the case of real property or by conveyance of title in the case of personal property, has been recorded at the historical book values of Richland and Baptist Although the title to the real property noted above has been retained by Richland and Baptist, the operating rights of the real property and improvements thereon have been conveyed to Palmetto Health In addition, under the leases of real property, improvements on or to leased real property are covered under the lease Real property under the leases cannot be sold without the prior consent of Richland and Baptist Should real property held under leases be sold, it is the opinion of Palmetto Health's management and legal counsel that the proceeds would be retained in Palmetto Health

Property and equipment is stated at cost or, if donated, at fair value at time of donation Additions and improvements are capitalized and depreciated over the estimated remaining useful lives of the related assets, primarily using the straight-line method

A summary of estimated useful lives follows

Buildings and improvements	5 to 40 years
Land improvements	3 to 8 years
Equipment and furniture	3 to 20 years

Other Noncurrent Liabilities

Other noncurrent liabilities include the fair value of derivatives in a liability position with maturities due in more than one year (see Note 12), deferred revenue, certain compensation accruals, and professional and general liability accruals Deferred revenue represents unearned revenue on certain health care programs Deferred compensation represents the obligation on retirement compensation for certain executives Medical malpractice and general liability accruals represent Palmetto Health's self-insured retention and tail obligations (see Note 14)

Donor-restricted Gifts

Unconditional promises to give cash and other assets are reported at estimated fair value at the date the promise is received Conditional promises to give are recognized when the conditions are substantially met, and indications of intentions to give are reported at fair value at the date the gift is received The gifts are reported as either temporarily or permanently restricted net assets if they are received with donor stipulations that limit the use of the donated assets When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are classified as unrestricted net assets and reported as net assets released from restrictions To the extent that restricted resources from multiple donors are available for the same purpose, Palmetto Health expends such gifts on a FIFO basis

Interest Expense

Proceeds from issuance of long-term debt effectively provide Palmetto Health with capital planning flexibility in the deployment of assets whose use is limited Management considers associated investing and financing decisions to be nonoperating in nature and, accordingly, a calculated portion of interest expense is classified as nonoperating in the accompanying consolidated statements of operations

Operating (Loss) Income

The following items are excluded from operating (loss) income nonoperating (expenses) income, net change in unrealized (loss) gain on derivative financial instruments, net change in unrealized gain on trading investments and loss on debt extinguishment Nonoperating (expenses) income includes interest expense on debt obtained for investment purposes, net investment income, swap termination costs, start-up costs (see Note 19) and the Certificate of Public Advantage (COPA) commitment. The change in unrestricted net assets includes increase (decrease) in interest in Affiliated Foundations, contributions received and expended for capital purposes, and net adjustment for defined benefit plans

Revenue and Gains Over Expenses and Losses

Changes in unrestricted net assets are excluded from revenue and gains over expenses and losses (the performance indicator) consistent with relevant accounting principles and industry practice (see Operating (Loss) Income above for description of items included in changes in unrestricted net assets)

Unrestricted Revenue, Gains and Other Support

Net patient service revenue is reported at the estimated net realizable amounts due 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.

Other revenue includes certain capitated arrangements, contributions from donors (when conditions are substantially met), grants, rental income, rebates, equity investee income, Baptist Easley Hospital (BEH) service contract revenue (see Note 4), and certain investment income and other miscellaneous income

Charity Care

Palmetto Health provides care to patients who meet certain criteria under its charity care policies without charge or at amounts less than its established rates Because Palmetto Health does not pursue the collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue Palmetto Health determines the costs associated with providing charity care by aggregating the applicable direct and indirect costs, including salaries, wages and benefits, supplies and other operating expenses, based on data from its costing system

Palmetto Health maintains records to identify and monitor the level of charity care it provides These records include the amount of charges foregone for services and supplies furnished under its charity care policies

Income Taxes

Palmetto Health qualifies as an organization exempt from federal and state income taxes on related income under IRC section 501(c)(3) Palmetto Health has two taxable subsidiaries, Healthsource, Inc and PPM As of September 30, 2014, Palmetto Health has determined that it does not have any material unrecognized tax benefits or obligations Fiscal years ending on or after September 30, 2011 remain subject to examination by federal and state tax authorities

Derivative Instruments and Hedging Activities

Palmetto Health selectively enters into interest rate protection agreements to mitigate changes in interest rates on variable rate borrowings The notional amounts of such agreements are used to measure the interest to be paid or received and do not represent the amount of exposure to loss None of these agreements are used for speculative or trading purposes

Palmetto Health recognizes all derivatives as either assets or liabilities in the consolidated balance sheets and measures those instruments at their fair value The accounting for changes in the fair value of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and further, the type of hedging relationship

Palmetto Health's derivative instruments are not designated as hedging instruments, requiring the net unrealized gains and losses arising from fair value changes to be recognized in the performance indicator.

All of Palmetto Health's interest rate derivative instruments involve elements of credit and market risk in excess of the amounts recognized in the consolidated financial statements The counterparty to the financial instruments is a major financial institution The Swap counterparty was rated A- by Standard & Poor's and Baa2 by Moody's Investors Services as of September 30, 2014 In addition to limiting the amounts of the agreements and contracts it enters into with any one party, Palmetto Health monitors its positions with and the credit quality of the counterparty to these financial instruments Palmetto Health does not anticipate nonperformance by the counterparty

Impairment of Long-lived Assets

Long-lived assets, such as property and equipment and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized to the extent the carrying amount of the asset exceeds the fair value of the asset If applicable, assets to be disposed of are separately presented in the consolidated balance sheets and reported at the lower of the carrying amount or fair value less costs to sell, and no longer depreciated The assets and liabilities of a disposal group classified as held-for-sale are presented separately in the appropriate asset and liability sections of the consolidated balance sheets Based on management's assessment, no impairment of long-lived assets was considered necessary

Commitments and Contingencies

Liabilities for loss contingencies, including costs arising from claims, assessments, litigation, fines and penalties and other sources, are recorded when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by Palmetto Health has been limited by donors to a specific time period or purpose Permanently restricted net assets, generally representing specified endowments, have been restricted by donors to be maintained by Palmetto Health in perpetuity Temporarily restricted net assets are generally available to fund designated capital expenditures and specific health care programs of Palmetto Health which include the Children's Hospital, Cancer Programs, Hospice and Camp Kemo

Asset Retirement Obligations

The fair value of a liability for legal obligations associated with asset retirements is recorded in the period in which it is incurred, if a reasonable estimate of the fair value of the obligation can be made When the liability is initially recorded, the cost of the asset retirement obligation is capitalized by increasing the carrying amount of the related long-lived asset Over time, the liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of operations

Fair Value of Financial Instruments

The carrying amounts reported in the accompanying consolidated balance sheets for cash and cash equivalents, patient accounts receivable, other receivables, other current assets, accounts payable, accrued salaries and benefits, and other current liabilities, approximate fair value due to the relatively short maturity of the respective instruments

Functional Expenses

Palmetto Health does not present expense information by functional classification because its resources and activities are primarily related to providing health care services Further, since Palmetto Health receives substantially all of its resources from providing health care services in a manner similar to a business enterprise, other indicators contained in these consolidated financial statements are considered important in evaluating how well management has discharged their stewardship responsibilities

Recently Issued Accounting Standards

Accounting Standards Update (ASU) 2013-06 applies to not-for-profit entities that receive personnel services from an affiliate that directly benefit the recipient not-for-profit entity and for which the affiliate does not charge the recipient not-for-profit entity The amended guidance is effective for annual reporting periods beginning after June 15, 2014, and interim periods within those annual periods and should be applied prospectively Palmetto Health will adopt this guidance for fiscal year 2015 Palmetto Health is in the process of evaluating this guidance and has not yet determined what impact the adoption will have on results of operations, cash flows or financial position

Accounting Standards Update (ASU) 2011-11 amends ASC 210-20, *Balance Sheet: Offsetting*, to enhance disclosures about financial instruments and derivative instruments that are either offset in accordance with U.S. Generally Accepted Accounting Principles (GAAP) or are subject to an enforceable master netting arrangement or similar agreement The additional disclosures will facilitate comparisons between financial statements prepared under International Financial Reporting Standards (IFRS) versus U S GAAP The amended guidance is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods and should be applied retrospectively to all comparative periods presented Palmetto Health adopted this guidance for fiscal year 2014 As ASU 2011-11 relates only to disclosures, adoption did not impact results of operations, cash flows or financial position

Note 2 - Joint Operating Agreement and Certificate of Public Advantage ("COPA")

The State of South Carolina issued a COPA in connection with the Joint Operating Agreement arising from Palmetto Health's formation Among other conditions, the COPA requires Palmetto Health to

- Provide an annual report to the South Carolina Department of Health and Environmental Control (DHEC)
- Generally provide 10% of the excess of revenue and gains over expenses and losses to fund public health initiatives and community outreach programs. These terms will be re-evaluated should revenue and gains over expenses and losses as a percent of gross revenue escalate or decline to a point where Palmetto Health's commitment to public health and other community benefits becomes unbalanced as it relates to Palmetto Health's profitability or to a point where there is little or no commitment
- Report on the nature, sources and amount of operational savings and capital cost reductions from avoided capital expenditures.
- Provide one level of care and continue to provide indigent/charity care
- Provide access to competing facilities for those services not offered by such facilities
- Maintain mission statements that are substantially similar to those of Baptist and Richland

Unexpended funds in the amount of $4,053 and $6,242 at September 30, 2014 and 2013, respectively, were included in other current liabilities in the accompanying consolidated balance sheets pending expenditure in accordance with COPA requirements Compliance with COPA restrictions is the responsibility of Palmetto Health management and is subject to monitoring by DHEC At September 30, 2014 and 2013, respectively, Board designated funds of $8,817 and $9,657 were set aside by Palmetto Health in a separate bank account equal to accrued but unexpended funds disclosed above of $4,053 and $6,242 at September 30, 2014 and 2013, respectively, in addition to an estimate of one year's COPA obligation

Note 3 - Net Patient Service Revenue and Patient Accounts Receivable

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

Medicare

Inpatient acute care and most outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates These rates vary according to patient classification systems that are based on clinical, diagnostic and other factors Inpatient nonacute services, certain outpatient services, and certain defined capital and medical education costs related to Medicare beneficiaries are paid based on formula/cost reimbursement methodologies Additionally, Medicare program reimbursement is increasingly subject to adjustment for Palmetto Health's demonstrated delivery of defined "value" across multiple domains, including experience related to certain readmissions and hospital-acquired conditions While Palmetto Health's historical performance in this area has not subjected Palmetto Health to extraordinary penalties, it is the current intent of the Medicare program to require that future reimbursement be increasingly subject to potential penalties associated with delivery of value to the program, the impact of which on the consolidated financial statements is not currently determinable

Palmetto Health is reimbursed for cost-reimbursable items at a tentative rate with final settlement determined after the submission of annual cost reports by Palmetto Health and audits thereof by the Medicare fiscal intermediary. The Medicare cost reports of Palmetto Health have been audited and final settled by the Medicare fiscal intermediary through the fiscal years ended September 30, 2009 for Palmetto Richland Memorial Hospital, Baptist Medical Center Columbia, and Baptist Medical Center Easley. Net revenue from the Medicare program accounted for approximately 27% and 26% of Palmetto Health's net patient service revenue in fiscal years 2014 and 2013, respectively.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries through September 30, 2012 were reimbursed on an interim basis at either a prospectively determined rate per discharge or specific rate for each inpatient day and then final settled at cost. For the fiscal year ended September 30, 2013 and forward all reimbursements are made on a prospective basis. The Medicaid cost reports of Palmetto Health have been audited and final settled by Medicaid through the fiscal year ending September 30, 2007 for both Palmetto Health Richland and Palmetto Health Baptist. Additionally, the fiscal year ending September 30, 2010 Medicaid cost reports have been audited and final settled for both hospitals as part Medicaid implementation of hospital specific prospective payment rates effective for the fiscal year ending September 30, 2013. Outpatient services are paid on an interim basis based on prospectively determined rates and then final settled at cost. Net revenue from the Medicaid program accounted for approximately 17% and 18% of Palmetto Health's net patient service revenue in fiscal years 2014 and 2013, respectively.

State Medicaid funding is a vital source of health care service funding for Palmetto Health. Palmetto Health recognized net reimbursement from its participation in the South Carolina Medicaid disproportionate share program totaling $13,500 and $10,200 in fiscal years 2014 and 2013, respectively. There can be no assurance that Palmetto Health will continue to qualify for future participation in this program or that the program will not ultimately be discontinued or materially modified. Any material reduction in such funding would have a correspondingly material adverse effect on Palmetto Health's financial position and results of operations.

Other

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

The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care 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 Palmetto Health is in compliance with relevant fraud and abuse statutes as well as other applicable government laws and regulations.

(dollars in thousands)

Net patient service revenue is comprised of the following.

	2014	2013
Revenue at established charges	$ 4,130,245	$ 3,960,588
Contractual adjustments	(2,663,092)	(2,553,993)
Charity care	(181,423)	(173,971)
Disproportionate share funding (also see Note 5)	13,500	10,200
Net patient service revenue	$ 1,299,230	$ 1,242,824

The estimated cost for Palmetto Health of providing charity services was $51,152 and $49,912 in fiscal years 2014 and 2013, respectively These estimates were based on a calculation which applies the ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients The ratio of cost to charges is calculated based on Palmetto Health's total operating expenses (less bad debt expense) divided by gross patient service revenue

The following table sets forth, for the fiscal periods indicated, Palmetto Health's net patient service revenue by payor source

	2014	2013
Medicare	27%	26%
Medicaid	17%	18%
Commercial/managed care/other third-party payors	49%	49%
Self-pay	3%	3%
All Other	4%	4%
	100%	100%

Palmetto Health grants credit to its patients, most of whom are local residents Palmetto Health generally does not require collateral or other security in extending credit to patients, however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans or policies (e g , Medicare, Medicaid, preferred provider arrangements and commercial insurance policies) The mix of net receivables from patients and third-party payors follows

	2014	2013
Medicare	24%	19%
Medicaid	13%	18%
Commercial/managed care/other third-party payors	46%	44%
Self-pay	17%	19%
	100%	100%

(dollars in thousands)

Palmetto Health maintains two distinct portfolios of patient accounts receivable One portfolio is largely comprised of billings to third-party payors and related account apportionment due from insured patients (collectively, the active accounts) The other portfolio consists of early-out self-pay accounts and other troubled accounts requiring more focused collections attention The composition of patient accounts receivable follows

	2014	2013
Active accounts	$ 241,197	$ 209,713
Less – Allowance for uncollectible accounts	(59,507)	(39,084)
Net active accounts	181,690	170,629
Collection accounts	308,393	295,430
Less – Allowance for uncollectible accounts	(275,638)	(261,408)
Net collection accounts	32,755	34,022
Patient accounts receivable, net	$ 214,445	$ 204,651

Accounts receivable are reduced by an allowance for uncollectible accounts In evaluating the collectability of accounts receivable, Palmetto Health analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for uncollectible accounts and provision for uncollectible accounts, as well as performing a detail review of high dollar accounts on a case by case basis Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for uncollectible accounts

For receivables associated with services provided to patients who have third-party coverage, Palmetto Health analyzes contractually due amounts and provides both an allowance and a provision for uncollectible accounts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely)

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), Palmetto Health records a significant provision for uncollectible accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible The difference between the standard rates (or the discounted rates, if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for uncollectible accounts

Palmetto Health's allowance for uncollectible accounts for self-pay patients was 86 2% and 83 5% of self-pay accounts receivable at September 30, 2014 and 2013, respectively Effective January 1, 2014, Palmetto Health changed its policy of charity care and uninsured discount policies to align with new requirements of the Affordable Care Act Charity is now limited primarily to patients that are less than 100% of Federal Poverty Guidelines, live in Palmetto Health's primary service area (Richland, Lexington or Fairfield counties), and who are not eligible for any other coverage including that offered through the Health Insurance Marketplace Self pay patients not eligible for charity care are provided a 20% discount off of gross charges Palmetto Health did not change its charity care or uninsured discount policies during fiscal year 2013 Palmetto Health does not maintain a material allowance for uncollectible accounts from third-party payors, nor did it have significant write-offs from third-party payors

(dollars in thousands)

Note 4 - Other Revenue

Other revenue includes a capitated arrangement for Palmetto Senior Care, whereby member premiums received are based on a per-member, per-month basis, regardless of the related utilization Revenue recorded in connection with this arrangement was $16,506 and $18,562 for the years ended September 30, 2014 and 2013, respectively

Note 5 - Other Receivables

Other receivables consists of amounts due from federal and state grant programs, amounts due from BEH for service contract, lease employee and sublease revenue (see Note 17), accrued interest income and amounts due from third-party payors Components of other receivables follow

	2014	2013
Settlement amounts due from third-party payors	$ 1,957	$ 6,685
Amounts due from South Carolina Medicaid disproportionate share program	9,428	12,788
Amounts due from graduate medical education arrangements	430	490
Interest receivable	1,257	839
Grant receivables	504	598
Due from BEH (see Note 17)	1,342	1,853
Other	5,468	8,159
	$ 20,386	$ 31,412

(dollars in thousands)

Note 6 - Assets Limited as to Use

The composition of Palmetto Health's assets limited as to use follows

September 30, 2014

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
By board primarily for capital improvements:				
U S Treasury and government agencies	$ 33,459	$ 428	$ (626)	$ 33,261
Cash and short-term investments	47,812	43	-	47,855
Mutual funds	304,409	21,451	(5,139)	320,721
Common stocks and options	60,857	14,893	(1,433)	74,317
Corporate bonds, mortgage and asset-backed securities, and other	157,230	4,437	(1,309)	160,358
Alternative investments	73,483	15,452	(417)	88,518
	677,250	56,704	(8,924)	725,030
By trustee primarily under indenture agreements:				
U S Treasury and government agencies	29,770	1	(244)	29,527
Cash and short-term investment	2,788	-	-	2,788
Corporate bonds, mortgage and asset-backed securities, and other	20,350	-	(146)	20,204
	52,908	1	(390)	52,519
	$ 730,158	$ 56,705	$ (9,314)	$ 777,549

September 30, 2013

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
By board primarily for capital improvements:				
U S Treasury and government agencies	$ 61,805	$ 5,225	$ (370)	$ 66,660
Cash and short-term investments	59,308	-	-	59,308
Mutual funds	314,735	18,126	(3,001)	329,860
Common stocks and options	69,890	13,213	(1,471)	81,632
Corporate bonds, mortgage and asset-backed securities, and other	106,969	2,245	(395)	108,819
Alternative investments	70,983	8,566	-	79,549
	683,690	47,375	(5,237)	725,828
By trustee primarily under indenture agreements:				
U S Treasury and government agencies	12,975	2	(223)	12,754
Cash and short-term investments	11,346	-	-	11,346
Corporate bonds, mortgage and asset-backed securities, and other	10,390	6	(106)	10,290
	34,711	8	(329)	34,390
	$ 718,401	$ 47,383	$ (5,566)	$ 760,218

(dollars in thousands)

The composition of net investment income is as follows.

	2014	2013
In other revenue – Interest income	$ 191	$ 501
In nonoperating (expense) income:		
Interest and dividend income	$ 18,667	$ 12,776
Realized gains, net	17,596	23,437
	$ 36,263	$ 36,213

Note 7 - Property and Equipment

The components of property and equipment follow.

	2014	2013
Land and improvements	$ 52,597	$ 45,892
Buildings and improvements	662,283	519,302
Equipment and furniture	711,727	649,065
	1,426,607	1,214,259
Accumulated depreciation	(848,187)	(791,317)
Construction-in-progress	15,697	129,182
Property and equipment, net	$ 594,117	$ 552,124

Depreciation expense was $59,943 and $55,225 in 2014 and 2013, respectively

Interest cost capitalized, net of interest earned on the related trusteed project funds, was $857 and $1,278 for the years ended September 30, 2014 and 2013, respectively At September 30, 2014, Palmetto Health had committed to expend an additional $24,549 for the construction of various projects and purchase of other miscellaneous equipment over the next several years

Note 8 - Other Assets

The components of other assets follow

	2014	2013
Interest in net assets of Affiliated Foundations (Note 17)	$ 29,692	$ 27,318
Cash surrender value, prepaids, deposits and other receivables	12,372	11,563
Notes receivable, net – Intermedical Hospital, Inc. (Intermedical), Foundation and RCHCA	1,883	1,943
Investment in affiliates	28,534	28,016
Other	3,344	1,841
	75,825	70,681
Less – Current portion	(11,827)	(11,132)
Other assets, noncurrent	$ 63,998	$ 59,549

(dollars in thousands)

The following investments in affiliates are reported using the equity method of accounting.

Name of Investee	Ownership Percentage	2014	2013
Hospital Services, Inc.	26.47%	$ 843	$ 754
Carolina Home Therapeutics	49.00%	2,085	1,422
Radiation Oncology, LLC	51.00%	765	820
BEH	50.00%	24,841	25,020
		$ 28,534	$ 28,016

Palmetto Health has a 26.47% interest in Hospital Services, Inc. (a shared laundry facility). For the years ended September 30, 2014 and 2013, Palmetto Health recorded approximately $2,912 and $2,689, respectively, as laundry expense for services rendered by Hospital Services, Inc. In addition, Palmetto Health has a 51% interest in Radiation Oncology, LLC (Radiation Oncology), a for-profit joint venture with a group of physicians (Palmetto Health does not exert control).

Palmetto Health's wholly owned, for-profit subsidiary, HealthSource, Inc., owns a 49% interest in Coram Healthcare/Carolina Home Therapeutics (CHT), a for-profit joint venture whose primary purpose is providing home infusion therapy and home oxygen supply services. The remaining 51% of CHT is owned by Curaflex Health Services, Inc. (Palmetto Health does not exert control).

BEH operates as a nonprofit entity consisting of two equal members: Palmetto Health and Greenville Health Corporation (GHC). The Board is appointed equally by Palmetto Health and GHC or an affiliate of GHC. Palmetto Health accounts for its investment in BEH under the equity method of accounting. See Note 17 for further discussion on services rendered to BEH by Palmetto Health.

Palmetto Health has a $1,413 promissory note receivable (noninterest-bearing) from the Palmetto Health Foundation (the Foundation). The note is payable on demand and is also payable upon the sale, redemption or disposition of the capital stock of Hospital Services, Inc. The note is collateralized by the Foundation's capital stock in the shared laundry facility.

A summary of combined unaudited financial information of the above mentioned affiliates as of and for the years ended September 30, 2014 and 2013 follows:

	September 30, 2014	September 30, 2013
Revenues	$ 136,230	$ 152,851
Net income	4,222	1,6[illegible]4
Assets	84,410	83,516
Equity	60,132	58,89[illegible]

(dollars in thousands)

Note 9 - Operating Leases

Palmetto Health leases certain of its business space and equipment under noncancelable operating leases Rental expense totaled approximately $25,610 and $25,055 for the years ended September 30, 2014 and 2013, respectively Future minimum rental payments, reduced by minimum sublease rentals, required under noncancelable leases that have remaining lease terms in excess of one year as of September 30, 2014, follow

For the year ended	
2015	$ 15,623
2016	12,628
2017	7,534
2018	4,254
2019	2,006
Thereafter	36,892
	$ 78,937

Note 10 – Other Liabilities

Other liabilities included the following

	2014	2013
Fair value of derivatives (see Note 12)	$ 41,013	$ 22,408
Accrued medical malpractice losses (see Note 14)	12,178	9,922
Workers compensation liability (see Note 14)	5,107	3,407
Deferred compensation liability (see Note 15)	5,347	3,924
Post-retirement benefit obligation (see Note 16)	12,387	11,484
Payable to Medicare	867	3,181
Funds restricted for COPA program (see Note 2)	4,053	6,242
Accrued interest	4,792	4,756
Asset retirement obligation	1,162	1,163
Other	1,163	4,278
	88,069	70,765
Less – Current portion	(19,405)	(26,123)
Other liabilities, noncurrent	$ 68,664	$ 44,642

(dollars in thousands)

Note 11 - Long-term Debt

Long-term debt of Palmetto Health consists of the following

	September 30, 2014	2013
Bonds payable		
2013 Series current interest paying serial bonds, payable annually and mature on various dates through August 1, 2030, in varying amounts with interest rates ranging from 2 50% to 5 25%	$ 129,845	$ 139,480
2011 Series current interest paying serial bonds, payable annually and maturing on various dates through August 1, 2039, in varying amounts with interest rates ranging from 3 00% to 6 50%	83,720	86,210
2010 Series A current interest paying serial bonds, payable annually beginning in August 2014, maturing on various dates through December 31, 2043, with a mandatory tender on August 3, 2020, and quarterly interest on the drawn balance at 67% of one month LIBOR plus 1 34% (1 45% and 1 46% at September 30, 2014 and 2013, respectively) and interest on the undrawn balance at 0 25%	66,148	55,313
2010 Series B current interest paying serial bonds, payable annually beginning in August 2014, maturing on various dates through December 31, 2043, with a mandatory tender on August 3, 2020, and quarterly interest on the drawn balance at 67% of one month LIBOR plus 1 34% (1 45% and 1 46% at September 30, 2014 and 2013, respectively) and interest on the undrawn balance at 0 25%	46,550	37,159
2010 Series C current interest paying serial bonds, payable annually beginning in August 2014, maturing on various dates through December 31, 2043, with a mandatory tender on August 3, 2020, and quarterly interest on the drawn balance at 67% of one month LIBOR plus 1 34% (1 45% and 1 46% at September 30, 2014 and 2013, respectively) and interest on the undrawn balance at 0 25%	9,800	10,000
2010 Series current interest paying serial bonds, payable annually beginning in August 2014, maturing on various dates through December 31, 2043, with a mandatory tender on August 3, 2020, and quarterly interest on the drawn balance at 67% of one month LIBOR plus 1 34% (1 45% and 1 46% at September 30, 2014 and 2013, respectively) and interest on the undrawn balance at 0 25%	64,340	51
2009 Series current interest paying serial bonds, payable annually and maturing on various dates through August 1, 2039, in varying amounts with interest rates ranging from 3 00% to 5 90%	112,940	115,685
2005 Series A current interest paying bonds, payable annually and maturing on August 1, 2035, in varying amounts with interest rates ranging from 3 25% to 5 00% (4 98% and 4 86% at September 30, 2014 and 2013)	194,400	199,000
Less – Unamortized premiums, discounts and issuance costs	(13,513)	(14,275)
	694,230	628,623
Note payable, bearing interest at 30-day LIBOR plus 1 75 (1 93% at September 30, 2013), payable in monthly installments of $13, commencing October 20, 2005, including interest	-	663
	-	663
Total notes payable and long-term debt	694,230	629,286
Less – Current portion	(21,858)	(21,485)
	$ 672,372	$ 607,801

(dollars in thousands)

Note 11 - Long-term Debt (cont'd.)

Future maturities of long-term debt follow

	Maturities	Net Amortization of Premiums, Discounts and Issuance Costs	Payments
2015	$ 21,858	$ 637	$ 22,495
2016	19,898	672	20,570
2017	17,076	694	17,770
2018	17,922	673	18,595
2019	18,831	659	19,490
Thereafter	598,645	10,178	608,823
	$ 694,230	$ 13,513	$ 707,743

Fair values are based on quoted market prices, if available, or estimated using quoted market prices for similar securities The estimated fair value of Palmetto Health's long-term debt as of September 30, 2014 and 2013 was approximately $754,920 and $666,983, respectively

On August 1, 2013, a bank purchased the outstanding 2007 Series Bonds and the Index Mode was extended to July 31, 2014 with an optional redemption date of on or after August 15, 2013 Subsequently in August 2013, Palmetto Health issued the 2013 Series bonds for $139,480 The bonds were issued, along with a cash payment from Palmetto Health, to (i) advance refund the outstanding amount of the $68,523 principal of the 2007 Series bonds and the outstanding amount of the $77,152 principal of the 2003 Series A bonds and (ii) pay certain expenses incurred in connection with the issuance of the 2013 Series bonds

In May 2011, Palmetto Health issued the 2011 Series A bonds for $94,695 The bonds were issued, along with a cash payment from Palmetto Health, to (i) advance refund the outstanding amount of the $43,805 principal of the 2008 Series A bonds and the outstanding amount of the $48,410 principal of the 2008B bonds and (ii) pay certain expenses incurred in connection with the issuance of the 2011 Series A bonds

In December 2010, Palmetto Health entered into agreements allowing for the eventual issuance of 2010 series revenue bonds of $215,000 The availability of the $90,000 from the 2010 Series D bonds, beyond the amount thereof disbursed at the closing is contingent upon 1) the 2008 Series A and B Bonds being paid in full and defeased on or prior to June 21, 2011 (note this occurred as described in the above paragraph) and 2) all funds from the 2010 series A, B and C must be fully expended The bonds were issued to (i) finance the acquisition , by construction or purchase, of an approximately 186,000-square foot building and other improvements on one or more parcels of land, and certain machinery, apparatus, equipment, office facilities and furnishings to be installed therein located in Richland County, South Carolina, to be used as an approximately 76 bed hospital, (ii) finance certain additions, expansions and enlargements to Palmetto Health's existing hospital facilities and certain acquisitions of machinery, equipment, office furnishings and other depreciable assets all constituting hospital facilities in Richland County, and (iii) pay certain expenses incurred in connection with the issuance of the 2010 series bonds The bonds are issued periodically as funds are expended for the purposes described above As of September 30, 2014, there was $189,343 of such bonds issued, and $25,657 available for future draws The 2010 A, B, and C bonds have a mandatory tender in December of 2017, while the 2010 D series has a mandatory tender in December of 2015

In September 2009, Palmetto Health issued the 2009 series revenue bonds for $126,895 The bonds were issued to (i) advance refund the $84,000 outstanding principal amount of the 2003 Series B bonds, (ii) finance certain additions, expansions and enlargements to Palmetto Health's existing hospital facilities and certain acquisitions of machinery, equipment, office furnishings and other depreciable assets all constituting hospital facilities in Richland County, (iii) fund a debt service reserve fund, (iv) pay other fees and expenses including, but not limited to, swap termination payments and (v) pay certain expenses incurred in connection with the issuance of the 2009 series bonds and refunding of the 2003 Series B bonds In August 2014, Palmetto Health purchased $18,085 of 2009 bonds, which were callable on August 1, 2014, with the intent to refinance the bonds in fiscal year 2015

In March 2007, Palmetto Health issued the 2007 series revenue bonds for $120,000 The bonds were issued to (i) finance the renovation or purchase of an approximately 145,000 square foot building to be used as a children's hospital on one or more parcels of land, and certain machinery, apparatus, equipment, office facilities and furnishings to be installed therein located in Richland County, SC, certain additions, expansions and enlargements to its existing hospital facility located in Richland County, SC, certain additions and enhancements to equipment at its existing hospital facility located in Pickens County, SC and certain other routine capital expenditures, (ii) fund interest on the 2007 series bonds and (iii) pay the cost of issuance of the 2007 series bonds Series 2007 index rate bonds were scheduled for mandatory remarketing in August 2013. As a result, Palmetto Health reclassified the outstanding principal balance of $68,815 to the current portion of long-term debt as of September 30, 2012. As discussed above, on August 1, 2013, a bank purchased the outstanding Series 2007 Bonds and the Index Mode was extended to July 31, 2014 with an optional redemption date of on or after August 15, 2013 Subsequently in August 2013, Palmetto Health refunded the 2007 Series Bonds through the 2013 Series bonds

In December 2005, Palmetto Health issued the 2005 series A and B revenue bonds for $257,150 The bonds were issued to (i) advance refund a portion of the outstanding $260,050 original principal amount of 2003 Series C bonds, (ii) fund a debt service reserve fund and (iii) pay certain expenses incurred in connection with the issuance of the 2005 series bonds Palmetto Health utilized a portion of the 2005 series revenue bonds to defease a portion of the outstanding bonds from the 2003 Series C bonds In April 2008, Palmetto Health refinanced the line of credit debt that current refunded the $47,150 outstanding principal of the 2005 Series B bonds in June 2008 with the issuance of the 2008 Series A bonds for $43,805, which are variable rate demand hospital refunding revenue bonds Simultaneous with the issuance of the 2008 Series A and B bonds in June 2008, Palmetto Health completed a reoffering of its 2005 Series A bonds, effectively converting the mode from an auction rate to fixed interest rates

In August 2003, Palmetto Health issued its 2003 series revenue bonds for $450,000 The bonds were issued to (i) provide funds for the payment of certain capital projects, (ii) fund a debt service reserve fund and (iii) pay certain expenses incurred in connection with the issuance of the 2003 series bonds Palmetto Health utilized a portion of the 2003 series revenue bonds to defease all of the outstanding bonds from the 1991, 1993, 1995 and 2000 bonds series The bond indentures between Palmetto Health and a national bank, as trustee, have been released and Palmetto Health no longer has any obligations associated with the defeased issues Therefore, neither the assets of the trust established in connection with the defeasance of the 1991, 1993, 1995 and 2000 series bonds nor the unpaid principal are included in the accompanying consolidated balance sheets. During fiscal year 2013 the Series 2003 C Bonds were fully paid through scheduled debt payments As discussed above, in August 2013, Palmetto Health refunded the 2003 Series A Bonds through the 2013 Series bonds

The bonds described above were all issued under the August 1, 2003 Master Trust Indenture and related amendments and supplements issued thereafter ("MTI") Per the MTI definitions, Palmetto Health is the sole member of the Obligated Group and Parkridge LLC is not part of the Obligated Group.

Borrowings under the MTI are subject to certain financial covenants and restrictions on indebtedness, financial guarantees, business combinations, and other terms which are usual and customary for such agreements

Palmetto Health's bonds payable are collateralized by the Obligated Group's pledged assets, including all revenues, receipts and income derived in connection with the ownership and operation of the Obligated Group's property, plant and equipment

In September 2004, Parkridge LLC completed a loan facility to fund its start-up activities This facility consists of (i) a $1,500 note payable for the upfitting of the surgery center, (ii) a $1,700 note payable for the purchase of machinery, equipment, furniture and fixtures, (iii) a $700 line of credit for miscellaneous working capital and (iv) a $177 note payable for equipment This loan facility was secured by the assets of Parkridge LLC and guarantees from physician investors and Palmetto Health of $700 and $232, respectively In July 2014 Parkridge LLC was absorbed into Parkridge Hospital operations As a result, Palmetto Health paid off the related Parkridge LLC note payable

Note 12 - Derivative Financial Instruments

Palmetto Health utilizes certain derivative instruments to enhance its ability to manage risk related to identified cash flow exposures Derivative instruments are entered into for periods consistent with the underlying cash flow exposures and do not represent positions independent of those positions.

Palmetto Health has entered into interest rate swap agreements, some of which contain interest rate caps and call features These instruments, which are not designated as accounting hedges, have notional amounts tied to bond issuance principal balances

When the total fair value of certain swaps exceeds a liability of $15,000, Palmetto Health is required to provide collateralization for the excess The collateralization can take the form of cash held in safekeeping by a third-party bank or by liens on investments in treasuries or government sponsored entities owned by Palmetto Health As of September 30, 2014 and 2013, there was $22,189 and $5,652, respectively, set aside for such collateral, reported in assets limited as to use The amount required changes on a weekly basis.

(dollars in thousands)

The $41,013 and $22,408 net fair value of all the derivative instruments at September 30, 2014 and 2013 is recorded in other liabilities The following is a summary of the fair value of the instruments outstanding, excluding any net settlement differential receivable/payable, at September 30, 2014 and 2013.

At September 30, 2014

Type	Notional Amount	Effective Date	Maturity Date	Rate Paid	Rate Received	Increase (Decrease) in Interest Expense	Swap Fair Value Asset (Liability)
Basis swap	144,000	8/1/03	5/9/18	0 186%	0 790%	$ (1,688)	$ 5,954
Basis swap	275,000	9/9/05	9/14/15	0 150%	0 510%	(1,645)	(2,036)
Fixed payor	3,350	4/1/16	12/1/43	3 725%	0 416%	-	(5,166)
Fixed payor	142,000	4/1/16	12/1/43	3 474%	0 122%	-	(33,816)
Fixed payor	46,250	4/1/16	7/26/35	3 540%	0 416%	-	(5,949)
Totals for derivative instruments						$ (3,333)	$ (41,013)

At September 30, 2013

Type	Notional Amount	Effective Date	Maturity Date	Rate Paid	Rate Received	Increase (Decrease) in Interest Expense	Swap Fair Value Asset (Liability)
Basis swap	144,000	8/1/03	5/9/18	0 186%	0 770%	$ (1,043)	$ 8,377
Basis swap	275,000	9/9/05	9/14/15	0 167%	0 602%	(1,561)	(5,413)
Fixed payor	3,350	4/1/16	12/1/43	3 725%	0 414%	-	(2,715)
Fixed payor[1]	46,750	12/15/05	8/1/13	3 650%	0 170%	849	-
Fixed payor	142,000	4/1/16	12/1/43	3 474%	0 120%	1,993	(18,988)
Fixed payor	46,525	4/1/16	7/26/35	3 540%	0 414%	-	(3,669)
Totals for derivative instruments						$ 238	$ (22,408)

[1] Terminated this swap in April 2013 for a cost of $543

Note 13 - Capital Lease Obligations

Capital Lease Obligation to Richland County

Concurrent with the transfer of substantially all net assets to Palmetto Health, the operating rights of associated real property and improvements thereon were conveyed to Palmetto Health via lease In exchange for an annual lease payment (including a fixed portion and other expenses assumed by Palmetto Health from Richland County), Richland County and Richland leased to Palmetto Health all of the real property recorded on the Richland property records as of the date Palmetto Health was formed Real property includes all land, buildings and the building systems The terms of the leases include a 35-year period with three five-year options, of which two have been exercised Upon completion of the 35-year original lease period, the remaining lease payments are treated as an operating lease and such payments are included in the operating lease disclosure in Note 9

The lease payment to the County includes a fixed payment of $1,693 per year The 35 years of annual payments of $1,693 have been discounted using a 5 5% interest rate to its present value and recorded as a capital lease obligation In addition, Palmetto Health reimburses Richland County an amount from operations equal to the County's annual responsibility for the Medically Indigent Assistance Program (MIAP) as determined by the State of South Carolina

(dollars in thousands)

Capital Lease Obligations to Third Parties

Palmetto Health also has capital lease obligations with other third parties for equipment

Maturities on the long-term capital lease obligations for the next five years and the aggregate are as follows

For the year ended	Related Party	Third Parties	Total
2015	$ 1,693	$ 204	$ 1,897
2016	1,693	204	1,897
2017	1,693	204	1,897
2018	1,693	152	1,845
2019	1,693	-	1,693
2020 and thereafter	24,125	-	24,125
Total minimum payments	32,590	764	33,354
Amount representing interest	(12,572)	(31)	(12,603)
Obligations under capital leases	20,018	733	20,751
Obligations due within one year	(604)	(190)	(794)
Long-term obligations under capital leases	$ 19,414	$ 543	$ 19,957

Assets under capital lease are amortized by the straight-line method over the shorter of the lease term or the estimated useful life of the asset Such amortization is included in depreciation and amortization in the consolidated financial statements

The gross amount of assets under capital lease and accumulated amortization at September 30, 2014 and 2013 is summarized as follows

	2014			2013		
	Related Party	Third Parties	Total	Related Party	Third Parties	Total
Gross amount of assets under capital lease	$ 26,447	$ 964	$ 27,411	$ 26,522	$ 968	$ 27,490
Less. Accumulated amortization	(6,429)	(231)	(6,660)	(5,932)	(74)	(6,006)
	$ 20,018	$ 733	$ 20,751	$ 20,590	$ 894	$ 21,484

Note 14 - Insurance Coverage and Litigation

Medical Malpractice Claims

Palmetto Health purchases professional medical liability insurance coverage 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 Palmetto Health has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims Accrued malpractice losses totaling $12,178 and $9,922 discounted at 3% , are included in other liabilities as of September 30, 2014 and 2013, respectively, and, in management's opinion, provide an adequate reserve for related loss contingencies

The Palmetto Healthcare Liability Insurance Program ("PHLIP") is a not-for-profit mutual benefit corporation comprised of Palmetto Health and other South Carolina health care systems (collectively, including Palmetto Health, the Members) The PHLIP was established to provide medical malpractice and general liability insurance coverage to the Members. The PHLIP provides claims-made insurance coverage to its Members by utilizing a captive insurance arrangement with a segregated portfolio (the PHLIP Segregated Portfolio) operated within an offshore captive insurance company, Preferred Healthcare Liability Insurance Program (SPC) (PHLIP SPC) PHLIP SPC and the PHLIP Segregated Portfolio are wholly-owned subsidiaries of PHLIP

Each Member has an equal vote, as provided by the PHLIP bylaws Although Palmetto Health is a related party to the PHLIP through participation by Palmetto Health management at the director level, Palmetto Health does not exercise significant influence or control As such, Palmetto Health does not consolidate the assets (ultimately, investments from collected premiums) or liabilities (ultimately, non-reinsured exposure for current and anticipated claims experience) of the PHLIP, PHLIP SPC, or the PHLIP Segregated Portfolio

Premiums for primary, primary excess and contingent excess coverage amounted to $1,347 and $1,286 for the years ended September 30, 2014 and 2013, respectively Palmetto Health has a per-claim self-insured retention of $600 and an unlimited annual aggregate self-insured retention (based on potential multiple claims at the per-claim self-insured retention) for the years ended September 30, 2014 and 2013 Premium payments have been recorded in other expense in the consolidated statements of operations for the years then ended Additionally, Palmetto Health is contingently liable for up to 100% of cumulative premiums incurred for primary coverage, or $38,054 at September 30, 2014 (the Potential Premium Assessment) As of September 30, 2014, management believes the likelihood of any Potential Premium Assessment is not probable, hence, no related amounts have been accrued at September 30, 2014. Palmetto Health has provided a letter of credit with a commercial bank in a maximum amount of approximately $5,863 (expiring January 2015) to secure a portion of the maximum obligation for the Potential Premium Assessment. Management anticipates an updated renewal of this facility under substantially the same terms and conditions at expiration

Workers' Compensation and Employee Health

Palmetto Health is self-insured for workers' compensation claims and has a stop-loss insurance policy for claims in excess of $500 Palmetto Health has provided a letter of credit with a commercial bank in a maximum amount of $3,550 (expiring October 2015) related to the self-insurance of workers' compensation Palmetto Health is also self-insured for its employee group health insurance Palmetto Health has estimated and recorded accruals in other current liabilities and other liabilities totaling $5,107 and $3,407 at September 30, 2014 and 2013, respectively, for the self-insurance portion of these arrangements and maintains excess coverages for exposures above self-insured retentions

Litigation

As a not-for-profit corporation, Palmetto Health is the beneficiary of certain liability caps established under South Carolina Charitable Immunity Statutes The laws of the state limit the amount that can be recovered for damages for medical services rendered by the facility or the facility's employees to $300 per claim with a maximum of $600 per occurrence, with liability caps for employed physicians at $1,200 per occurrence From time to time, Palmetto Health is involved in litigation and regulatory investigations arising in the normal course of business. Based on consultation with legal counsel and given available insurance coverages and related accruals, management believes that these matters will be resolved without a material adverse effect on Palmetto Health's financial position or results of operations

Note 15 - Retirement Plans

Palmetto Health Retirement Savings Plan (Savings Plan) is a defined contribution retirement plan Employees are eligible to participate in the pretax salary reduction portion of the Savings Plan beginning with the first payroll after employment Employees are eligible for the Palmetto Health match after the completion of 12 months of service in which the employee works 1,000 hours and after reaching the age of 21 Palmetto Health matches up to 140% of employee contributions up to 3 5% of the employee's eligible compensation. The ultimate level of this employer match is based on years of service. Benefits are vested 20% a year beginning with the second year of employment with employees becoming fully vested after six years The Savings Plan credits all previous years of vesting service with Baptist and Richland from the date of hire

With the formation of Palmetto Health, certain Richland employees remained Richland employees and Richland entered into an arrangement with Palmetto Health whereby those employees were then leased to Palmetto Health Those employees continue to participate in the State of South Carolina Retirement System The plan requires contributions by employers who elect or are required to participate in the plan Richland has funded all contributions required by the plan Information concerning the portion of the South Carolina Retirement System's assets and vested and nonvested benefits applicable to Richland employees is not available

Palmetto Health expensed $11,807 and $10,398 related to the above retirement plans in fiscal years 2014 and 2013, respectively

Palmetto Health has an unfunded defined benefit supplemental executive retirement plan for certain members of senior management The participants become eligible to receive benefit payments in the month coinciding with the later of their respective 62nd or 65th birthdays, dependent upon the participant, or 36 months of participation

(dollars in thousands)

The changes in the associated benefit obligation follow.

	2014	2013
Benefit obligation at beginning of year	$ 3,924	$ 8,237
Service Cost	232	420
Interest cost	183	278
Actuarial (gain)/loss	763	(1,167)
Amendments	245	-
Settlements	-	214
Benefits paid	-	(4,058)
Total benefit obligation, end of year	$ 5,347	$ 3,924
Amounts recognized in the unrestricted net assets consist of		
Unrecognized actuarial loss	(193)	585
Unrecognized prior service cost	(1,671)	(1,762)
	$ (1,864)	$ (1,177)

The components of net periodic benefit cost are as follows

	2014	2013
Service cost	$ 232	$ 420
Interest cost	183	278
Amortization of prior service cost	336	336
Amortization of actuarial (gain) loss	(15)	143
Net periodic postretirement benefit cost	736	1,177
Settlement	-	556
Total benefit cost	736	1,733
Adjustment to liability recognized in unrestricted net assets consist of		
Net actuarial gain	778	(1,310)
Prior service cost	(336)	(336)
	442	(1,646)
Total benefit cost and other charges recognized in unrestricted net assets	$ 1,178	$ 87
Amounts expected to be recognized in net periodic benefit costs in the following year		
Unrecognized actuarial loss	397	336
Unrecognized prior service cost	-	(15)
	$ 397	$ 321

The weighted average discount rates used to determine benefit obligations at September 30, 2014 and 2013 were 4.15% and 4.65%, respectively. The rate of compensation increase used to determine benefit obligations at both September 30, 2014 and 2013 was 4.0%.

(dollars in thousands)

Note 16 - Postretirement Benefits Plan

Palmetto Health currently provides defined unfunded health care and drug benefits for certain retired employees Additionally, certain active employees are eligible for future benefits Employees who retire with Palmetto Health on and after October 1, 2004, pay the full cost of retiree medical coverage Palmetto Health has elected to record the unrecognized transition obligation as an operating expense on a prospective basis as part of the future annual benefit cost The changes in the associated benefit obligation follow

	2014	2013
Benefit obligation at beginning of year	$ 11,484	$ 13,066
Service cost	56	71
Interest cost	496	447
Actuarial loss (gain)	1,200	(1,151)
Benefits paid	(923)	(949)
Medicare Part D	74	-
Total benefit obligation, end of year	12,387	11,484
Amounts recognized in the unrestricted net assets consist of		
Unrecognized actuarial (loss) gain	(396)	803
Unrecognized prior service credit	373	424
Unrecognized net transition obligation	(2,337)	(2,990)
	$ (2,360)	$ (1,763)

The components of net periodic postretirement benefit cost are as follows

	2014	2013
Service cost at end of period	$ 56	$ 71
Interest cost on accumulated postretirement benefit obligation	496	447
Amortization of transition obligation	653	653
Amortization of unrecognized prior service cost	(51)	(51)
Net periodic postretirement benefit cost	1,154	1,120
Adjustment to liability recognized in unrestricted net assets consist of		
Net actuarial loss (gain)	1,200	(1,161)
Prior service credit	51	51
Net transition obligation	(653)	(653)
	598	(1,763)
Total benefit cost and other charges recognized in unrestricted net assets	$ 1,752	$ (643)
Amounts expected to be recognized in net periodic benefit costs in the following year		
Unrecognized actuarial loss	653	653
Unrecognized prior service cost	(51)	(51)
	$ 602	$ 602

(dollars in thousands)

The weighted average discount rates used to determine benefit obligations and net cost at September 30, 2014 and 2013, were 4.15% and 4.65%, respectively.

	2014	2013
Health care cost trend rate assumptions		
Current health care cost trend rate	8.00%	8.00%
Ultimate health care cost trend rate	5.00%	5.00%
Ultimate trend rate is reached in year	2019	2019

	1% Decrease		1% Increase	
	2014	2013	2014	2013
Sensitivity to the assumed health care cost trend rates				
Effect on total of service and interest cost components	$ (66)	$ (45)	$ 80	$ 96
Effect on postretirement benefit obligation	(1,285)	(1,131)	1,515	1,334

The benefits expected to be paid, net of Medicare Part D Subsidy, in each of the years 2015 to 2019 are $771, $784, $793, $802 and $811, respectively. The aggregate benefits expected to be paid in the five years from 2020 to 2024 are $3,895. The expected benefits are based on the same assumptions used to measure Palmetto Health's benefit obligation at September 30, 2014.

Note 17 - Related Parties

Related-party Obligations with Richland County, Richland and Baptist

At the formation of Palmetto Health, certain Richland employees elected to remain employees of Richland in order to continue to participate in the State of South Carolina Retirement System. Those employees are leased to Palmetto Health under an employee lease agreement. The total payments by Palmetto Health to Richland under the employee lease agreement amounted to $7,271 and $6,321 for the years ended September 30, 2014 and 2013, respectively. Palmetto Health had on deposit $670 and $693 for the years ended September 30, 2014 and 2013, respectively, with Richland as a deposit equal to two payrolls for employees leased by Richland to Palmetto Health. The deposit is included in other current assets.

Concurrent with the transfer of substantially all net assets to Palmetto Health, the operating rights of associated real property and improvements thereon were conveyed to Palmetto Health through the leases described above in Note 13, Capital Lease Obligations. In exchange for an annual lease payment (including a fixed portion and other expenses assumed by Palmetto Health from Richland County), Richland County and Richland leased to Palmetto Health all of the real property recorded on the Richland property records as of the date Palmetto Health was formed. Real property includes all land, buildings and the building systems.

In addition, Palmetto Health reimburses Richland County an amount from operations equal to the County's annual responsibility for the Medically Indigent Assistance Program (MIAP) as determined by the State of South Carolina.

(dollars in thousands)

Palmetto Health is also committed to provide an annual payment from operations to cover certain governance costs of Richland and Baptist The payment is calculated using a base of $250, subject to adjustment based upon the Consumer Price Index and other expenses, as defined, for an original term of 35 years with three five-year renewal options, of which two have been exercised Expense of $727 and $713 for the years ended September 30, 2014 and 2013, respectively, was recorded associated with these payments and is included in supplies and other expense in the accompanying consolidated statements of operations

As described previously in Note 8, on October 1, 2009, Palmetto Health transferred to a new entity all real and personal property comprising the hospital facility in Easley, South Carolina and began accounting for its investment in BEH under the equity method of accounting Palmetto Health continues to provide certain services to the new entity for a fee pursuant to written agreements Palmetto Health recorded $7,637 and $7,580 for the years ended September 30, 2014 and 2013, respectively, in other revenue of related service contract, leased employee and sublease revenue (see Note 5 for related receivable)

Related-party Obligations with Foundation

Palmetto Health is affiliated with the Foundation During the years ended September 30, 2014 and 2013, Palmetto Health received $3,701 and $3,890, respectively, in contributions from the Affiliated Foundation and Palmetto Health paid $1,330 in operating expenses of the Affiliated Foundation in each year

The Foundation was established through the merger of the Baptist Medical Center Columbia Foundation into the Richland Memorial Hospital Foundation for the sole purpose of supporting the mission, purposes and activities of Palmetto Health, and its related organizations The directors of this foundation include certain officers and board members of Palmetto Health, as well as other community leaders The Foundation is constituted so as to attract support and contributions directly or indirectly from persons in the community in which it operates and was not formed for pecuniary profit or financial gain

Palmetto Health follows ASC 958, "Not-for-profit Entities," in accounting for contributions and funds held by the Foundation for the benefit of Palmetto Health The following table sets forth selected unaudited financial information of the Foundation at September 30, 2014 and 2013

	September 30,	
	2014	2013
Assets	$ 32,493	$ 30,096
Liabilities	2,801	2,778
Unrestricted net assets	3,136	2,977
Temporary and permanently restricted net assets	26,556	24,341

Note 18 - Fair Value Measurements

ASC 820, "Fair Value Measurements and Disclosures," establishes a framework for measuring fair value That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value That hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements) The three levels of the fair value hierarchy under ASC 820 are described below

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Palmetto Health has the ability to access

Level 2 – Inputs to the valuation methodology include

Quoted prices for similar assets or liabilities in active markets,

Quoted prices for identical or similar assets or liabilities in inactive markets,

Inputs other than quoted prices that are observable for the asset or liability, and

Inputs that are derived principally from, or corroborated by, observable market data by correlation other means

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

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs

Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one fair value to another In such instances, the transfer is reported at the beginning of the reporting period For the fiscal years ended September 30, 2014 and 2013, there were no transfers in or out of Levels 1, 2, or 3

(dollars in thousands)

The following tables set forth the level, within the fair value hierarchy, of Palmetto Health's financial instruments at fair value as of September 30, 2014 and 2013

At September 30, 2014	Level 1	Level 2	Level 3	Total
U S Treasury and government agencies	$ 62,788	$ -	$ -	$ 62,788
Cash and short-term investments	50,643	-	-	50,643
Mutual funds	320,721	-	-	320,721
Common stocks and options	74,317	-	-	74,317
Corporate bonds, mortgage and asset backed securities, and other	-	180,562	-	180,562
Alternative investments	-	-	88,518	88,518
Assets at fair value	$ 508,469	$ 180,562	$ 88,518	$ 777,549
Derivative instruments, net - swaps	$ -	$ (41,013)	$ -	$ (41,013)
Liabilities at fair value	$ -	$ (41,013)	$ -	$ (41,013)

At September 30, 2013	Level 1	Level 2	Level 3	Total
U S Treasury and government agencies	$ 79,414	$ -	$ -	$ 79,414
Cash and short-term investments	70,654	-	-	70,654
Mutual funds	329,860	-	-	329,860
Common stocks and options	81,632	-	-	81,632
Corporate bonds, mortgage and asset backed securities, and other	-	119,109	-	119,109
Alternative investments	-	-	79,549	79,549
Assets at fair value	$ 561,560	$ 119,109	$ 79,549	$ 760,218
Derivative instruments, net - swaps	$ -	$ (22,408)	$ -	$ (22,408)
Liabilities at fair value	$ -	$ (22,408)	$ -	$ (22,408)

The table below sets forth a summary of changes in the fair value of Palmetto Health's Level 3 financial instruments for the period ended September 30, 2014, and 2013

	2014	2013
Balance, beginning of year	$ 79,549	$ 75,175
Purchases	2,501	-
Unrealized gain	6,468	4,806
Settlements, net	-	(432)
Balance, end of year	$ 88,518	$ 79,549

Palmetto Health estimates the fair value of investments in corporate bonds, mortgage and asset backed securities, and other based on fair values determined by independent vendors The vendors compile prices from various sources and may apply matrix pricing for similar bonds where no price is observable in an actively traded market If available, the vendor may also use quoted prices for recent trading activity of assets with similar characteristics to the bond being valued

(dollars in thousands)

Palmetto Health estimates the fair value of investments in alternative investments using the reported net asset value as a practical expedient for fair value The use of net asset value as a practical expedient for fair value is permitted under GAAP for investments in entities that meet the description of an investment company and whose underlying investments are measured at fair value The table below is a summary of the alternative investments held by Palmetto Health as of September 30, 2014 and 2013.

	2014	2013	Unfunded Commitments	Redemption Notice Period
Equity long/short hedge fund of funds	$ 8,220	$ 6,500	None	written notification by 9/15 for redemption at 12/31 of each year
Global macro hedge fund of funds	7,370	5,712	None	106 days
US macro hedge fund of funds	473	600	None	N/A - currently liquidating
Diversified multi-strategy fund of funds	72,455	66,737	None	5-90 days
Balance, end of year	$ 88,518	$ 79,549		

The Equity long/short hedge fund of funds oversees various managers which seek to earn attractive returns by generally focusing on investments in global equities, both long and short, but may also use other securities and instruments deemed appropriate by the investment manager to carry out the overall objective of the fund The investment manager has broad and flexible investment authority and may trade in any type of security, issuer, or group of related issuers, country, region, etc , believed to help the fund achieve its investment objectives

The Global macro hedge fund of funds oversees various managers whose investment objective is to seek risk-adjusted returns while preserving capital during difficult market periods, through exposure to the financial, metal, energy, agricultural, currency and other markets, in addition to diversify its portfolio through investment in a range of funds or managed accounts seeking to implement trading strategies in numerous U S. and international currency, futures, options, forward and other derivative markets

The US macro hedge fund of funds seeks lower volatility than traditional markets, investing primarily in non-directional hedge fund strategies By investing in a broadly diversified portfolio of alternative asset managers, the fund seeks to produce consistent, above-average, risk adjusted, long-term rates of return with low correction relative to the equity and fixed income markets Palmetto Health is currently liquidating out of this fund

The Diversified multistrategy fund of funds oversees various managers which seek diversification by investment strategy Strategy sectors include, among others, Long Short, Event Driven, Fundamental Macro, Systematic Macro (CTA), Relative Value, and Multi-Strategy Currently all investments in this fund of funds is in the initial one year lock-out period After the lock-out expires, a 5-90 day notice period is required

Management estimates the fair value of interest rate swaps, based primarily on Level 2 inputs Management also considers the creditworthiness of Palmetto Health and its counterparties in estimating the fair value of interest rate swaps, however, the effect of credit valuation adjustments was not significant to the fair value measurements as of September 30, 2014

Note 19 – Start-up Costs

In mid-March 2014, Palmetto Health opened the new Parkridge Hospital, a 76 bed full service community hospital A variety of one-time preopening costs were incurred including salaries for employees supervising construction and training of employees Total start-up costs incurred in fiscal year 2014 totaled $4,434 and are included in a separate line item under the nonoperating (expenses) income section of the Consolidated Statement of Operations.

Note 20 - Subsequent Events

Palmetto Health evaluated subsequent events through November 25, 2014, the date at which the consolidated financial statements were issued No subsequent events requiring recognition in the consolidated financial statements as of November 25, 2014, were identified by Palmetto Health, however, the item below was identified for disclosure

As discussed in Note 12, when the total fair value of certain swaps exceeds a liability of $15,000, Palmetto Health is required to provide collateralization for the excess As of November 20, 2014, the amount of such collateral required increased to $24,048 due to an unfavorable change in market conditions.

Palmetto Health and Subsidiaries

Supplemental Schedule – Consolidating Balance Sheet Information
September 30, 2014

(dollars in thousands)

	Obligated Group	Non-obligated Group Entities	Consolidated Total
Assets			
Current assets:			
Cash and cash equivalents	$ 33,880	$ 403	$ 34,283
Assets limited as to use	26,649	-	26,649
Patient accounts receivable, net	214,195	250	214,445
Other receivables	20,386	-	20,386
Inventories	20,114	-	20,114
Other current assets	11,812	15	11,827
Total current assets	327,036	668	327,704
Assets limited as to use	750,900	-	750,900
Property and equipment, net	594,117	-	594,117
Other assets	63,998	-	63,998
	$ 1,736,051	$ 668	$ 1,736,719
Liabilities and Net Assets			
Current liabilities:			
Current portion of long-term debt	$ 21,858	$ -	$ 21,858
Current portion of capital lease obligations	794	-	794
Accounts payable	37,506	271	37,777
Accrued salaries and benefits	60,636	-	60,636
Other current liabilities	19,405	-	19,405
Total current liabilities	140,199	271	140,470
Long-term debt, net	672,372	-	672,372
Capital lease obligations, net	19,957	-	19,957
Other noncurrent liabilities	68,664	-	68,664
Total liabilities	901,192	271	901,463
Commitments and contingencies			
Net assets:			
Unrestricted	799,558	397	799,955
Temporarily restricted	27,382	-	27,382
Permanently restricted	7,919	-	7,919
Total net assets	834,859	397	835,256
	$ 1,736,051	$ 668	$ 1,736,719

Note to Consolidating Supplemental Information

The consolidating supplemental balance sheet included above is presented for the purposes of displaying separately the financial position of members and subsidiaries of the Obligated Group of Palmetto Health and those members or subsidiaries that are not part of the Obligated Group

The Obligated Group is defined as Palmetto Health and Subsidiaries, excluding entities consolidated in accordance with accounting principles generally accepted in the United States of America and entities that were not a part of the initial obligated group

The Master Indenture is the Master Trust Indenture of Palmetto Health, dated as of August 1, 2003, between Palmetto and the Master Trustee, as from time to time amended or supplemented in accordance with the terms of the Master Indenture