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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
BAPTIST MEMORIAL HOSPITAL

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
350 N HUMPHREYS BLVD

City or town, state or province, country, and ZIP or foreign postal code
MEMPHIS, TN 381202177

D Employer identification number
62-0123940

E Telephone number
(901) 227-5117

G Gross receipts $ 707,005,697

F Name and address of principal officer
JASON M LITTLE
350 N HUMPHREYS BLVD
MEMPHIS,TN 381202177

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 BAPTISTONLINE ORG

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

L Year of formation 1954

M State of legal domicile TN

Part I Summary

1 Briefly describe the organization's mission or most significant activities
BAPTIST MEMORIAL HOSPITAL, INC PROVIDES QUALITY MEDICAL HEALTHCARE (see Schedule O, pg 73) REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, OR AGE

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**	8
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	7
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	4,073
6	Total number of volunteers (estimate if necessary)	**6**	166
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	133,566
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-48,215

		Prior Year	Current Year
Revenue **8**	Contributions and grants (Part VIII, line 1h)	1,178,850	742,581
9	Program service revenue (Part VIII, line 2g)	699,594,167	675,133,007
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	10,759,322	1,801,576
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,077,220	7,907,701
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	713,609,559	685,584,865
Expenses **13**	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	74,816	312,035
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)	263,920,726	258,547,130
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)	441,759,937	478,733,244
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	705,755,479	737,592,409
19	Revenue less expenses Subtract line 18 from line 12	7,854,080	-52,007,544

		Beginning of Current Year	End of Year
Net Assets or Fund Balances **20**	Total assets (Part X, line 16)	548,742,567	480,298,694
21	Total liabilities (Part X, line 26)	212,587,229	233,795,421
22	Net assets or fund balances Subtract line 21 from line 20	336,155,338	246,503,273

Part II Signature Block

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

Sign Here

Signature of officer — Date: 2015-08-05

JASON M LITTLE PRESIDENT
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
FRANCIS J BEDARD				P00752421

Firm's name ▶ DELOITTE TAX LLP — Firm's EIN ▶ 86-1065772

Firm's address ▶ 424 CHURCH ST STE 2400
NASHVILLE, TN 37219 — Phone no (615) 259-1811

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

BAPTIST MEMORIAL HOSPITAL, INC PROVIDES QUALITY MEDICAL HEALTHCARE REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, OR AGE

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 $ 679,860,089 including grants of $ 312,035) (Revenue $ 675,007,312)

BAPTIST MEMORIAL HOSPITAL, INC PROVIDES QUALITY MEDICAL HEALTHCARE REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, OR AGE PATIENTS OF EVERY RACE, CREED AND SOCIOECONOMIC GROUP COME TO BAPTIST MEMORIAL HOSPITAL FROM MANY STATES AND COUNTRIES WITH ILLNESSES THAT ARE OFTEN VERY SERIOUS ALTHOUGH REIMBURSEMENT FOR SERVICES RENDERED IS CRITICAL TO THE OPERATION AND STABILITY OF BAPTIST MEMORIAL HOSPITAL, INC , IT IS RECOGNIZED THAT NOT ALL INDIVIDUALS POSSESS THE ABILITY TO PURCHASE ESSENTIAL MEDICAL SERVICES, AND FURTHER, THAT OUR MISSION IS TO SERVE THE COMMUNITY WITH RESPECT TO PROVIDING HEALTH CARE SERVICES AND HEALTHCARE EDUCATION (SEE SCHEDULE O, PG 73 FOR CONTINUATION)THEREFORE, IN KEEPING WITH ITS COMMITMENT TO SERVE ALL MEMBERS OF ITS COMMUNITY, BAPTIST MEMORIAL HOSPITAL, INC PROVIDES THE FOLLOWING --FREE CARE AND/OR SUBSIDIZED CARE WHERE THE NEED AND/OR AN INDIVIDUAL'S INABILITY TO PAY COEXIST,--CARE PROVIDED TO PERSONS COVERED BY GOVERNMENTAL PROGRAMS AT BELOW COST, AND--HEALTH ACTIVITIES AND PROGRAMS TO SUPPORT THE COMMUNITYTHESE ACTIVITIES INCLUDE WELLNESS PROGRAMS, COMMUNITY EDUCATION PROGRAMS, PROGRAMS FOR THE ELDERLY, HANDICAPPED, MEDICALLY UNDERSERVED, AND A VARIETY OF BROAD COMMUNITY SUPPORT ACTIVITIES BAPTIST MEMORIAL HOSPITAL, INC INCLUDES THREE MEMPHIS AREA HOSPITALS BAPTIST MEMORIAL HOSPITAL (MEMPHIS), BAPTIST MEMORIAL HOSPITAL (COLLIERVILLE), AND BAPTIST MEMORIAL HOSPITAL FOR WOMEN THE COMBINED LOCATIONS OF BAPTIST MEMORIAL HOSPITAL, INC SERVICED 33,132 PATIENT DISCHARGES AND PROVIDED MORE THAN 187,100 OUTPATIENT SERVICES DURING THE FISCAL YEAR ENDING SEPTEMBER 30, 2014 EMPHASIS IS NOW ON OUTPATIENT SERVICES BAPTIST MEMORIAL HOSPITAL, INC PROVIDES MANY OUTPATIENT SERVICES, WHICH WILL CONTINUE TO CUT HOSPITAL COSTS AND STAYS MOST PATIENTS PREFER TO RECUPERATE AT HOME AND WITH THE OUTPATIENT SERVICES PROVIDED AT BAPTIST MEMORIAL HOSPITAL, INC , PATIENTS NOW HAVE THAT OPTION DURING THE YEAR ENDING SEPTEMBER 30, 2014 BAPTIST MEMORIAL HOSPITAL, INC 'S PROGRAM SERVICES PRODUCED THE FOLLOWING RESULTS THE PHARMACY DEPARTMENT DISPENSED 4,871,182 UNIT DOSES OF MEDICATION AT A COST OF $48,491,612 THE SURGERY SERVICES DEPARTMENT HAD 20,256 PATIENT VISITS AT A COST OF $75,802,668 THE CARDIOVASCULAR SERVICES DEPARTMENT PERFORMED 217,438 PROCEDURES AT A COST OF $37,336,204 CHARITY CARE IS PROVIDED THROUGH INPATIENT, OUTPATIENT AND COMMUNITY-BASED PROGRAMS INPATIENT AND OUTPATIENT SERVICES ARE PROVIDED TO PATIENTS WHO ARE MEDICALLY INDIGENT RESIDENTS OF THE STATES OF ARKANSAS, MISSISSIPPI, TENNESSEE, AND OTHER STATES BAPTIST MEMORIAL HOSPITAL, INC ALSO MAINTAINS A CLINIC TO SERVE THIS POPULATION ON AN OUTPATIENT BASIS STAFF PHYSICIANS AT BAPTIST MEMORIAL HOSPITAL, INC , AS WELL AS PHYSICIANS IN THE MEDICAL RESIDENCY PROGRAMS, GIVE COUNTLESS HOURS OF THEIR TIME TREATING PATIENTS WHO CANNOT PAY THE UN-REIMBURSED AMOUNT OF CHARITY AND CONTRACTUAL ALLOWANCES WAS $1,286,420,565 BAPTIST MEMORIAL HOSPITAL, INC HAD SEVERAL NOTEWORTHY ACCOMPLISHMENTS AND NEW SERVICE LINES DURING THE PERIOD ENDING SEPTEMBER 30, 2014 SOME OF THESE ARE BAPTIST MEMORIAL HOSPITAL, INC WAS THE PILOT HOSPITAL FOR A UNIQUE PATIENT SAFETY AND QUALITY PROJECT THAT WAS LAUNCHED BY HUMANA, INC THROUGH THE PROJECT, HUMANA WILL MONITOR CERTAIN SAFETY AND QUALITY GOALS ALREADY ESTABLISHED AT BAPTIST MEMORIAL HOSPITAL, INC THESE GOALS WILL BE REVIEWED ANNUALLY BY HUMANA OVER A PERIOD OF THREE YEARS AS THE PROGRAM'S SAFETY AND QUALITY GOALS ARE MET EACH YEAR, HUMANA WILL RECOGNIZE BAPTIST MEMORIAL HOSPITAL, INC BY CONTINUING TO FUND NURSING SCHOLARSHIPS AT BAPTIST MEMORIAL COLLEGE OF HEALTH SCIENCES, INC SOME OF BAPTIST MEMORIAL HOSPITAL, INC 'S CURRENT SAFETY AND QUALITY INITIATIVES INCLUDE THOSE TARGETED AT SAFE MEDICATION USE, LEGIBILITY OF MEDICATION ORDERS, PAIN MANAGEMENT AND FALLS BAPTIST MEMORIAL HOSPITAL, INC HAS BEEN RECOGNIZED NATIONALLY FOR OUR PATIENT SAFETY AND QUALITY EFFORTS PEDIATRIC DEPARTMENT P D PARROT, THE OFFICIAL MASCOT AND REPRESENTATIVE OF BAPTIST MEMORIAL HOSPITAL, INC 'S PEDIATRIC SERVICES, CONTINUES TO HOST SPECIAL EVENTS FOR AREA SCHOOLS TEACHING THEM ABOUT HEALTH AND SAFETY P D PARROT ALSO HOSTS SEVERAL ACTIVITIES THROUGHOUT THE AREA FOR CHILDREN, SUCH AS P D PARROT'S BIG BACK YARD, PROVIDING GAMES, ART ACTIVITIES AND MUSIC IN AREA PARKS BAPTIST MEMORIAL HOSPITAL, INC 'S PEDIATRIC INTERMEDIATE CARE UNIT (PICU) IS A FOUR-BED OPEN UNIT THAT ALLOWS SICK CHILDREN AND THOSE RECOVERING FROM SURGERY TO BE CLOSELY MONITORED IN A HIGH-TECH ENVIRONMENT CHILDREN IN THE PICU, WHICH FEATURES STATE-OF-THE-ART EQUIPMENT AND SPECIALIZED MEDICAL DEVICES, CAN BE CARED FOR AND OBSERVED BY NURSES WHILE THEIR PARENTS STAY WITH THEM BAPTIST HEART INSTITUTE THE BAPTIST HEART INSTITUTE AT BAPTIST MEMORIAL HOSPITAL, INC IS A 165,000 SQUARE FOOT STATE-OF-THE ART FACILITY IT IT COMPRISED OF A SURGERY ADDITION, CARDIAC CATHETERIZATION LABS, A PRE- AND POST-CARDIAC CATH UNIT, CARDIO-PULMONARY TRANSPLANT UNIT, CARDIOVASCULAR RECOVERY/CARDIOVASCULAR INTENSIVE CARE UNIT, A CARDIOVASCULAR STEP-DOWN UNIT, TWO CARDIAC MEDICINE UNITS, THE CARDIAC INTERVENTION UNIT, AND VAD STEPDOWN UNIT BY COMBINING ALL CARDIOVASCULAR SERVICES UNDER ONE ROOF, IT IS MORE CONVENIENT FOR BOTH PATIENTS AND PHYSICIANS BAPTIST MEMORIAL HOSPITAL, INC AND ITS EMPLOYEES HAVE WON SEVERAL NATIONAL AWARDS FOR QUALITY AND SERVICE SOME OF THESE INCLUDE JOINT COMMISSION AWARD --DESIGNATED BY THE JOINT COMMISSION AS A KEY PERFORMER ON KEY QUALITY MEASURES FOR HEART ATTACK, HEART FAILURE, AND PNEUMONIACONSUMER CHOICE AWARD --RECIPIENT OF THE CONSUMER CHOICE AWARD AS MEMPHIS' MOST PREFERRED HOSPITAL FOR THE EIGHTEENTH CONSECUTIVE YEAR FROM THE NATIONAL RESEARCH CORPORATIONMEMPHIS MOST AWARD --RECIPIENT FOR THE SIXTH CONSECUTIVE YEAR OF THE MEMPHIS MOST AWARD BY THE MEMPHIS METROPOLITAN COMMUNITY AS HAVING ONE OF THE BEST HOSPITALS IN THE AREABAPTIST MEMORIAL HOSPITAL, INC DOES NOT LIMIT ITS CONCERN FOR THE COMMUNITY TO PATIENT CARE IT HAS FOUR OTHER AREAS THAT MAKE CONTRIBUTIONS TO IMPROVING THE CONDITION OF INDIVIDUALS IN THE MID-SOUTH THESE AREAS ARE EDUCATION OF HEALTH CARE PROFESSIONALS, COMMUNITY RELATIONS ACTIVITIES, DONATIONS TO THE COMMUNITY, AND VOLUNTEERISM EDUCATION OF HEALTH CARE PROFESSIONALS BAPTIST MEMORIAL HOSPITAL, INC HAS A COMMITMENT TO INSURING THAT AN EDUCATED AND TRAINED WORK FORCE OF HEALTH CARE PROFESSIONALS IS AVAILABLE TO THE MEMPHIS COMMUNITY SIGNIFICANT EXPENSES WERE INCURRED IN CONNECTION WITH PROGRAM COSTS FOR EDUCATION BAPTIST MEMORIAL HOSPITAL, INC ALSO SUPPORTS AN INTERN AND RESIDENCY PROGRAM THROUGH THE UNIVERSITY OF TENNESSEE-MEMPHIS COMMUNITY RELATIONS ACTIVITIES BAPTIST MEMORIAL HOSPITAL, INC PROVIDED THE FOLLOWING SPECIAL ACTIVITIES THROUGH VARIOUS SERVICES AND DEPARTMENTS IN THE HOSPITAL PARTNERSHIP WITH TWO INNER-CITY SCHOOLS THROUGH THE ADOPT-A-SCHOOL PROGRAM THAT INCLUDED THE FOLLOWING --AN INCENTIVE PROGRAM FOR ACADEMIC ATTENDANCE AND STUDENT ENGAGEMENT--CAREER DAY SPEAKERSOTHER COMMUNITY RELATIONS' ACTIVITIES INCLUDED --MIDSOUTH FOOD BANK--CROSSLINK INTERNATIONAL-MEMPHIS--SUSAN G KOMEN RACE FOR THE CURE--AMERICAN HEART ASSOCIATION--DONATIONS FOR HOMELESS PATIENTS SERVED BY BAPTIST MEMORIAL HEALTH CARE CORPORATION'S OUTREACH VAN--ANNUAL PICNIC FOR CURRENT AND FORMER HEART TRANSPLANT PATIENTS AND THEIR FAMILIES--AMERICAN CANCER SOCIETY'S LOOK GOOD, FEEL BETTER SESSIONS--A COMMUNITY-BASED STROKE SUPPORT GROUP--THE USE OF HOSPITAL MEETING ROOMS FOR VARIOUS COMMUNITY GROUPS AT NO CHARGEDONATIONS TO THE COMMUNITY --BAPTIST MEMORIAL HOSPITAL, INC DONATES MEDICAL EQUIPMENT THAT HAS BEEN RETIRED FROM SERVICE CLASSES & SEMINARSBAPTIST MEMORIAL HOSPITAL, INC OFFERED VARIOUS CLASSES AND SEMINARS AT NO COST TO PARTICIPANTS VOLUNTEERISMBAPTIST MEMORIAL HOSPITAL, INC ENCOURAGES VOLUNTEERISM IN ITS EMPLOYEES

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** ▶ 679,860,089

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	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**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	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**		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**	Yes	
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	0		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	4,073		
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**	8		
	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**	7		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**		Yes	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**		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**		Yes	

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

Section C. Disclosure

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

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

☐ 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

▶CYNDI PITTMAN 350 N HUMPHREYS BLVD
MEMPHIS,TN 381202177 (901) 226-0508

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ZACHARY R CHANDLER DIRECTOR	20 39 80	X						0	612,136	41,092
(2) RANDY J KING DIRECTOR	10 39 90	X						0	489,106	67,188
(3) MILTON E MAGEE DIRECTOR	20 0 00	X						0	0	0
(4) SPENCE WILSON DIRECTOR	20 0 00	X						0	0	0
(5) BILLY MCCULLOUGH DIRECTOR	20 0 00	X						0	0	0
(6) CHRISTINE MESTEMACHER MD DIRECTOR	20 0 00	X						0	0	0
(7) JAMES M GLASGOW JR DIRECTOR	20 0 00	X						0	0	0
(8) THOMAS CHESNEY MD DIRECTOR	20 0 00	X						0	0	0
(9) BRAD WOLF MD DIRECTOR	20 0 00	X						0	0	0
(10) DANA E KELLY DIRECTOR	20 0 00	X						0	0	0
(11) ROBERT SCHRINER MD DIRECTOR	20 0 00	X						0	0	0
(12) STEPHEN C REYNOLDS PRESIDENT (10/01/13-5/31/14)	20 39 80			X				0	1,898,392	88,125
(13) GREGORY M DUCKETT SECRETARY	20 39 80			X				0	582,127	65,914
(14) KYLE E ARMSTRONG CEO/ADMIN	40 00 0 00			X				0	194,997	43,159
(15) CYNDI PITTMAN CFO	40 00 0 00			X				187,153	0	53,064
(16) JASON M LITTLE PRESIDENT (6/1/14-9/30/14)	20 39 80			X				0	881,834	83,275
(17) TERRI S SEAGO CFO	40 00 0 00			X				123,151	0	27,289

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) ANITA VAUGHN CEO/ADMIN	40 00 0 00			X				0	431,968	82,350
(19) MARGARET H WILLIAMS CFO	40 00 0 00			X				102,388	0	34,621
(20) DERICK B ZIEGLER CEO/ADMIN	40 00 0 00			X				0	378,294	51,984
(21) DANA DYE CEO/ADMIN	40 00 0 00			X				0	327,887	40,159
(22) DONALD R POUNDS VP	20 39 80			X				0	1,015,326	56,774
(23) PAUL D DEPRIEST MD VP	10 39 90			X				0	526,494	50,292
(24) REBECCA M HUNTER CNO	40 00 0 00				X			199,682	0	22,687
(25) CHRISTIAN C PATRICK MD CMO	40 00 0 00				X			366,073	0	55,605
(26) JOHN S STANTON PHAR	40 00 0 00					X		151,263	0	33,589
(27) STEPHEN L HELTON PHYS ADVISOR-CASE MGMT	40 00 0 00					X		191,092	0	24,528
(28) KEVIN L BRONSON CHIEF PHYSICIST	40 00 0 00					X		182,345	0	23,896
(29) DARLA G BELT DIR NURSING	40 00 0 00					X		151,057	0	12,761
(30) ROBERT M SELF PHAR DIR	40 00 0 00					X		194,927	0	32,671
1b Sub-Total . . . . . ▶										
c Total from continuation sheets to Part VII, Section A . . . . ▶										
d Total (add lines 1b and 1c) . . . . . ▶								1,849,131	7,338,561	991,023

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 ▶ 114

			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
UNIVERSITY OF TENNESSEE 62 S DUNLAP 220 MEMPHIS TN 38103	PHYSICIAN SERVICES	3,843,089
MEMPHIS LUNG PHYSICIANS FOUNDATION INC 6025 WALNUT GROVE RD 508 MEMPHIS TN 38120	PHYSICIAN SERVICES	2,434,558
ANGELICA 1105 LAKEWOOD PKWY 210 ATLANTA GA 30004	CLEANING SERVICES	2,062,083
METROPOLITAN ANESTHESIA PO BOX 1000 DEPT 208 MEMPHIS TN 38148	ANESTHESIA SERVICES	1,990,704
SIEMENS HEALTH CARE DIAGNOSTICS 1717 DEERFIELD RD DEERFIELD IL 600150780	DIAGNOSTIC IMAGING	1,901,061

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 ▶ 41

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	681,381			
	e	Government grants (contributions)	1e	61,200			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		742,581			
Program Service Revenue			Business Code				
	2a	HOSPITAL REVENUE	541200	675,133,007	674,999,441	133,566	
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		675,133,007			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		-56,715			-56,715
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real / (ii) Personal				
	6a	Gross rents	13,654,985				
	b	Less rental expenses	10,630,116				
	c	Rental income or (loss)	3,024,869				
	d	Net rental income or (loss) . . . . . ▶		3,024,869			3,024,869
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	12,649,007				
	b	Less cost or other basis and sales expenses	10,102,782 / 687,934				
	c	Gain or (loss)	2,546,225 / -687,934				
	d	Net gain or (loss) . . . . . ▶		1,858,291			1,858,291
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶					
	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 . . ▶					
		Miscellaneous Revenue	Business Code				
	11a	CAFETERIA	722210	4,452,641			4,452,641
	b	PAT /EMP CONVENIENCES	900099	422,320			422,320
	c	NON-OPERATING REVENUE	900099	7,871	7,871		
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶		4,882,832			
	12	**Total revenue.** See Instructions . . . . . ▶		685,584,865	675,007,312	133,566	9,701,406

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	312,035	312,035		
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	1,460,047	1,387,045	73,002	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	202,647,915	192,515,519	10,132,396	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	6,655,233	6,322,471	332,762	
9 Other employee benefits	33,340,208	31,673,198	1,667,010	
10 Payroll taxes	14,443,727	13,721,541	722,186	
11 Fees for services (non-employees)				
a Management				
b Legal				
c Accounting				
d Lobbying	41,345	36,384	4,961	
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)	43,003,901	39,177,979	3,825,922	
12 Advertising and promotion	270,418	237,968	32,450	
13 Office expenses	10,722,185	9,435,523	1,286,662	
14 Information technology				
15 Royalties				
16 Occupancy	7,207,569	6,342,661	864,908	
17 Travel	267,336	235,256	32,080	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	129,200	113,696	15,504	
20 Interest	2,965,819	2,609,921	355,898	
21 Payments to affiliates	96,989,135	85,350,439	11,638,696	
22 Depreciation, depletion, and amortization	29,330,591	25,810,921	3,519,670	
23 Insurance	454,790	400,215	54,575	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a MEDICAL SUPPLIES	141,543,486	134,466,312	7,077,174	
b BAD DEBT, NET OF RECOVE	87,022,619	87,022,619	0	
c MEDICAID ASSESSMENT	27,563,564	24,255,936	3,307,628	
d REPAIRS & MAINTENANCE	12,994,549	11,435,203	1,559,346	
e All other expenses	18,226,737	6,997,247	11,229,490	
25 **Total functional expenses.** Add lines 1 through 24e	737,592,409	679,860,089	57,732,320	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		19,897	1	16,581
	2	Savings and temporary cash investments		13,076,231	2	17,084,849
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		89,822,735	4	103,381,467
	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			7	
	8	Inventories for sale or use		16,655,541	8	17,128,118
	9	Prepaid expenses and deferred charges		4,300,634	9	5,001,895
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 722,225,925			
	b	Less accumulated depreciation	10b 447,985,399	288,147,939	10c	274,240,526
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11		70,725,497	12	10,846,742
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		10,275,321	14	
	15	Other assets See Part IV, line 11		55,718,772	15	52,598,516
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		548,742,567	16	480,298,694
Liabilities	17	Accounts payable and accrued expenses		36,833,975	17	38,808,920
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		115,214,336	23	97,312,289
	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		60,538,918	25	97,674,212
	26	**Total liabilities.** Add lines 17 through 25		212,587,229	26	233,795,421
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		336,111,563	27	246,459,498
	28	Temporarily restricted net assets		43,775	28	43,775
	29	Permanently restricted net assets			29	
		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		336,155,338	33	246,503,273
	34	Total liabilities and net assets/fund balances		548,742,567	34	480,298,694

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	685,584,865
2	Total expenses (must equal Part IX, column (A), line 25)	2	737,592,409
3	Revenue less expenses Subtract line 2 from line 1	3	-52,007,544
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	336,155,338
5	Net unrealized gains (losses) on investments	5	-9,566,472
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-28,078,049
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	246,503,273

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BAPTIST MEMORIAL HOSPITAL

Employer identification number
62-0123940

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

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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
BAPTIST MEMORIAL HOSPITAL	62-0123940

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		41,345
j	Total Add lines 1c through 1i			41,345
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	BAPTIST MEMORIAL HOSPITAL PAYS ANNUAL DUES TO THE TENNESSEE HOSPITAL ASSOCIATION AND AMERICAN HOSPITAL ASSOCIATION A PORTION OF THE DUES IS RELATED TO LOBBYING EXPENSES THE SOLE MEMBER, BAPTIST MEMORIAL HEALTH CARE CORPORATION, PAYS MEMBERSHIP DUES TO THE AMERICAN HOSPITAL ASSOCIATION, THE ARKANSAS HOSPITAL ASSOCIATION, THE MISSISSIPPI HOSPITAL ASSOCIATION, AND THE TENNESSEE HOSPITAL ASSOCIATION A PORTION OF THOSE DUES ARE FOR CONSULTANTS WHO ADVISE AND CONSULT WITH THE ORGANIZATION ON LEGISLATIVE AND REGULATORY MATTERS THAT MAY AFFECT THE ORGANIZATION AND ITS AFFILIATES THESE CONSULTANTS MAY ADVOCATE POSITIONS WITH THE LEGISLATIVE AND REGULATORY BODIES OF GOVERNMENT AT LOCAL, STATE, AND FEDERAL LEVELS

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
BAPTIST MEMORIAL HOSPITAL

Employer identification number
62-0123940

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		27,133,534		27,133,534
b Buildings		446,477,788	254,444,959	192,032,829
c Leasehold improvements		3,475,846	2,442,379	1,033,467
d Equipment		215,689,490	165,979,358	49,710,132
e Other		29,449,267	25,118,703	4,330,564
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				274,240,526

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		
Other		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶		

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

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

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

(a) Description	(b) Book value
(1) DUE FROM AFFILIATES	35,129,495
(2) BOND ISSUE COSTS	1,854,679
(3) CONSTRUCTION IN PROCESS	14,148,693
(4) ESTIMATED SETTLEMENTS WITH THIRD PARTIES	1,465,649
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	52,598,516

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	
POST RETIREMENT BENEFIT OBLIGATION	28,801,775
ESTIMATED SETTLEMENTS WITH THIRD PARTIES	4,838,068
OTHER L/T LIABILITIES	2,039,368
DUE TO AFFILIATES	61,995,001
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	97,674,212

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 X, Line 2	FROM THE CONSOLIDATED AUDITED FINANCIAL STATEMENT OF BAPTIST MEMORIAL HEALTH CARE CORPORATION AND SUBSIDIARIES AS OF SEPTEMBER 30, 2014 AND 2013, BAPTIST MEMORIAL HEALTH CARE CORPORATION HAD NOT IDENTIFIED ANY UNCERTAIN TAX POSITIONS UNDER FASB ASC TOPIC 740, INCOME TAXES, REQUIRING ADJUSTMENTS TO ITS COMBINED FINANCIAL STATEMENTS IN THE EVENT BAPTIST MEMORIAL HEALTH CARE CORPORATION WERE TO RECOGNIZE INTEREST AND PENALTIES RELATED TO UNCERTAIN TAX POSITIONS, IT WOULD BE RECOGNIZED IN THE COMBINED FINANCIAL STATEMENTS AS INTEREST EXPENSE GENERALLY TAX YEARS 2011 THROUGH 2014 ARE OPEN TO EXAMINATION BY THE FEDERAL AND STATE TAXING AUTHORITIES THERE ARE NO INCOME TAX EXAMINATIONS CURRENTLY IN PROCESS

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493217000225

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
BAPTIST MEMORIAL HOSPITAL

Employer identification number
62-0123940

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care ☑ 100% ☐ 150% ☐ 200% ☐ Other _____ %	3a	Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☑ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b	Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	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)			18,493,632		18,493,632	2 840 %
b Medicaid (from Worksheet 3, column a)			79,819,536	45,369,016	34,450,520	5 300 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			495,624	81,209	414,415	0 060 %
d **Total** Financial Assistance and Means-Tested Government Programs			98,808,792	45,450,225	53,358,567	8 200 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	13	8,177	63,748		63,748	0 010 %
f Health professions education (from Worksheet 5)	5	22	30,932,967	18,617,112	12,315,855	1 890 %
g Subsidized health services (from Worksheet 6)			290,074,234	224,352,043	65,722,191	10 100 %
h Research (from Worksheet 7)			2,187,546	1,565,547	621,999	0 100 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)	12	907	200,667		200,667	0 030 %
j **Total.** Other Benefits	30	9,106	323,459,162	244,534,702	78,924,460	12 130 %
k **Total.** Add lines 7d and 7j	30	9,106	422,267,954	289,984,927	132,283,027	20 330 %

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	2	1,500	5,423	0	5,423	0 %
3	Community support	3	130	8,419	0	8,419	0 %
4	Environmental improvements						
5	Leadership development and training for community members	2	0	5,406	0	5,406	0 %
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**	7	1,630	19,248		19,248	

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	11,487,680		
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	3,414,042		
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	121,609,167
6	Enter Medicare allowable costs of care relating to payments on line 5	6	103,890,149
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	17,719,018
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☑ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes	

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

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

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

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group BAPTIST MEMORIAL HOSPITAL-MEMPHIS

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW.BAPTISTONLINE.ORG/MEMPHIS			
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**	Yes	
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
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 100 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 300 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 B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group BAPTIST MEMORIAL HOSPITAL FOR WOMEN

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) 2

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW BAPTISTONLINE ORG/WOMENS			
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**	Yes	
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
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 100 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 300 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 B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group BAPTIST MEMORIAL HOSPITAL-COLLIERVILLE

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) 3

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW.BAPTISTONLINE.ORG/COLLIERVILLE			
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**	Yes	
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
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 100 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 300 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? _____

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

Part VI Supplemental Information

Provide the following information

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

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

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

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

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

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

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

Form and Line Reference	Explanation
Part I, Line 7	OUR COST ACCOUNTING PROCESS REFLECTS FULLY LOADED COST FOR ALL OF OUR PATIENT POPULATIONS FULLY LOADED COST INCLUDES DIRECT, CAPITAL, AND INDIRECT COST AFTER WORKING WITH OUR DEPARTMENT DIRECTORS AND CFOS TO MAKE SURE THE DOLLARS IN THE GENERAL LEDGER ARE IN THE CORRECT PLACE TO REFLECT OUR TIME AND EFFORTS SPENT THROUGHOUT THE YEAR, WE DEVELOP RELATIVE VALUE UNITS TO ALLOCATE THE ACTUAL GENERAL LEDGER COST DOWN TO THE PROCEDURE CHARGE CODES FROM OUR PATIENT ACCOUNTING SYSTEM ALL OVERHEAD IS ALLOCATED DOWN TO THE REVENUE PRODUCING DEPARTMENTS BASED ON VARIOUS STATISTICS ONCE EVERY CHARGE CODE HAS GONE THROUGH THE COST AND AUDIT PROCESS, WE CAN RUN THE PATIENT LEVEL REPORTS USED FOR THE FORM 990 TO GET TO THE COST INFORMATION NEEDED

Form and Line Reference	Explanation
Part I, Line 7g	SUBSIDIZED HEALTH SERVICES DID NOT INCLUDE ANY COSTS ATTRIBUTABLE TO PHYSICIAN CLINICS

Form and Line Reference	Explanation
Part I, Ln 7 Col(f)	PER IRS INSTRUCTIONS, BAD DEBT EXPENSE WAS NOT INCLUDED IN THE CALCULATION OF THE PERCENTAGE OF TOTAL CHARITY CARE AND COMMUNITY BENEFITS COST ON SCHEDULE H, LINE 7, COLUMN (F)

Form and Line Reference	Explanation
PART I, LINE 6a	THE COMMUNITY BENEFIT REPORT IS PREPARED BY THE HOSPITAL'S SOLE MEMBER, BAPTIST MEMORIAL HEALTH CARE CORPORATION THE COMMUNITY BENEFIT REPORT IS MADE AVAILABLE TO THE PUBLIC BY MAIL AND AVAILABLE AT EACH AFFILIATE OF BAPTIST MEMORIAL HEALTH CARE CORPORATION

Form and Line Reference	Explanation
PART III, LINES 2 & 3	THE COSTING METHODOLGY USED A BAD DEBT REPORT IS RUN TO PULL ALL PATIENTS THAT HAVE BEEN MOVED TO A BAD DEBT ACCOUNT LOCATION WE TAKE THE TOTAL ACCOUNT BALANCE OF ALL THE PATIENTS IN THE BAD DEBT LOCATION AND DIVIDE IT BY THE TOTAL CHARGES OF THE SAME PATIENT POPULATION WE MULTIPLY THE RESULTING RATIO BY THE TOTAL COST OF THE SAME PATIENT POPULATION THIS GIVES US THE COST ASSOCIATED WITH THE TOTAL AMOUNT OF THE ACCOUNT BALANCE MOVED TO THE BAD DEBT STATUS WE RUN A QUERY OUT OF OUR INTERNAL DATA WAREHOUSE SYSTEM THAT IDENTIFIES THIS PATIENT POPULATION THIS INFORMATION IS ENTERED INTO THE STANDARD NOTE SECTION OF EACH PATIENT RECORD WE QUALIFY OUR PATIENT QUERY BY THE STANDARD NOTES THAT REPRESENT WHEN A PATIENT REFUSES TO COMPLETE THE PAPERWORK, IF THE INFORMATION PROVIDED BY THE PATIENT IS INCOMPLETE, OR WHEN A SELF-PAY MINIMUM DISCOUNT NOTE IS ENTERED ON THE PATIENT RECORD WE THEN TAKE THIS PATIENT POPULATION AND RUN A REPORT THAT GIVES US THE TOTAL COST OF THE PATIENT POPULATION

Form and Line Reference	Explanation
Part II, Community Building Activities	BAPTIST MEMORIAL HOSPITAL CONDUCTS SEVERAL HEALTH FAIRS, SEMINARS AND CLASSES THROUGHOUT THE YEAR FOR THE COMMUNITIES IT SERVES BAPTIST ALSO IS INVOLVED IN LOCAL COMMUNITY AND NON-PROFIT ORGANIZATIONS SUCH AS THE AMERICAN CANCER SOCIETY RACE FOR THE CURE, WALK AMERICA, ST JUDE, AND MANY OTHERS NOT ONLY DO WE PROVIDE MONETARY DONATIONS, BUT OUR EMPLOYEES ARE ACTIVE VOLUNTEERS IN THESE WORTHY CAUSES

Form and Line Reference	Explanation
Part III, Line 4	BAPTIST MEMORIAL HOSPITAL HAS ADOPTED HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION STATEMENT NO 15, VALUATION AND FINANCIAL STATEMENT PRESENTATION OF CHARITY CARE AND BAD DEBTS BY INSTITUTIONAL PROVIDERS THERE IS NOT A SEPARATE BAD DEBT EXPENSE FOOTNOTE IN THE ORGANIZATION'S AUDITED FINANCIAL STATEMENTS ALLOWANCE FOR DOUBTFUL ACCOUNTS IS DISCUSSED IN A SEPARATE PARAGRAPH BEGINNING ON PAGE 7 OF THE AUDITED FINANCIAL STATEMENTS

Form and Line Reference	Explanation
Part III, Line 8	THE SHORTFALL, IF ANY, IS NOT TREATED AS COMMUNITY BENEFIT WE CAN'T GET THE PAYMENT AND MEDICARE ALLOWABLE COST INFORMATION FROM THE COST REPORT IN THE FORMAT THAT WE NEED, SO WE DO THE FOLLOWING FOR LINE 5, WE TAKE THE TOTAL PAYMENTS FOR MEDICARE PATIENTS FROM SCHEDULE 6 PATIENT POPULATION AND DIVIDE THAT BY THE TOTAL HOSPITAL MEDICARE PAYMENTS WE MULTIPLY THE RESULTING RATIO BY THE REVENUE NUMBERS THAT COME FROM THE COST REPORT FOR LINE 6, WE USE THE SAME CONCEPT TO GET THE COST INFORMATION WE GET THE TOTAL COST OF MEDICARE PATIENTS FROM SCHEDULE 6 AND DIVIDE THAT NUMBER BY THE TOTAL COST OF THE TOTAL MEDICARE PATIENT POPULATION OF THE HOSPITAL WE THEN MULTIPLY THIS RATIO BY THE COST INFORMATION FROM THE COST REPORT

Form and Line Reference	Explanation
Part III, Line 9b	THE HOSPITAL'S COLLECTION AGENCY, WILL DETERMINE IF THE PATIENT HAS A CHARITY APPLICATION ON FILE AND WAS DEEMED TO BE A CHARITY CASE BY THE HOSPITAL IF IT WAS DETERMINED THAT THE PATIENT IS A CHARITY CASE, THEN THE COLLECTION AGENCY WILL REVIEW THE REMAINING UNPAID BALANCE AFTER THE APPLICATION OF THE CHARITY DISCOUNT, AND PURSUE APPROPRIATE COLLECTION EFFORTS DEPENDING UPON THE CIRCUMSTANCES AT THE TIME, THE ENTIRE AMOUNT OWED MAY BE WRITTEN OFF OTHER PATIENTS, WHO ARE NOT CHARITY PATIENTS, GENERALLY ARE NOT OFFERED A DISCOUNT ON THE AMOUNT OWED IF THE ACCOUNT IS 0-6 MONTHS OLD THE HOSPITAL'S COLLECTION AGENCY WILL TRY TO SET UP A PAYMENT PLAN IF THE PATIENT HAS INSURANCE AND THE BILL WAS FILED WITH THEIR INSURANCE COMPANY, THE PRIOR PPO ADJUSTMENT IS GIVEN THE AMOUNT OF DISCOUNT INCREASES AS THE AGE OF THE DEBT INCREASES AS THE AGE OF THE DEBT INCREASES, DETERMINING FACTORS ARE ALSO CONSIDERED SUCH AS THE ABILITY OF THE PATIENT TO PAY, THE AGE AND HEALTH OF THE PATIENT, FAMILY CIRCUMSTANCES, CREDIT SCORE, ETC RISK FACTORS ARE ALSO CONSIDERED WHEN DETERMINING WHETHER TO SETTLE AN ACCOUNT RISK FACTORS INCLUDE HARDSHIP AND CATASTROPHE, OTHER DEBTS, AND FUTURE EXPECTANCIES

Form and Line Reference	Explanation
Part VI, Line 2	BAPTIST MEMORIAL HEALTH CARE CORPORATION, AS SOLE MEMBER OF BAPTIST MEMORIAL HOSPITAL, INC , WHICH INCLUDES BAPTIST MEMORIAL HOSPITAL-MEMPHIS, BAPTIST MEMORIAL HOSPITAL-COLLIERVILLE AND BAPTIST MEMORIAL HOSPITAL FOR WOMEN, PROVIDES NEEDS ASSESSMENTS THROUGH THE HEALTH SERVICES RESEARCH DEPARTMENT IN ADDITION, LOCAL ADVISORY BOARDS PROVIDE FEEDBACK TO THE LOCAL HOSPITAL ADMINISTRATORS THE HEALTH SERVICES RESEARCH DEPARTMENT USES VARIOUS TOOLS TO ASSIST THEM IN THE ASSESSMENTS ONE OF THE TOOLS USED BY HEALTH SERVICES RESEARCH DEPARTMENT IS YACOUBIAN RESEARCH, INC COMMUNITY OPINION SURVEY THIS IS A QUARTERLY RANDOM-DIGIT DIALING TELEPHONE SURVEY THE MEMPHIS METRO MARKET HAS 500 RESPONDENTS PER QUARTER SURVEYS INCLUDE QUESTIONS ASKING RESPONDENTS TO GRADE THE QUALITY OF HEALTH CARE SERVICES IN THEIR COMMUNITY THE SERVICES ARE GRADED FROM A-F IF A SERVICE IS GIVEN A RATING OF C OR BELOW, THE RESPONDENTS ARE ASKED FOR IDEAS FOR IMPROVEMENT THESE CAN BE REVIEWED BY AREA, COUNTY, TOWN, ZIP CODE, AGE, GENDER, AND RACE THE TOP CONCERN THAT RESPONDENTS FEEL AFFECTS THE QUALITY OF HEALTH CARE IS RELATED TO INSURANCE MEDICAL STAFF SURVEYS ARE ALSO USED TO ASSESS NEEDS THESE ARE CONDUCTED BY MAIL OR INTERNET (WHICH EVER IS PREFERRED BY THE RESPONDENT) BY PRESS-GANEY, A NATIONALLY KNOWN RESEARCH COMPANY FOR BOTH PATIENT SATISFACTION AND PHYSICIAN SATISFACTION IN THIS SURVEY, CONDUCTED EVERY OTHER YEAR, RESPONDENTS ARE QUESTIONED ABOUT THE NEED FOR NEW SERVICES OR PHYSICIAN SPECIALTIES IN THE HOSPITAL OR COMMUNITY THIS IS USED AS A STARTING POINT FOR DETERMINING POTENTIAL PRIORITIES FOR PHYSICIAN RECRUITING COMMUNITY NEEDS ASSESSMENTS FOR ADDITIONAL PHYSICIANS IN THE COMMUNITY ARE ALSO CONDUCTED PRODUCTIVITY-BASED AND POPULATION-BASED DEMAND ESTIMATES ARE OBTAINED FROM TRUVEN HEALTH ANALYTICS MARKET EXPERT SOFTWARE DEMAND ESTIMATES TAKE INTO ACCOUNT THE POPULATION SIZE OF THE SERVICE AREA AS WELL AS THE AGE AND GENDER OF THE POPULATION WHEN POSSIBLE THESE TWO DEMAND MODELS ARE AUGMENTED BY ONE OR MORE NATIONALLY-RECOGNIZED PHYSICIAN DEMAND MODELS, AND THE MODEL WITH THE MIDDLE DEMAND VALUE IS CHOSEN AS THE FINAL PHYSICIAN DEMAND ESTIMATE THIS IS THEN COMPARED TO THE SUPPLY OF PHYSICIANS AS DETERMINED THROUGH SEVERAL DIFFERENT SOURCES, INCLUDING OUR OWN CALLING OF OFFICES TO DETERMINE THE FULL TIME EQUIVALENT OF PHYSICIANS AVAILABLE IN THE SPECIALTY OF INTEREST THE DEMAND MINUS THE SUPPLY GIVES THE "NET NEED" CURRENTLY AND IN FIVE YEARS THE REQUESTS FOR THESE PHYSICIAN NEED ANALYSES ARE MADE BY THE HOSPITAL'S CHIEF EXECUTIVE OFFICERS, BASED ON THE PRIORITIES GIVEN BY THE MEDICAL STAFF AND ACCORDING TO KNOWLEDGE OF CERTAIN PHYSICIANS THAT ARE LIKELY TO BE LEAVING THE AREA IN THE NEXT YEAR OR TWO GENERALLY THE DEMAND AND SUPPLY ESTIMATES ARE FOR A GEOGRAPHIC AREA DEFINED BY THE HALF-WAY MARK BETWEEN OUR FACILITY AND THE COMMUNITY HAVING A SIMILAR SIZED MEDICAL FACILITY OR A COMPETITOR IN THE SAME SPECIALTY IN LARGER MARKET AREAS, THE PHYSICIAN NEEDS ARE GENERALLY CONCENTRATED AROUND HIGHLY SPECIALIZED PHYSICIANS WHO MAY BE LEAVING OR RETIRING TRUVEN HEALTH ANALYTICS MARKET EXPERT SOFTWARE ALSO HAS MODULES THAT ARE USED TO DETERMINE THE NEED FOR NEW FACILITIES, SUCH AS HOSPITALS, URGENT CARE CENTERS, EXPANDED EMERGENCY ROOMS, ETC THIS IS REVIEWED IF THERE IS AN INCREASE IN POPULATION THAT SUGGESTS THE NEED FOR NEW SERVICES IN THE COMMUNITIES WE SERVE INTERNAL HOSPITAL UTILIZATION DATA ARE ALSO REVIEWED TO ASSESS THE NEED FOR EXPANSION OR MODIFICATION OF FACILITIES AND SERVICES PATIENT SATISFACTION SURVEYS ARE ANOTHER TOOL USED TO ASSESS NEED PRESS GANEY MAILS SURVEYS EVERY TWO WEEKS TO A RANDOM SAMPLE OF DISCHARGED PATIENTS PRESS GANEY HAS DETERMINED THE NUMBER OF COMPLETED SURVEYS NEEDED FOR EACH CARE SETTING IN ORDER TO MEET THEIR GOALS FOR STATISTICAL CONFIDENCE WE STRIVE TO MAIL ENOUGH SURVEYS EACH QUARTER TO MEET THOSE PREFERRED NUMBERS FOR EACH HOSPITAL THESE CARE SETTINGS INCLUDE INPATIENT, OUTPATIENT, EMERGENCY ROOMS, OUTPATIENT SURGERY, OUTPATIENT DIAGNOSTICS, HOME HEALTH CARE, URGENT CARE CENTERS, ETC BASED ON THESE SURVEYS, THE NEED FOR SPECIFIC CHANGES IN PROCESSES OR TYPES OF PERSONNEL ARE ASSESSED TO MEET THE NEEDS OF THE COMMUNITIES WE SERVE NATIONAL RESEARCH CORPORATION IS A RESEARCH COMPANY THAT USES ITS TICKER INTERNET TOOL TO SURVEY RESIDENTS OF THE COMMUNITIES THAT WE SERVE THESE PEOPLE ARE A PART OF A PANEL SELECTED TO REPRESENT THE CHARACTERISTICS OF THE COMMUNITY THIS SURVEY PROVIDES AN ON-LINE TOOL FOR DETERMINING SELF-REPORTED PERCENTAGES WITH CHRONIC CONDITIONS AND USE OF PREVENTIVE SERVICES IN AREAS OF SIMILAR SIZE AND CHARACTERISTICS AROUND THE COUNTRY

Form and Line Reference	Explanation
Part VI, Line 3	PATIENTS ARE INFORMED OF THEIR ELIGIBILTY FOR ASSISTANCE IN PERSON UPON ENTERING THE HOSPITAL FACILITY EACH PATIENT IS ASSIGNED AN ADMISSION'S PERSON WHO PROVIDES WRITTEN INFORMATION AS WELL AS VERBAL INFORMATION

Form and Line Reference	Explanation
Part VI, Line 4	BAPTIST MEMORIAL HOSPITAL, WHICH INCLUDES BAPTIST MEMORIAL HOSPITAL-MEMPHIS, BAPTIST MEMORIAL HOSPITAL-COLLIERVILLE, AND BAPTIST MEMORIAL HOSPITAL FOR WOMEN, SERVES THE MEMPHIS METRO AREA SOME PATIENTS COME FROM ARKANSAS, MISSISSIPPI, MISSOURI, AND COUNTIES SURROUNDING THE MEMPHIS AREA THE AFRICAN-AMERICAN COMMUNITY COMPRISES ABOUT 46 4% OF OUR PRIMARY SERVICE AREA HISPANICS MAKE UP ABOUT 5 8%, AND CAUCASIONS ARE ABOUT 44 0% DEMOGRAPHIC "SNAPSHOTS" ARE PROVIDED BY THE INDEPENDENT OUTSIDE FIRM OF CLARITAS, INC OUR OWN HEALTH SERVICES RESEARCH DEPARTMENT CALCULATES THE DISTRIBUTION OF INPATIENT DISCHARGES (EXCLUDING NEWBORNS) BY COUNTY THIS IS SORTED IN DESCENDING NUMBER PER COUNTY AND DETERMINES THOSE COUNTIES WITH UP TO 75-77% OF THE DISCHARGES AND THESE CONTIGUOUS COUNTIES COMPRISE THE "PRIMARY MARKET" AREA COUNTIES COMPRISING 78-95% OF THE DISCHARGES ARE DESIGNATED THE SECONDARY MARKET, WHILE THE REMAINING 5% IS THE TERTIARY MARKET THE MEMPHIS PRIMARY MARKET SERVICE AREA HAS 1,163,426 PERSONS WITH THE COMBINED PRIMARY AND SECONDARY AREAS HAVING 2,098,334 PERSONS OTHER ITEMS SUCH AS AGE, HOUSEHOLD INCOME, AND RACE/ETHNICITY PERCENTAGES, AS COMPARED TO THE NATION AS A WHOLE, ARE ALSO USED IN THE MIX

Form and Line Reference	Explanation
Part VI, Line 5	THE HOSPITALS HAVE OPEN MEDICAL STAFFS, COMMUNITY BOARD INVOLVMENT, SUPPORT SERVICES, FREE AND/OR REDUCED MAMMOGRAMS, HEALTH FAIRS, DONATION OF SUPPLIES AND MONEY, AND MANY OTHER THINGS

Form and Line Reference	Explanation
Part VI, Line 6	BAPTIST MEMORIAL HOSPITAL IS AN AFFILIATE OF BAPTIST MEMORIAL HEALTH CARE CORPORATION BAPTIST MEMORIAL HEALTH CARE CORPORATION IS THE SOLE MEMBER OF A NUMBER OF HOSPITALS, MINOR MEDICAL CENTERS, HOME CARE AND HOSPICE SERVICES, AND PHYSICIAN SERVICES IN WEST TENNESSEE, NORTH MISSISSIPPI, AND EAST ARKANSAS EACH FACILITY PROVIDES HEALTH CARE SERVICES TO MEET THE NEEDS OF THE COMMUNITIES SERVED

Form and Line Reference	Explanation
Part VI, Line 7, Reports Filed With States	TN,MS,AR

Additional Data

Software ID:
Software Version:
EIN: 62-0123940
Name: BAPTIST MEMORIAL 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
BAPTIST MEMORIAL HOSPITAL-MEMPHIS	Part V, Section B, Line 3 SURVEYS A STATISTICAL HOUSEHOLD SURVEY WAS COMPLETED WITH 704 ADULTS FROM THE BAPTIST MEMORIAL HOSPITAL-MEMPHIS SERVICE AREA THE SURVEY THAT WAS UTILIZED ALIGNS WITH THE BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM (BRFSS) QUESTIONNAIRE THAT IS ANNUALLY CONDUCTED NATIONWIDE BY THE CENTERS FOR DISEASE CONTROL AND PREVENTION (CDC) AND STATE HEALTH DEPARTMENTS THE SURVEY ASSESSED INDICATORS SUCH AS GENERAL HEALTH STATUS, PREVENTION ACTIVITIES (SCREENINGS, EXERCISE, ETC), AND RISKY BEHAVIORS (ALCOHOL USE, ETC) THE RESULTS WERE ALSO EXAMINED BY A VARIETY OF DEMOGRAPHIC INDICATORS SUCH AS AGE, RACE, ETHNICITY, AND GENDER A NUMBER OF EXISTING RESOURCES WERE REVIEWED TO FULLY UNDERSTAND SECONDARY DATA TRENDS THE SECONDARY DATA THAT WAS ANALYZED INCLUDED STATISTICS SUCH AS MORTALITY RATES, CANCER STATISTICS, COMMUNICABLE DISEASE DATA, SOCIAL DETERMINANTS OF HEALTH (POVERTY, CRIME, EDUCATION, ETC), AMONG OTHERS THIS INFORMATION WAS USED TO SUPPLEMENT THE PRIMARY DATA THAT WAS COLLECTED AND FLESH OUT RESEARCH GAPS NOT ADDRESSED IN THE HOUSEHOLD SURVEY THE PRIMARY SOURCES OF THE SECONDARY DATA INCLUDED THE U S CENSUS BUREAU, STATE PUBLIC HEALTH AGENCIES, AND THE COUNTY HEALTH RANKINGS REPORTS WHERE AVAILABLE, THE LOCAL-LEVEL DATA WAS COMPARED TO STATE AND NATIONAL BENCHMARKS KEY INFORMANT INTERVIEWS KEY INFORMANT INTERVIEWS WERE CONDUCTED WITH 75 PROFESSIONALS AND KEY CONTACTS IN THE AREAS SURROUNDING THE 14-HOSPITAL SERVICE AREAS WORKING WITH LEADERSHIP FROM EACH OF THE SYSTEM HOSPITALS, BAPTIST IDENTIFIED SPECIFIC INDIVIDUALS TO BE INTERVIEWED AND INVITED THEM TO PARTICIPATE IN THE STUDY THE SURVEY INCLUDED A RANGE OF INDIVIDUALS, INCLUDING ELECTED OFFICIALS, PRIVATE PHYSICIANS, HEALTH AND HUMAN SERVICES EXPERTS, LONG-TERM CARE PROVIDERS, REPRESENTATIVES FROM THE FAITH COMMUNITY, AND EDUCATORS THE CONTENT OF THE QUESTIONNAIRE FOCUSED ON PERCEPTIONS OF COMMUNITY NEEDS AND STRENGTHS ACROSS THREE KEY DOMAINS PERCEIVED QUALITY OF CARE, KEY HEALTH ISSUES PROMINENT IN THE COMMUNITY, AND QUALITY OF LIFE ISSUES FOCUS GROUPS IN NOVEMBER 2012, HEALTH CARE CONSUMERS FROM THE HOSPITAL SERVICE AREAS PARTICIPATED IN FOCUS GROUPS THE FOCUS GROUPS ADDRESSED DIABETES AND PRE-DIABETES BASED ON FINDINGS FROM THE SURVEYS DISCUSSION TOPICS INCLUDED HEALTH KNOWLEDGE, SELF-CARE BEHAVIORS, HEALTH CARE ACCESS, COMMUNICATION PREFERENCES, AND DESIRED SUPPORT SERVICES A DISCUSSION GUIDE, DEVELOPED IN CONSULTATION WITH BAPTIST MEMORIAL HEALTH CARE, WAS USED TO PROMPT DISCUSSION AND GUIDE THE FACILITATION PARTICIPANTS WERE RECRUITED THROUGH TELEPHONE CALLS TO HOUSEHOLDS WITHIN THE SERVICE AREA AND THROUGH LOCAL HEALTH AND HUMAN SERVICE ORGANIZATIONS PARTICIPANTS WERE PRE-SCREENED TO ENSURE THAT THEY WERE EITHER DIABETIC OR PRE-DIABETIC EACH SESSION LASTED APPROXIMATELY TWO HOURS AND WAS FACILITATED BY TRAINED HOLLERAN STAFF IN EXCHANGE FOR THEIR PARTICIPATION, ATTENDEES WERE GIVEN A $50 CASH INCENTIVE AT THE COMPLETION OF THE FOCUS GROUP, DINNER WAS ALSO PROVIDED IT IS IMPORTANT TO NOTE THAT THE FOCUS GROUP RESULTS REFLECT THE PERCEPTIONS OF A SMALL SAMPLE OF COMMUNITY MEMBERS AND MAY NOT NECESSARILY REPRESENT ALL COMMUNITY MEMBERS IN THE HOSPITAL SERVICE AREA COMMUNITY REPRESENTATION COMMUNITY ENGAGEMENT AND FEEDBACK WERE AN INTEGRAL PART OF THE CHNA PROCESS A STATISTICALLY VALID SAMPLING STRATEGY ENSURED COMMUNITY REPRESENTATION IN THE HOUSEHOLD SURVEY PUBLIC HEALTH EXPERTS, HEALTH CARE PROFESSIONALS, AND REPRESENTATIVES OF UNDERSERVED POPULATIONS SHARED KNOWLEDGE AND EXPERTISE ABOUT COMMUNITY HEALTH ISSUES AS PART OF THE KEY INFORMANT INTERVIEWS HEALTH CARE CONSUMERS, INCLUDING MEDICALLY UNDERSERVED INDIVIDUALS AND CHRONICALLY-ILL PATIENTS, WERE INCLUDED IN THE FOCUS GROUPS LINE 5a THE CHNA IS AVAILABLE ON THE HOSPITAL WEBSITE AT WWW BAPTISTONLINE ORG/MEMPHIS

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
BAPTIST MEMORIAL HOSPITAL FOR WOMEN	Part V, Section B, Line 3 SURVEYS A STATISTICAL HOUSEHOLD SURVEY WAS COMPLETED WITH 704 ADULTS FROM THE BAPTIST MEMORIAL HOSPITAL FOR WOMEN SERVICE AREA THE SURVEY THAT WAS UTILIZED ALIGNS WITH THE BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM (BRFSS) QUESTIONNAIRE THAT IS ANNUALLY CONDUCTED NATIONWIDE BY THE CENTERS FOR DISEASE CONTROL AND PREVENTION (CDC) AND STATE HEALTH DEPARTMENTS THE SURVEY ASSESSED INDICATORS SUCH AS GENERAL HEALTH STATUS, PREVENTION ACTIVITIES (SCREENINGS, EXERCISE, ETC), AND RISKY BEHAVIORS (ALCOHOL USE, ETC) THE RESULTS WERE ALSO EXAMINED BY A VARIETY OF DEMOGRAPHIC INDICATORS SUCH AS AGE, RACE, ETHNICITY, AND GENDER A NUMBER OF EXISTING RESOURCES WERE REVIEWED TO FULLY UNDERSTAND SECONDARY DATA TRENDS THE SECONDARY DATA THAT WAS ANALYZED INCLUDED STATISTICS SUCH AS MORTALITY RATES, CANCER STATISTICS, COMMUNICABLE DISEASE DATA, SOCIAL DETERMINANTS OF HEALTH (POVERTY, CRIME, EDUCATION, ETC), AMONG OTHERS THIS INFORMATION WAS USED TO SUPPLEMENT THE PRIMARY DATA THAT WAS COLLECTED AND FLESH OUT RESEARCH GAPS NOT ADDRESSED IN THE HOUSEHOLD SURVEY THE PRIMARY SOURCES OF THE SECONDARY DATA INCLUDED THE U S CENSUS BUREAU, STATE PUBLIC HEALTH AGENCIES, AND THE COUNTY HEALTH RANKINGS REPORTS WHERE AVAILABLE, THE LOCAL-LEVEL DATA WAS COMPARED TO STATE AND NATIONAL BENCHMARKS KEY INFORMANT INTERVIEWS KEY INFORMANT INTERVIEWS WERE CONDUCTED WITH 75 PROFESSIONALS AND KEY CONTACTS IN THE AREAS SURROUNDING THE 14-HOSPITAL SERVICE AREAS WORKING WITH LEADERSHIP FROM EACH OF THE SYSTEM HOSPITALS, BAPTIST IDENTIFIED SPECIFIC INDIVIDUALS TO BE INTERVIEWED AND INVITED THEM TO PARTICIPATE IN THE STUDY THE SURVEY INCLUDED A RANGE OF INDIVIDUALS, INCLUDING ELECTED OFFICIALS, PRIVATE PHYSICIANS, HEALTH AND HUMAN SERVICES EXPERTS, LONG-TERM CARE PROVIDERS, REPRESENTATIVES FROM THE FAITH COMMUNITY, AND EDUCATORS THE CONTENT OF THE QUESTIONNAIRE FOCUSED ON PERCEPTIONS OF COMMUNITY NEEDS AND STRENGTHS ACROSS THREE KEY DOMAINS PERCEIVED QUALITY OF CARE, KEY HEALTH ISSUES PROMINENT IN THE COMMUNITY, AND QUALITY OF LIFE ISSUES FOCUS GROUPS IN NOVEMBER 2012, HEALTH CARE CONSUMERS FROM THE HOSPITAL SERVICE AREAS PARTICIPATED IN FOCUS GROUPS THE FOCUS GROUPS ADDRESSED DIABETES AND PRE-DIABETES BASED ON FINDINGS FROM THE SURVEYS DISCUSSION TOPICS INCLUDED HEALTH KNOWLEDGE, SELF-CARE BEHAVIORS, HEALTH CARE ACCESS, COMMUNICATION PREFERENCES, AND DESIRED SUPPORT SERVICES A DISCUSSION GUIDE, DEVELOPED IN CONSULTATION WITH BAPTIST MEMORIAL HEALTH CARE, WAS USED TO PROMPT DISCUSSION AND GUIDE THE FACILITATION PARTICIPANTS WERE RECRUITED THROUGH TELEPHONE CALLS TO HOUSEHOLDS WITHIN THE SERVICE AREA AND THROUGH LOCAL HEALTH AND HUMAN SERVICE ORGANIZATIONS PARTICIPANTS WERE PRE-SCREENED TO ENSURE THAT THEY WERE EITHER DIABETIC OR PRE-DIABETIC EACH SESSION LASTED APPROXIMATELY TWO HOURS AND WAS FACILITATED BY TRAINED HOLLERAN STAFF IN EXCHANGE FOR THEIR PARTICIPATION, ATTENDEES WERE GIVEN A $50 CASH INCENTIVE AT THE COMPLETION OF THE FOCUS GROUP, DINNER WAS ALSO PROVIDED IT IS IMPORTANT TO NOTE THAT THE FOCUS GROUP RESULTS REFLECT THE PERCEPTIONS OF A SMALL SAMPLE OF COMMUNITY MEMBERS AND MAY NOT NECESSARILY REPRESENT ALL COMMUNITY MEMBERS IN THE HOSPITAL SERVICE AREA COMMUNITY REPRESENTATION COMMUNITY ENGAGEMENT AND FEEDBACK WERE AN INTEGRAL PART OF THE CHNA PROCESS A STATISTICALLY VALID SAMPLING STRATEGY ENSURED COMMUNITY REPRESENTATION IN THE HOUSEHOLD SURVEY PUBLIC HEALTH EXPERTS, HEALTH CARE PROFESSIONALS, AND REPRESENTATIVES OF UNDERSERVED POPULATIONS SHARED KNOWLEDGE AND EXPERTISE ABOUT COMMUNITY HEALTH ISSUES AS PART OF THE KEY INFORMANT INTERVIEWS HEALTH CARE CONSUMERS, INCLUDING MEDICALLY UNDERSERVED INDIVIDUALS AND CHRONICALLY-ILL PATIENTS, WERE INCLUDED IN THE FOCUS GROUPS LINE 5a THE CHNA IS AVAILABLE ON THE HOSPITAL WEBSITE AT WWW BAPTISTONLINE ORG/WOMENS

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
BAPTIST MEMORIAL HOSPITAL-COLLIERVILLE	Part V, Section B, Line 3 SURVEYS A STATISTICAL HOUSEHOLD SURVEY WAS COMPLETED WITH 697 ADULTS FROM THE BAPTIST MEMORIAL HOSPITAL-COLLIERVILLE SERVICE AREA THE SURVEY THAT WAS UTILIZED ALIGNS WITH THE BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM (BRFSS) QUESTIONNAIRE THAT IS ANNUALLY CONDUCTED NATIONWIDE BY THE CENTERS FOR DISEASE CONTROL AND PREVENTION (CDC) AND STATE HEALTH DEPARTMENTS THE SURVEY ASSESSED INDICATORS SUCH AS GENERAL HEALTH STATUS, PREVENTION ACTIVITIES (SCREENINGS, EXERCISE, ETC), AND RISKY BEHAVIORS (ALCOHOL USE, ETC) THE RESULTS WERE ALSO EXAMINED BY A VARIETY OF DEMOGRAPHIC INDICATORS SUCH AS AGE, RACE, ETHNICITY, AND GENDER A NUMBER OF EXISTING RESOURCES WERE REVIEWED TO FULLY UNDERSTAND SECONDARY DATA TRENDS THE SECONDARY DATA THAT WAS ANALYZED INCLUDED STATISTICS SUCH AS MORTALITY RATES, CANCER STATISTICS, COMMUNICABLE DISEASE DATA, SOCIAL DETERMINANTS OF HEALTH (POVERTY, CRIME, EDUCATION, ETC), AMONG OTHERS THIS INFORMATION WAS USED TO SUPPLEMENT THE PRIMARY DATA THAT WAS COLLECTED AND FLESH OUT RESEARCH GAPS NOT ADDRESSED IN THE HOUSEHOLD SURVEY THE PRIMARY SOURCES OF THE SECONDARY DATA INCLUDED THE U S CENSUS BUREAU, STATE PUBLIC HEALTH AGENCIES, AND THE COUNTY HEALTH RANKINGS REPORTS WHERE AVAILABLE, THE LOCAL-LEVEL DATA WAS COMPARED TO STATE AND NATIONAL BENCHMARKS KEY INFORMANT INTERVIEWS KEY INFORMANT INTERVIEWS WERE CONDUCTED WITH 75 PROFESSIONALS AND KEY CONTACTS IN THE AREAS SURROUNDING THE 14-HOSPITAL SERVICE AREAS WORKING WITH LEADERSHIP FROM EACH OF THE SYSTEM HOSPITALS, BAPTIST IDENTIFIED SPECIFIC INDIVIDUALS TO BE INTERVIEWED AND INVITED THEM TO PARTICIPATE IN THE STUDY THE SURVEY INCLUDED A RANGE OF INDIVIDUALS, INCLUDING ELECTED OFFICIALS, PRIVATE PHYSICIANS, HEALTH AND HUMAN SERVICES EXPERTS, LONG-TERM CARE PROVIDERS, REPRESENTATIVES FROM THE FAITH COMMUNITY, AND EDUCATORS THE CONTENT OF THE QUESTIONNAIRE FOCUSED ON PERCEPTIONS OF COMMUNITY NEEDS AND STRENGTHS ACROSS THREE KEY DOMAINS PERCEIVED QUALITY OF CARE, KEY HEALTH ISSUES PROMINENT IN THE COMMUNITY, AND QUALITY OF LIFE ISSUES FOCUS GROUPS IN NOVEMBER 2012, HEALTH CARE CONSUMERS FROM THE HOSPITAL SERVICE AREAS PARTICIPATED IN FOCUS GROUPS THE FOCUS GROUPS ADDRESSED DIABETES AND PRE-DIABETES BASED ON FINDINGS FROM THE SURVEYS DISCUSSION TOPICS INCLUDED HEALTH KNOWLEDGE, SELF-CARE BEHAVIORS, HEALTH CARE ACCESS, COMMUNICATION PREFERENCES, AND DESIRED SUPPORT SERVICES A DISCUSSION GUIDE, DEVELOPED IN CONSULTATION WITH BAPTIST MEMORIAL HEALTH CARE, WAS USED TO PROMPT DISCUSSION AND GUIDE THE FACILITATION PARTICIPANTS WERE RECRUITED THROUGH TELEPHONE CALLS TO HOUSEHOLDS WITHIN THE SERVICE AREA AND THROUGH LOCAL HEALTH AND HUMAN SERVICE ORGANIZATIONS PARTICIPANTS WERE PRE-SCREENED TO ENSURE THAT THEY WERE EITHER DIABETIC OR PRE-DIABETIC EACH SESSION LASTED APPROXIMATELY TWO HOURS AND WAS FACILITATED BY TRAINED HOLLERAN STAFF IN EXCHANGE FOR THEIR PARTICIPATION, ATTENDEES WERE GIVEN A $50 CASH INCENTIVE AT THE COMPLETION OF THE FOCUS GROUP, DINNER WAS ALSO PROVIDED IT IS IMPORTANT TO NOTE THAT THE FOCUS GROUP RESULTS REFLECT THE PERCEPTIONS OF A SMALL SAMPLE OF COMMUNITY MEMBERS AND MAY NOT NECESSARILY REPRESENT ALL COMMUNITY MEMBERS IN THE HOSPITAL SERVICE AREA COMMUNITY REPRESENTATION COMMUNITY ENGAGEMENT AND FEEDBACK WERE AN INTEGRAL PART OF THE CHNA PROCESS A STATISTICALLY VALID SAMPLING STRATEGY ENSURED COMMUNITY REPRESENTATION IN THE HOUSEHOLD SURVEY PUBLIC HEALTH EXPERTS, HEALTH CARE PROFESSIONALS, AND REPRESENTATIVES OF UNDERSERVED POPULATIONS SHARED KNOWLEDGE AND EXPERTISE ABOUT COMMUNITY HEALTH ISSUES AS PART OF THE KEY INFORMANT INTERVIEWS HEALTH CARE CONSUMERS, INCLUDING MEDICALLY UNDERSERVED INDIVIDUALS AND CHRONICALLY-ILL PATIENTS, WERE INCLUDED IN THE FOCUS GROUPS LINE 5a THE CHNA IS AVAILABLE ON THE HOSPITAL WEBSITE AT WWW BAPTISTONLINE ORG/COLLIERVILLE

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
BAPTIST MEMORIAL HOSPITAL-MEMPHIS	Part V, Section B, Line 20d PATIENTS RECEIVING EMERGENCY CARE OR OTHER MEDICALLY NECESSARY CARE WHO DO NOT HAVE INSURANCE ARE BILLED IN ACCORDANCE WITH THE TERMS OF THE HOSPITAL'S "CHARITY, UNINSURED AND INDIGENT POLICY " THIS POLICY OFFERS PATIENTS WHO QUALIFY FOR FINANCIAL ASSISTANCE, A VARIETY OF PAYMENT OPTIONS OR TERMS FOR PAYMENT THE HOSPITAL UTILIZES PAYMENT PROCEDURES FOR UNINSURED OR MEDICALLY UNDERINSURED, WHICH TAKE INTO CONSIDERATION OTHER PAYMENT ARRANGEMENTS WITH INSURANCE COMPANIES, MANAGED CARE NETWORKS, AND GOVERNMENT-SPONSORED PROGRAMS

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
BAPTIST MEMORIAL HOSPITAL FOR WOMEN	Part V, Section B, Line 20d PATIENTS RECEIVING EMERGENCY CARE OR OTHER MEDICALLY NECESSARY CARE WHO DO NOT HAVE INSURANCE ARE BILLED IN ACCORDANCE WITH THE TERMS OF THE HOSPITAL'S "CHARITY, UNINSURED AND INDIGENT POLICY " THIS POLICY OFFERS PATIENTS WHO QUALIFY FOR FINANCIAL ASSISTANCE, A VARIETY OF PAYMENT OPTIONS OR TERMS FOR PAYMENT THE HOSPITAL UTILIZES PAYMENT PROCEDURES FOR UNINSURED OR MEDICALLY UNDERINSURED, WHICH TAKE INTO CONSIDERATION OTHER PAYMENT ARRANGEMENTS WITH INSURANCE COMPANIES, MANAGED CARE NETWORKS, AND GOVERNMENT-SPONSORED PROGRAMS

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
BAPTIST MEMORIAL HOSPITAL-COLLIERVILLE	Part V, Section B, Line 20d PATIENTS RECEIVING EMERGENCY OR OTHER MEDICALLY NECESSARY CARE WHO DO NOT HAVE INSURANCE ARE BILLED IN ACCORDANCE WITH THE TERMS OF THE HOSPITAL'S "CHARITY, UNINSURED AND INDIGENT POLICY " THIS POLICY OFFERS PATIENTS WHO QUALIFY FOR FINANCIAL ASSISTANCE, A VARIETY OF PAYMENT OPTIONS OR TERMS FOR PAYMENT THE HOSPITAL UTILIZES PAYMENT PROCEDURES FOR UNINSURED OR MEDICALLY UNDERINSURED, WHICH TAKE INTO CONSIDERATION OTHER PAYMENT ARRANGEMENTS WITH INSURANCE COMPANIES, MANGAGED CARE NETWORKS, AND GOVERNMENT-SPONSORED PROGRAMS

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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
BAPTIST MEMORIAL HOSPITAL

Employer identification number
62-0123940

Part I General Information on Grants and Assistance

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

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

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

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) THE BREAST CANCER ERADICATION INITIATIVE PO BOX 382886 GERMANTOWN,TN 381832886	62-1609633	501(c)(3)	25,000				ERADICATION INITIATIVE SPONSOR
(2) CROSSLINK INTERNATIONAL 427 N MAPLE AVE FALLS CHURCH,VA 220463428	54-1827160	501(c)(3)		275,636	BOOK VALUE	EYEGLASSES & MEDICAL SUPPLIES	EYE GLASSES & MEDICAL SUPPLIES

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

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

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

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

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

Return Reference	Explanation
Part I, Line 2	ALL ORGANIZATIONS ARE REQUIRED TO SUBMIT PROOF OF TAX EXEMPT STATUS THAT IS VERIFIED BY THE IRS DATABASE BEFORE THEY CAN PROCEED WITH THEIR REQUEST THEY MAY USE OUR ONLINE CHARITABLE REQUEST APPLICATION TO SUBMIT A REQUEST IF THEY ARE NOT A 501(c)(3) ORGANIZATION, THEY ARE REQUIRED TO SUBMIT A COPY OF THEIR DETERMINATION LETTER FROM THE IRS VALIDATING THEIR EXEMPT STATUS BEFORE WE CAN PROVIDE ANY IN-KIND GIVEAWAYS OR SERVICES WE ALSO MONITOR THE FUNDS TO ENSURE THEY ARE USED FOR THE PURPOSE GRANTED WE MAKE EVERY EFFORT TO DIRECT OUR FUNDING TO A PROGRAM FOR A SPECIFIC PURPOSE ORGANIZATIONS ARE ASKED TO SHOW RESULTS AND DOCUMENTATION ANNUALLY BEFORE THEIR REQUEST CAN BE CONSIDERED FOR FUTURE FUNDING THE REQUESTS ARE REVIEWED AND APPROVED BY VARIOUS INDIVIDUALS DEPENDING UPON THE TYPE AND AMOUNT OF THE REQUEST SMALL AMOUNTS MAY BE APPROVED BY THE SYSTEM COORDINATOR, CASH SPONSORSHIPS MAY BE APPROVED BY THE SYSTEM DIRECTOR OF COMMUNICATIONS, ANYTHING OVER $10,000 MAY BE APPROVED BY THE BAPTIST MEMORIAL HEALTH CARE FOUNDATION SENIOR V P , AND ANYTHING OVER $50,000 NEEDS APPROVAL BY THE CORPORATE PRESIDENT/CEO FOR MORE INFORMATION ABOUT BAPTIST CHARITABLE GIVING GUIDELINES, PLEASE VISIT HTTP //WWW BAPTISTONLINE ORG/ABOUT/COMMUNITY/GUIDELINES/

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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
BAPTIST MEMORIAL HOSPITAL

Employer identification number
62-0123940

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**		No
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**		No
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**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		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 1a	THE OFFICERS RECEIVE A PERQUISITE ALLOWANCE WHICH IS INCLUDED IN THEIR SALARIES
Part I, Line 1b	THE PRESIDENT, VICE PRESIDENTS, AND ADMINISTRATORS RECEIVE A PERQUISITE ALLOWANCE THE ALLOWANCE IS INCLUDED IN THEIR SALARIES AND IS TAXABLE TO THEM AS ADDITIONAL INCOME THE ORGANIZATION ALSO HAS AN ACCOUNTABLE PLAN, BUT A DISCRETIONARY SPENDING ACCOUNT IS NOT PART OF AN ACCOUNTABLE PLAN IF ANY OF THE OTHER ITEMS LISTED ON SCHEDULE J, PART I, LINE 1a WERE APPLICABLE, THE RECIPIENTS WOULD BE REQUIRED TO FOLLOW THE ORGANIZATION'S WRITTEN POLICY REGARDING PAYMENT OR REIMBURSEMENT
PART I, LINE 3	BAPTIST MEMORIAL HEALTH CARE CORPORATION, AS SOLE MEMBER, HAS A GOVERNANCE COMMITTEE MADE UP OF THE BOARD OF DIRECTORS, WHO ALONG WITH THE HUMAN RESOURCE DEPARTMENT, UTILIZES INDEPENDENT COMPENSATION CONSULTANTS, COMPENSATION STUDIES, AND APPROVAL BY THE COMPENSATION COMMITTEE TO ESTABLISH THE COMPENSATION OF THE ORGANIZATION'S CEO/EXECUTIVE DIRECTOR AND OTHER KEY PERSONNEL

Additional Data

Software ID:
Software Version:
EIN: 62-0123940
Name: BAPTIST MEMORIAL HOSPITAL

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
ZACHARY R CHANDLER DIRECTOR	(I)	0	0	0	0	0	0	0
	(II)	434,215	151,961	25,960	19,125	21,967	653,228	0
RANDY J KING DIRECTOR	(I)	0	0	0	0	0	0	0
	(II)	326,338	137,044	25,724	48,500	18,688	556,294	0
STEPHEN C REYNOLDS PRESIDENT (10/01/13-5/31/14)	(I)	0	0	0	0	0	0	0
	(II)	1,218,339	409,863	270,190	66,000	22,125	1,986,517	0
GREGORY M DUCKETT SECRETARY	(I)	0	0	0	0	0	0	0
	(II)	390,718	138,345	53,064	38,250	27,664	648,041	0
KYLE E ARMSTRONG CEO/ADMIN	(I)	0	0	0	0	0	0	0
	(II)	164,558	0	30,439	24,629	18,530	238,156	0
CYNDI PITTMAN CFO	(I)	184,852	0	2,301	29,961	23,103	240,217	0
	(II)	0	0	0	0	0	0	0
JASON M LITTLE PRESIDENT (6/1/14-9/30/14)	(I)	0	0	0	0	0	0	0
	(II)	641,389	198,009	42,436	60,500	22,775	965,109	0
TERRI S SEAGO CFO	(I)	111,414	11,737	0	18,611	8,678	150,440	0
	(II)	0	0	0	0	0	0	0
ANITA VAUGHN CEO/ADMIN	(I)	0	0	0	0	0	0	0
	(II)	232,528	47,786	151,654	61,500	20,850	514,318	0
DERICK B ZIEGLER CEO/ADMIN	(I)	0	0	0	0	0	0	0
	(II)	314,751	41,769	21,774	30,508	21,476	430,278	0
DANA DYE CEO/ADMIN	(I)	0	0	0	0	0	0	0
	(II)	272,390	0	55,497	35,750	4,409	368,046	0
DONALD R POUNDS VP	(I)	0	0	0	0	0	0	0
	(II)	526,042	180,322	308,962	31,875	24,899	1,072,100	0
PAUL D DEPRIEST MD VP	(I)	0	0	0	0	0	0	0
	(II)	495,377	0	31,117	28,010	22,282	576,786	0
REBECCA M HUNTER CNO	(I)	199,682	0	0	9,746	12,941	222,369	0
	(II)	0	0	0	0	0	0	0
CHRISTIAN C PATRICK MD CMO	(I)	366,073	0	0	33,205	22,400	421,678	0
	(II)	0	0	0	0	0	0	0
JOHN S STANTON PHAR	(I)	151,263	0	0	19,933	13,656	184,852	0
	(II)	0	0	0	0	0	0	0
STEPHEN L HELTON PHYS ADVISOR-CASE MGMT	(I)	191,092	0	0	24,466	62	215,620	0
	(II)	0	0	0	0	0	0	0
KEVIN L BRONSON CHIEF PHYSICIST	(I)	182,345	0	0	10,497	13,399	206,241	0
	(II)	0	0	0	0	0	0	0
DARLA G BELT DIR NURSING	(I)	151,057	0	0	4,389	8,372	163,818	0
	(II)	0	0	0	0	0	0	0
ROBERT M SELF PHAR DIR	(I)	173,921	0	21,006	13,920	18,751	227,598	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
BAPTIST MEMORIAL HOSPITAL

Employer identification number
62-0123940

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	THE HEALTH EDUCATIONAL & HOUSING FACILITY BOARD OF SHELBY COUNTY TN	52-1283414	821697B40	11-05-2009	175,081,809	EXPANSION AND UPGRADES TO HOSPITALS-BONDS CONVERTED TO FIXED RATE		X	X			X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	91,195,000			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	1,657,093			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2004			

		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							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	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						
2	Are there any lease arrangements that may result in private business use of bond-financed property?		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						
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶								
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 ▶								
6	Total of lines 4 and 5								
7	Does the bond issue meet the private security or payment test?		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						
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						

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X						
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X						
b	Exception to rebate?		X						
c	No rebate due?	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						
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		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						
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						
7	Has the organization established written procedures to monitor the requirements of section 148?		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						

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

Return Reference	Explanation
SCHEDULE K, PART II LINE 3	THE DIFFERENCE BETWEEN THE ISSUE PRICE OF THE BONDS IN PART I COLUMN (e) IS DUE TO PRINCIPAL PAYMENTS, THUS REDUCING THE AMOUNT OF PROCEEDS AT YEAR END

Return Reference	Explanation
PART III, LINE 9, PART IV, LINE 7, AND PART V,	OUR MASTER TRUST INDENTURE IS THE GOVERNING DOCUMENT FOR THE BONDS

Return Reference	Explanation
SCHEDULE K, PART IV LINE 2 (c)	THE REBATE COMPUTATION WAS CALCULATED AS OF SEPTEMBER 1, 2014

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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	Employer identification number
BAPTIST MEMORIAL HOSPITAL	62-0123940

Return Reference	Explanation	
	PART III, STATEMENT OF PROGRAM SERVICES CONTINUED	BAPTIST MEMORIAL HOSPITAL FOR WOMEN DURING THE YEAR ENDING SEPTEMBER 30, 2014, BAPTIST MEM ORIAL HOSPITAL FOR WOMEN'S PROGRAM SERVICES PRODUCED THE FOLLOWING RESULTS --THE MOTHER-B ABY OBSTETRICS/LABOR AND DELIVERY DEPARTMENT HAD 9,995 PATIENT VISITS AT A DIRECT COST OF $11,325,037 --THE NEONATAL-ICU DEPARTMENT HAD 9,745 PATIENT VISITS AT A DIRECT COST OF $6 ,246,511 --THE WOMEN'S HEALTH CENTER PERFORMED 38,726 PROCEDURES AT A COST OF $3,682,909 BAPTIST MEMORIAL HOSPITAL FOR WOMEN IS ONLY ONE OF FIFTEEN FREESTANDING WOMEN'S HOSPITALS IN AMERICA IT WAS DESIGNED ENTIRELY TO MEET THE NEEDS OF WOMEN THROUGH EVERY STAGE OF LI FE- FROM CHILDBIRTH TO MENOPAUSE RESEARCH SHOWS THAT WOMEN MAKE 80 PERCENT OF THE DECISION S ON HEALTH CARE AND BAPTIST WANTED TO MEET THEIR NEEDS THE HOSPITAL INCORPORATES THE BAP TIST WOMEN'S HEALTH CENTER THE WOMEN'S HEALTH CENTER, IS A FULL-SERVICE MAMMOGRAPHY AND O STEOPOROSIS TESTING CENTER FOR WOMEN THE WOMEN'S HEALTH CENTER PERFORMED 38,726 PROCEDURE S, 26,889 OF WHICH WERE MAMMOGRAMS THE CENTER WAS AMONG THE FIRST SEVEN IN THE NATION TO HAVE A FULL-FIELD DIGITAL MAMMOGRAPHY MACHINE, WHICH PROVIDES A THREE-DIMENSIONAL IMAGE OF THE BREAST THE BAPTIST WOMEN'S HEALTH CENTER HAS RADIOLOGISTS WHO SERVE THE WOMEN IN ARK ANSAS, MISSISSIPPI, MISSOURI AND TENNESSEE AT EACH OF BAPTIST MEMORIAL HOSPITAL'S METRO LO CATIONS THE CENTER ALSO OPERATES THE ONLY DIGITAL MOBILE MAMMOGRAPHY UNIT IN THE AREA LA ST YEAR, MORE THAN 1,719 MAMMOGRAMS WERE PERFORMED A SEPARATE LOCATION FOR THE BAPTIST WO MEN'S HEALTH CENTER OPERATES WITHIN MACY'S DEPARTMENT STORE IN THE OAK COURT MALL IN MEMPH IS THE CENTER IS OPEN SATURDAYS FROM 10 AM TO 3 P M NO APPOINTMENT IS NECESSARY IF THER E IS A WAIT, THE PATIENT IS GIVEN A NEW TIME LATER IN THE DAY LEAVING THEM TIME TO SHOP UN TIL THEIR EXAM THE ALL-FEMALE STAFF ALSO PROVIDES BREAST CARE AND SELF-EXAMINATION INSTRU CTION, AS WELL AS OTHER EDUCATIONAL PROGRAMS THE BAPTIST WOMEN'S HEALTH BOUTIQUE, LOCATED WITHIN THE HOSPITAL, OFFERS ONE-ON-ONE PRIVATE SERVICE WITH CERTIFIED PROSTHESES AND POST -SURGICAL FITTERS OF WIGS AND OTHER ITEMS A CERTIFIED LACTATION CONSULTANT WILL HELP NURS ING MOTHERS WITH BREASTFEEDING ISSUES BAPTIST MEMORIAL HOSPITAL FOR WOMEN ALSO HAS A MEDI CAL LIBRARY THAT IS OPEN TO THE PUBLIC IT SERVES AS A RESOURCE CENTER FOR PATIENTS, THEIR FAMILIES AND HEALTH CARE PROFESSIONALS THE LIBRARY HAS BOOKS, CD-ROM PRODUCTS, VIDEO-TAP ES, BROCHURES AND TEACHING MODELS, AS WELL AS INTERNET ACCESS ANOTHER DEPARTMENT OF THE B APTIST MEMORIAL HOSPITAL FOR WOMEN IS THE COMPREHENSIVE BREAST CENTER, WHICH OFFERS A MULT I- DISCIPLINARY APPROACH TO DIAGNOSING AND TREATING BREAST CANCER IT ENCOMPASSES THE WOMEN 'S HEALTH CENTER, THE MULTI-DISCIPLINARY BREAST CONFERENCE, AND THE NEW BREAST RISK MANAGE MENT CENTER NURSE NAVIGATORS ARE AVAILABLE IN THE WOMEN'S HEALTH CENTER TO HELP GUIDE A P ATIENT THROUGH HER JOURNEY OF BREAST CANCER TREATMENT PATIENTS CAN ALSO RECEIVE SECOND AN D THIRD OPINIONS ABOUT TREATMENT OPTIONS FROM LOCAL BREAST CANCER EXPERTS AT THE BREAST CO NFERENCES AND FINALLY WITH THE NEW BREAST RISK MANAGEMENT CENTER, PATIENTS CAN TAKE A PRO - ACTIVE APPROACH TO THEIR HEALTH AS PART OF THE BREAST RISK MANAGEMENT CENTER, RISK ASSES SMENT, GENETIC COUNSELING AND GENETIC TESTING ARE AVAILABLE THE CENTER IS ONE OF ONLY A F EW HOSPITAL-BASED CENTERS TO IDENTIFY HIGH-RISK WOMEN BEFORE A CANCER DIAGNOSIS WOMEN WHO ARE CONCERNED ABOUT THEIR RISK OF DEVELOPING BREAST CANCER CAN MEET WITH AN ONCOLOGY CERT IFIED NURSE AND CERTIFIED GENETIC COUNSELORS THAT WILL MAKE RECOMMENDATIONS ON THE BEST ME THODS FOR PREVENTING AND DETECTING CANCER BASED UPON THE INDIVIDUAL'S RISK ASSESSMENT BAP TIST MEMORIAL HOSPTIAL FOR WOMEN PROVIDED SEMINARS ON WOMEN'S ISSUES TO OB-GYN PHYSICIANS, FAMILY PRACTICE PHYSICIANS, NEONATOLOGISTS, NURSE PRACTITIONERS, RISK MANAGEMENT PERSONNE L AND ALLIED HEALTH PROFESSIONALS WHO HAVE AN ACTIVE ROLE IN WOMEN'S HEALTH CARE THE SEMI NARS FOCUSED ON WOMEN'S HEALTH CARE ISSUES IN THE NEW MILLENNIUM TOPICS INCLUDED INITIATI VES IN WOMEN'S HEALTH, PERIMENOPAUSE AND MENOPAUSE, PHYSICIAN BURNOUT, COMPLEMENTARY MEDIC INE IN OBSTETRICS AND GYNECOLOGY, AND OTHERS THE ACCREDITED PROGRAM-WHICH FEATURED NATION ALLY KNOWN EXPERTS-WAS FREE TO BAPTIST PHYSICIANS, RESIDENTS, NURSE PRACTITIONERS AND ALLI ED HEALTH AND RISK MANAGEMENT PERSONNEL A 180-SEAT COMMUNITY EDUCATION CLASSROOM IS USED FOR PRENATAL CLASSES, SUPPORT GROUPS AND SEMINARS THE FACILITY HAS THE MOST ADVANCED INFA NT SECURITY SYSTEM AVAILABLE BAPTIST MEMORIAL HOSPITL FOR WOMEN ALSO OFFERS CLASSES AND S EMINARS FREE TO THE PUBLIC SOME OF THESE SEMINARS WERE ENTITLED --BREAST CENCER RISK AND SCREENINGS --THE IMPORTANCE OF LUNG CANCER SCREENINGS --FACTS ABOUT PEDIATRIC OBESITY --P REVENTION OF THE NO 1 KILLER OF WOMEN AND MEN-HEART DISEASE --MY PAIN-NOT ANOTHER PRESCRI PTION --SNIFFLES, SNEEZES, ITCHES, AND WHEEZES --WHAT YOU NEED TO KNOW ABOUT OVARIAN CANCE R --TREATING PROSTATE CANCER DONATIONS --THE BREA

Return Reference	Explanation	
	PART III, STATEMENT OF PROGRAM SERVICES CONTINUED	ST CANCER ERADICATION INITIATIVE --WOMEN'S FOUNDATION FOR A GREATER MEMPHIS -- MARCH OF DIM ES --UNIVERSITY OF MEMPHIS FOUNDATION --AMERICAN HEART ASSOCIATION -- ROTARY CLUB --FOUNDAT ION FOR FIGHTING BLINDNESS --STEPHANIE VASOFKY CERVICAL CANCER FOUNDATION

Return Reference	Explanation
PART IV, LINE 20B AUDITED FINANCIAL STATEMENTS	ATTACHED ARE THE BAPTIST MEMORIAL HEALTH CARE CORPORATION AND AFFILIATES COMBINED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013, AND INDEPENDENT AUDITOR'S REPORT ALTHOUGH NOT SEPARATELY SHOWN, THE COMBINED FINANCIAL STATEMENTS INCLUDE THE FINANCIAL STATEMENTS OF THE ORGANIZATION

Return Reference	Explanation
PART V STATEMENTS REGARDING OTHER IRS FILINGS & TAX COMPLIANCE	LINE 1a ALL FORMS 1099 ARE PREPARED BY THE ACCOUNTS PAYABLE DEPARTMENT OF THE SOLE MEMBER, BAPTIST MEMORIAL HEALTH CARE CORPORATION ALL FORMS 1099 ARE ISSUED USING THE FEDERAL TAX IDENTIFICATION NUMBER OF BAPTIST MEMORIAL HEALTH CARE CORPORATION THE 1099S ARE NOT PROCESSED BY ENTITY, BUT BY VENDOR GROUP MANY VENDORS PERFORM SERVICES FOR MULTIPLE BAPTIST ENTITIES, SO ONLY ONE 1099 IS ISSUED PER VENDOR WITH THE TOTAL AMOUNT PAID FOR SERVICES THIS NUMBER IS REPORTED ON BAPTIST MEMORIAL HEALTH CARE CORPORATION'S FORM 990, PART V, LINE 1a LINE 2a THE PAYROLL FUNCTION IS CENTRALIZED AT THE PAYROLL DEPARTMENT OF THE SOLE MEMBER, BAPTIST MEMORIAL HEALTH CARE CORPORATION THE CORPORATE PAYROLL DEPARTMENT IS RESPONSIBLE FOR ALL SALARIES AND WAGES OF THE EMPLOYEES FOR THE ENTIRE BAPTIST SYSTEM THE W-3s AND W-2s ARE SUBMITTED ELECTRONICALLY TO THE IRS USING BAPTIST MEMORIAL HEALTH CARE CORPORATION'S FEDERAL TAX IDENTIFICATION NUMBER, ACCORDING TO THE GUIDELINES ASSOCIATED WITH COMMON PAYMASTER HOWEVER, THE EMPLOYEE INFORMATION IS ALLOCATED TO ITS RESPECTIVE FACILITY FOR FINANCIAL REPORTING PURPOSES AND THEY ARE REPORTED TO THE STATE BY EACH FACILITY THUS, THE AMOUNT REPORTED ON PART V, LINE 2a REFLECTS THE NUMBER OF EMPLOYEES AT THIS FACILITY WHO RECEIVED A W-2 THE TOTAL NUMBER OF W-2S FOR ALL BAPTIST ENTITIES IS REPORTED ON THE BAPTIST MEMORIAL HEALTH CARE CORPORATION W-3 LINE 7g THE ORGANIZATION DID NOT RECEIVE ANY CONTRIBUTIONS OF QUALIFIED INTELLECTUAL PROPERTY REQUIRING IT TO FILE A FORM 8899 Line 7h THE ORGANIZATION DID NOT RECEIVE ANY CONTRIBUTIONS OF CARS, BOATS, AIRPLANES, OR OTHER VEHICLES REQUIRING IT TO FILE A FORM 1098-C

Return Reference	Explanation
Form 990, Part VI, Section A, line 3	BAPTIST MEMORIAL HEALTH CARE CORPORATION AS SOLE MEMBER OF BAPTIST MEMORIAL HOSPITAL PROVIDES CERTAIN LEGAL, FINANCE, QUALITY, AND PERSONNEL SERVICES PURSUANT TO A SHARED SERVICE AGREEMENT

Return Reference	Explanation
Form 990, Part VI, Section A, line 6	BAPTIST MEMORIAL HOSPITAL, INC IS A NON-STOCK CORPORATION WHOSE SOLE MEMBER IS BAPTIST MEMORIAL HEALTH CARE CORPORATION

Return Reference	Explanation
Form 990, Part VI, Section A, line 7a	BAPTIST MEMORIAL HEALTH CARE CORPORATION, AS SOLE MEMBER OF BAPTIST MEMORIAL HOSPITAL, INC , ELECTS ITS BOARD OF DIRECTORS

Return Reference	Explanation
Form 990, Part VI, Section A, line 7b	BAPTIST MEMORIAL HEALTH CARE CORPORATION, AS THE SOLE MEMBER OF BAPTIST MEMORIAL HOSPITAL, INC , APPROVES THE BOARD OF DIRECTORS ACTIONS

Return Reference	Explanation
Form 990, Part VI, Section B, line 11	THE FORM 990 IS REVIEWED BY BAPTIST MEMORIAL HEALTH CARE CORPORATION'S PRESIDENT/CEO, SR V P /CFO, THE V P OF CORPORATE FINANCE, AND THE HOSPITAL CFO IN ADDITION, THE FORM 990 AND 990-T ARE REVIEWED ON AN ANNUAL BASIS BY AN OUTSIDE INDEPENDENT ACCOUNTING AND TAX FIRM THE FORM 990 HAS NOT BEEN REVIEWED BY THE BOARD OF DIRECTORS HOWEVER, BAPTIST MEMORIAL HEALTH CARE CORPORATION, AS SOLE MEMBER, HAS A GOVERNANCE COMMITTEE THAT IS APPOINTED BY ITS BOARD OF DIRECTORS THE BAPTIST MEMORIAL HEALTH CARE CORPORATION GOVERNANCE COMMITTEE CONSISTS OF THREE OR MORE MEMBERS ALL OF WHICH MAY OR MAY NOT BE MEMBERS OF THE BOARD OF DIRECTORS THE BAPTIST MEMORIAL HEALTH CARE CORPORATION GOVERNANCE COMMITTEE WILL REVIEW THE FORM 990 AFTER SUBMITTING TO THE IRS

Return Reference	Explanation
Form 990, Part VI, Section B, line 12c	BAPTIST MEMORIAL HOSPITAL REQUIRES THAT ALL EMPLOYEES, INCLUDING OFFICERS AND KEY EMPLOYEES, PERIODICALLY COMPLETE A CERTIFICATION AND ACKNOWLEDGEMENT OF THE BAPTIST MEMORIAL HEALTH CARE CORPORATION STANDARDS OF CONDUCT, WHICH INCORPORATES THE CONFLICT OF INTEREST POLICY BOARD MEMBERS DISCLOSE AND SIGN A CONFLICT OF INTEREST STATEMENT EACH DECEMBER IN THE EVENT THAT AN EMPLOYEE OR BOARD MEMBER BECOMES AWARE OF A POTENTIAL CONFLICT OF INTEREST, HE/SHE IS REQUIRED TO REPORT IT TO THEIR CHIEF EXECUTIVE OFFICER BEFORE TAKING ANY ACTION IF HE/SHE IS THE CHIEF EXECUTIVE OFFICER, THEN HE/SHE IS TO REPORT TO THE CHAIRMAN OF THE BOARD OF DIRECTORS THE SIGNED CONFLICT OF INTEREST STATEMENTS ARE REVIEWED BY THE SENIOR V P AND CORPORATE COUNSEL, AND ARE MAINTAINED IN THE BAPTIST MEMORIAL HEALTH CARE CORPORATION LEGAL DEPARTMENT IF A CONFLICT OF INTEREST IS FOUND TO EXIST, IT WILL BE THE RESPONSIBILITY OF THE CEO, WITH THE INVOLVEMENT OF THE BAPTIST MEMORIAL HEALTH CARE CORPORATION LEGAL DEPARTMENT, TO RESOLVE THE ISSUE

Return Reference	Explanation
Form 990, Part VI, Section B, line 15	BAPTIST MEMORIAL HEALTH CARE CORPORATION'S HUMAN RESOURCE DEPARTMENT, THE GOVERNANCE COMMITTEE OF THE BOARD OF DIRECTORS, AND A COMPENSATION CONSULTING FIRM PERFORM ANNUAL REVIEWS EACH DECEMBER AND APPROVE COMPENSATION OF THE CORPORATE CEO AND OTHER TOP MANAGEMENT PERSONNEL THEY USE COMPARABILITY DATA AND OTHER SOURCES AS NEEDED THE CEO AND OTHER TOP MANAGEMENT USE THE SAME TYPE OF INFORMATION TO APPROVE COMPENSATION OF OTHER OFFICERS AND KEY EMPLOYEES ON DECEMBER 10, 2012 THE COMPENSATION WAS REVIEWED AND APPROVED FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2013 FOR THE PRESIDENT, VICE PRESIDENT, SECRETARY, AND ALL CEO/ADMINISTRATORS

Return Reference	Explanation
Form 990, Part VI, Section C, line 18	BAPTIST MEMORIAL HOSPITAL MAKES COPIES OF ITS FORMS 1023, 990, AND 990-T FOR PUBLIC INSPECTION TO ANY ONE WHO REQUESTS THEM AS REQUIRED BY THE IRS

Return Reference	Explanation
Form 990, Part VI, Section C, line 19	BAPTIST MEMORIAL HOSPITAL MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST

Return Reference	Explanation
Form 990, Part VII	KYLE E. ARMSTRONG - 1500 W. POPLAR AVE., COLLIERVILLE, TN 38017 REBECCA M. HUNTER - 6019 WALNUT GROVE RD., MEMPHIS, TN 38120 CYNDI PITTMAN - 6019 WALNUT GROVE RD., MEMPHIS, TN 38120 TERRI S. SEAGO - 1500 W. POPLAR AVE., COLLIERVILLE, TN 38017 ANITA VAUGHN - 6225 HUMPHREYS BLVD., MEMPHIS, TN 38120 MARGARET H. WILLIAMS - 6225 HUMPHREYS BLVD., MEMPHIS, TN 38120 CHRISTIAN C. PATRICK, M.D. - 6019 WALNUT GROVE RD., MEMPHIS, TN 38120 DANA DYE - 6019 WALNUT GROVE RD., MEMPHIS, TN 38120

Return Reference	Explanation
Form 990, Part XI, line 9	TRANSFERS TO/FROM BAPTIST MEMORIAL MEDICAL GROUP, INC -27,902,787 TRANSFERS TO/FROM BAPTIST MEMORIAL COLLEGE OF HEALTH SCIENCES, INC -1,218,120 TRANSFERS TO/FROM BAPTIST MEMORIAL HEALTH CARE CORPORATION 1,042,858

Return Reference	Explanation
PART XII, LINE 2c FINANCIAL STATEMENTS AND REPORTING	BAPTIST MEMORIAL HEALTH CARE CORPORATION, AS SOLE MEMBER, HAS AN AUDIT COMMITTEE THAT CHOOSES THE AUDIT FIRM, OVERSEES AND REVIEWS THE AUDIT REPORTS, AND THEN FOLLOWS UP ON ANY NECESSARY CHANGES AND RECOMMENDATIONS THE PROCESS HAS NOT CHANGED FROM PRIOR YEARS

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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
BAPTIST MEMORIAL HOSPITAL

Employer identification number
62-0123940

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) NORTHEAST ARKANSAS BAPTIST MEMORIAL HEALTH CARE LLC 4800 E JOHNSON AVE JONESBORO, AR 72401 81-0572898	OPERATION OF BAPTIST MEMORIAL HOSPITAL-JONESBORO, INC	AR			N/A
(2) NORTHEAST ARKANSAS BAPTIST HEALTH SERVICES GROUP LLC 4800 E JOHNSON AVE JONESBORO, AR 72401 27-1471186	OPERATE A PREFRRED PROVIDER ORGANIZATION	AR			N/A

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
See Additional Data Table							

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

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

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) BAPTIST HEALTH SERVICES GROUP OF THE MIDSOUTH INC 350 N HUMPHREYS BLVD MEMPHIS, TN 381202177 62-1534210	HEALTH INSURANCE CONTRACTING	TN	N/A	C					No
(2) HEALTH TECH AFFILIATES INC 350 N HUMPHREYS BLVD MEMPHIS, TN 381202177 62-1278576	BUYING AND LEASING REAL & PERSONAL PROPERTY	TN	N/A	C					No
(3) SOUTHCREST PROPERTY OWNERS ASSOCIATION 7601 SOUTHCREST PKWY SOUTHAVEN, MS 38671 64-0768703	BOOKKEEPING/DATA PROCESSING FOR SOUTHCREST DEV	MS	N/A	C					No
(4) GERMANTOWN BUSINESS PARK OWNERS ASSOCIATION 350 N HUMPHREYS BLVD MEMPHIS, TN 381202177 20-1158216	BOOKKEEPING/DATA PROCESSING FOR GERMANTOWN BUS PARK DEVELOPMENT	TN	N/A	C					No

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

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

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

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

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

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

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

Part VII Supplemental Information

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

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 62-0123940
Name: BAPTIST MEMORIAL HOSPITAL

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) BAPTIST MEMORIAL HEALTH CARE CORPORATION 350 N HUMPHREYS BLVD MEMPHIS, TN 381202177 58-1521475	MANAGEMENT, ADMINISTRATIVE & DATA PROCESSING SERVICES FOR AFFILIATES	TN	501(c)(3)	509(a)(3)	N/A		No
(1) BAPTIST MEMORIAL HEALTH CARE SYSTEM INC 350 N HUMPHREYS BLVD MEMPHIS, TN 381202177 58-1456556	CARRY OUT THE HEALTH CARE MISSIONS OF THE BAPTIST CONVENTIONS OF AR, MS, TN	TN	501(c)(3)	509(a)(3)	N/A		No
(2) BAPTIST MEMORIAL COLLEGE OF HEALTH SCIENCES INC 1003 MONROE AVE MEMPHIS, TN 38104 62-1599670	EDUCATION OF HEALTH CARE PROFESSIONALS	TN	501(c)(3)	509(a)(1)	BAPTIST MEMORIAL HOSPITAL INC	Yes	
(3) BAPTIST MEMORIAL HEALTH SERVICES INC 350 N HUMPHREYS BLVD MEMPHIS, TN 381202177 62-1509127	PROVISION OF HEALTH CARE PROVIDERS & HOME MEDICAL EQUIPMENT & SERVICES	TN	501(c)(3)	509(a)(2)	BAPTIST MEMORIAL HEALTH CARE CORPORATION		No
(4) MEDICAL FINANCIAL SERVICES INC 350 N HUMPHREYS BLVD MEMPHIS, TN 381202177 62-1112364	COLLECTION AGENCY FOR BAPTIST ENTITIES	TN	501(c)(3)	509(a)(3)	BAPTIST MEMORIAL HEALTH CARE CORPORATION		No
(5) BAPTIST MEMORIAL HOSPITAL-BOONEVILLE INC 100 HOSPITAL ST BOONEVILLE, MS 38829 64-0663760	HEALTH CARE/HOSPITAL	MS	501(c)(3)	509(a)(1)	BAPTIST MEMORIAL HEALTH CARE CORPORATION		No
(6) BAPTIST MEMORIAL HOSPITAL-DESOTO INC 7601 SOUTHCREST PKWY SOUTHAVEN, MS 38671 64-0682111	HEALTH CARE/HOSPITAL	MS	501(c)(3)	509(a)(1)	BAPTIST MEMORIAL HEALTH CARE CORPORATION		No
(7) BAPTIST MEMORIAL HOSPITAL-GOLDEN TRIANGLE INC 2520 FIFTH ST COLUMBUS, MS 39703 62-1519754	HEALTH CARE/HOSPITAL	MS	501(c)(3)	509(a)(1)	BAPTIST MEMORIAL HEALTH CARE CORPORATION		No
(8) BAPTIST MEMORIAL HOSPITAL-HUNTINGDON INC 631 RB WILSON DR HUNTINGDON, TN 38344 62-1166050	HEALTH CARE/HOSPITAL	TN	501(c)(3)	509(a)(1)	BAPTIST MEMORIAL HEALTH CARE CORPORATION		No
(9) BAPTIST CLINICAL RESEARCH INSTITUTE INC 350 N HUMPHREYS BLVD MEMPHIS, TN 381202177 45-3032246	FACILITATE MEDICAL & SCIENTIFIC RESEARCH	TN	501(c)(3)	509(a)(3)	BAPTIST MEMORIAL HEALTH CARE CORPORATION		No
(10) BAPTIST MEMORIAL HOSPITAL-NORTH MISSISSIPPI INC 2301 S LAMAR OXFORD, MS 38655 64-0772726	HEALTH CARE/HOSPITAL	MS	501(c)(3)	509(a)(1)	BAPTIST MEMORIAL HEALTH CARE CORPORATION		No
(11) BAPTIST MEMORIAL HOSPITAL-TIPTON INC 1995 HWY 51 SOUTH COVINGTON, TN 38019 62-1113167	HEALTH CARE/HOSPITAL	TN	501(c)(3)	509(a)(1)	BAPTIST MEMORIAL HEALTH CARE CORPORATION		No
(12) BAPTIST MEMORIAL HOSPITAL-UNION CITY INC 1201 BISHOP ST UNION CITY, TN 38261 62-1138045	HEALTH CARE/HOSPITAL	TN	501(c)(3)	509(a)(1)	BAPTIST MEMORIAL HEALTH CARE CORPORATION		No
(13) BAPTIST MEMORIAL HOSPITAL-UNION COUNTY INC 200 HWY 30 WEST NEW ALBANY, MS 38652 63-0997281	HEALTH CARE/HOSPITAL	MS	501(c)(3)	509(a)(1)	BAPTIST MEMORIAL HEALTH CARE CORPORATION		No
(14) BAPTIST MEMORIAL REGIONAL REHABILITATION SERVICES INC 2100 EXETER RD GERMANTOWN, TN 38138 58-1645396	HEALTH CARE/HOSPITAL	TN	501(c)(3)	509(a)(1)	BAPTIST MEMORIAL HEALTH CARE CORPORATION		No
(15) BAPTIST MEMORIAL HOME CARE INC 350 N HUMPHREYS BLVD MEMPHIS, TN 381202177 58-1562973	HOME HEALTH CARE & HOSPICE SERVICES	TN	501(c)(3)	509(a)(2)	BAPTIST MEMORIAL HEALTH CARE CORPORATION		No
(16) BAPTIST MEMORIAL MEDICAL GROUP INC 350 N HUMPHREYS BLVD MEMPHIS, TN 381202177 62-1545731	PROVISION OF HEALTH CARE PROVIDERS FOR BAPTIST FACILITIES	TN	501(c)(3)	509(a)(2)	BAPTIST MEMORIAL HEALTH CARE CORPORATION		No
(17) BAPTIST MEMORIAL PATIENT SAFETY ORGANIZATION INC 350 N HUMPHREYS BLVD MEMPHIS, TN 381202177 45-3032372	ESTABLISHING, MAINTAINING & MANAGING A PATIENT SAFETY ORGANIZATION	TN	501(c)(3)	509(a)(3)	BAPTIST MEMORIAL HEALTH CARE CORPORATION		No
(18) BAPTIST MEMORIAL MEDICAL MINISTRIES EMP HLTH & WELFARE TRUST 350 N HUMPHREYS BLVD MEMPHIS, TN 381202177 62-1407946	BAPTIST EMPLOYEE HEALTH PLAN	TN	501(c)(9)		BAPTIST MEMORIAL HEALTH CARE CORPORATION		No
(19) BAPTIST MINOR MEDICAL CENTERS INC 350 N HUMPHREYS BLVD MEMPHIS, TN 381202177 62-1538114	NON-EMERGENCY MEDICAL CLINICS	TN	501(c)(3)	509(a)(1)	BAPTIST MEMORIAL MEDICAL GROUP INC		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501 (c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity?	
						Yes	No
(21) BAPTIST MEMORIAL HEALTH CARE FOUNDATION 350 N HUMPHREYS BLVD MEMPHIS, TN 381202177 58-1544781	SOLICIT,RAISE, MANAGE, APPLY & INVEST FUNDS IN SUPPORT OF BAPTIST ENTITIES	TN	501(c)(3)	509(a)(3)	BAPTIST MEMORIAL HEALTH CARE CORPORATION		No
(1) BAPTIST MEMORIAL HOSPITAL-JONESBORO INC 4800 JOHNSON AVE JONESBORO, AR 72401 26-1214372	HEALTH CARE/HOSPITAL	AR	501(c)(3)	509(a)(1)	NEA BAPTIST HEALTH SYSTEM INC		No
(2) NEA BAPTIST HEALTH SYSTEM INC 4800 JOHNSON AVE JONESBORO, AR 72401 27-1799652	HEALTH CARE SERVICE PROVIDER	AR	501(c)(3)	509(a)(3)	BAPTIST MEMORIAL HEALTH CARE CORPORATION		No
(3) NEA CLINIC CHARITABLE FOUNDATION INC 4800 JOHNSON AVE JONESBORO, AR 72401 71-0850123	HEALTH CARE SERVICE PROVIDER	AR	501(c)(3)	509(a)(1)	NEA BAPTIST HEALTH SYSTEM INC		No
(4) THE STERN CARDIOVASCULAR FOUNDATION INC 8060 WOLF RIVER BLVD GERMANTOWN, TN 38138 27-4396698	HEALTH CARE SERVICE PROVIDER	TN	501(c)(3)	509(a)(1)	BAPTIST MEMORIAL MEDICAL GROUP INC		No
(5) BAPTIST CANCER CENTER PHYSICIANS FOUNDATION INC 6029 WALNUT GROVE RD MEMPHIS, TN 38120 45-2842963	HEALTH CARE SERVICE PROVIDER	TN	501(c)(3)	509(a)(1)	BAPTIST MEMORIAL MEDICAL GROUP INC		No
(6) INTEGRITY ONCOLOGY FOUNDATION INC 6286 BRIARCREST AVE SUITE 308 MEMPHIS, TN 38120 45-3303687	HEALTH CARE SERVICE PROVIDER	TN	501(c)(3)	509(a)(1)	BAPTIST MEMORIAL MEDICAL GROUP INC		No
(7) MEMPHIS LUNG PHYSICIANS FOUNDATION INC 6025 WALNUT GROVE RD MEMPHIS, TN 38120 45-2832975	HEALTH CARE SERVICE PROVIDER	TN	501(c)(3)	509(a)(1)	BAPTIST MEMORIAL MEDICAL GROUP INC		No
(8) BOSTON BASKIN CANCER FOUNDATION INC 6029 WALNUT GROVE RD MEMPHIS, TN 38120 45-3303607	HEALTH CARE SERVICE PROVIDER	TN	501(c)(3)	509(a)(1)	BAPTIST MEMORIAL MEDICAL GROUP INC		No
(9) GASTROINTESTINAL SPECIALISTS FOUNDATION INC 80 HUMPHREYS CENTER MEMPHIS, TN 38120 35-2461541	HEALTH CARE SERVICE PROVIDER	TN	501(c)(3)	170(b)(1)(A)(iii)	BAPTIST MEMORIAL MEDICAL GROUP INC		No
(10) BMG FAMILY PHYSICIANS GROUP FOUNDATION INC 2859 VAN LEER DR BARTLETT, TN 38134 46-1953140	HEALTH CARE SERVICE PROVIDER	TN	501(c)(3)	170(b)(1)(A)(iii)	BAPTIST MEMORIAL MEDICAL GROUP INC		No

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(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 K-1 (Form 1065)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
BAPTIST-DESOTO SURGERY CENTER 40 BURTON HILLS BLVD NASHVILLE, TN 37215 20-0804946	AMBULATORY SURGERY	MS	N/A	N/A				No			No	
BAPTIST-EAST MEMPHIS SURGERY CENTER 80 HUMPHREYS BLVD 101 MEMPHIS, TN 38120 62-1846584	AMBULATORY SURGERY	TN	N/A	N/A				No			No	
BAPTIST-GERMANTOWN SURGERY CENTER LP 40 BURTON HILLS BLVD NASHVILLE, TN 37215 62-1829424	AMBULATORY SURGERY	TN	N/A	N/A				No			No	
BAPTIST & PHYSICIANS OP SURGERY CENTER OF N MS 40 BURTON HILLS BLVD NASHVILLE, TN 37215 62-0925692	AMBULATORY SURGERY	MS	N/A	N/A				No			No	
BAPTIST N MS IMAGING SERVICES LLC 504 AZALEA DR OXFORD, MS 38655 26-2641267	DIAGNOSTIC SERVICES	MS	N/A	N/A				No			No	
EAST MEMPHIS UROLOGY CENTER LP 40 BURTON HILLS BLVD NASHVILLE, TN 37215 62-1810940	AMBULATORY UROLOGICAL SERVICES	TN	N/A	N/A				No			No	
HAMILTON EYE INSTITUTE SURGERY CENTER LP 930 MADISON AVE MEMPHIS, TN 37103 20-2873438	AMBULATORY SURGERY	TN	N/A	N/A				No			No	
MEDICAL ALTERNATIVES 4565 SHELBY RD MEMPHIS, TN 38083 62-1488427	HOME INFUSION PRODUCTS & SERVICES TO PATIENTS	TN	N/A	N/A				No			No	
MEMPHIS BIOMED VENTURES I LP 17 W PONTOTOC STE 200 MEMPHIS, TN 38103 94-3424417	MEDICAL RESEARCH	TN	N/A	N/A				No			No	
MEMPHIS SURGERY CENTER LTD LP 3000 RIVERCHASE GALLERIA STE 500 BIRMINGHAM, AL 35244 62-1218330	AMBULATORY SURGERY	TN	N/A	N/A				No			No	
MEMPHIS-SC LLC 3000 RIVERCHASE GALLERIA STE 500 BIRMINGHAM, AL 35244 62-1590322	AMBULATORY SURGERY	TN	N/A	N/A				No			No	
MEMPHIS-SP LLC 3000 RIVERCHASE GALLERIA STE 500 BIRMINGHAM, AL 35244 62-1590324	AMBULATORY SURGERY	TN	N/A	N/A				No			No	
MIDTOWN SURGERY CENTER LP 40 BURTON HILLS BLVD NASHVILLE, TN 37215 62-1619344	AMBULATORY SURGERY	TN	N/A	N/A				No			No	
NORTHWEST TENNESSEE SURGERY CENTER LLC 1722 E REELFOOT UNION CITY, TN 38261 62-1685508	AMBULATORY SURGERY	TN	N/A	N/A				No			No	
SM-B BUILDING LLC 5900 POPLAR AVE STE 100 MEMPHIS, TN 38119 62-1834236	PHYSICIAN OFFICES	TN	N/A	N/A				No			No	

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(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 K-1 (Form 1065)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
TENNESSEE LITHOTRIPERS LP 9825 SPECTRUM DR BLDG 3 AUSTIN, TX 78717 56-1720365	LITHOTRIPSY SERVICES	TN	N/A	N/A				No			No	
WOLF RIVER MEDICAL CENTER LP 350 N HUMPHREYS BLVD MEMPHIS, TN 381202177 62-1510287	MEDICAL OFFICE BLDG	TN	N/A	N/A				No			No	
CANCER CARE CENTER OF UNION CITY LP 322 HOSPITAL BLVD JACKSON, TN 38305 26-3425045	CANCER CARE SERVICES	TN	N/A	N/A				No			No	
MAYS & SCHNAPP PAIN CENTER 55 HUMPHREYS CENTER BLVD STE 200 MEMPHIS, TN 38120 62-1512849	PAIN MANAGEMENT SERVICES	TN	N/A	N/A				No			No	
CONVENIENT CARE DIAGNOSTIC CENTER PLLC 555 HWY 6 EAST BATESVILLE, MS 38606 64-0914382	RADIOLOGY & DIAGNOSTIC SERVICES	MS	N/A	N/A				No			No	

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
BAPTIST MEMORIAL COLLEGE OF HEALTH SCIENCES INC	B	1,218,120	CASH
BAPTIST MEMORIAL HEALTH CARE FOUNDATION	C	681,381	CASH
BAPTIST MEMORIAL REGIONAL REHABILITATION SERVICES INC	J	355,156	FMV
BAPTIST MEMORIAL REGIONAL REHABILITATION SERVICES INC	Q	119,845	FMV
THE STERN CARDIOVASCULAR FOUNDATION INC	R	4,706,152	FMV
BAPTIST MEMORIAL HEALTH CARE CORPORATION	D	34,421,179	CASH
BAPTIST MEMORIAL HEALTH CARE CORPORATION	M	96,574,872	CASH
BAPTIST MEMORIAL HEALTH CARE CORPORATION	O	82,711	FMV
BAPTIST MEMORIAL MEDICAL GROUP INC	B	27,902,788	CASH
BAPTIST MEMORIAL MEDICAL GROUP INC	R	1,301,573	FMV
BAPTIST MEMORIAL MEDICAL MINISTRIES EMPLOYEE HEALTH & WELFARE TRUST	R	31,375,607	CASH
MEDICAL FINANCIAL SERVICES INC	S	1,929,882	FMV
BAPTIST HEALTH SERVICES GROUP OF THE MIDSOUTH INC	R	352,567	FMV
MEMPHIS LUNG PHYSICIANS FOUNDATION INC	M	2,434,558	FMV
THE STERN CARDIOVASCULAR FOUNDATION INC	M	686,219	FMV

Baptist Memorial Health Care Corporation and Affiliates

Combined Financial Statements as of and for the Years Ended September 30, 2014 and 2013, and Independent Auditors' Report

BAPTIST MEMORIAL HEALTH CARE CORPORATION AND AFFILIATES

TABLE OF CONTENTS

Deloitte

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Baptist Memorial Health Care Corporation
Memphis, Tennessee

We have audited the accompanying combined financial statements of Baptist Memorial Health Care Corporation (a Tennessee nonprofit corporation) and affiliates (collectively, BMHCC), all of which are under common ownership and common management, which comprise the combined balance sheets as of September 30, 2014 and 2013, and the related combined statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to BMHCC's preparation and fair presentation of the combined 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 BMHCC'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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of BMHCC as of September 30, 2014 and 2013, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

January 20, 2015

BAPTIST MEMORIAL HEALTH CARE CORPORATION AND AFFILIATES

COMBINED BALANCE SHEETS
AS OF SEPTEMBER 30, 2014 AND 2013
(Amounts in thousands)

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 77 262	$ 102 825
Short-term investments	110	-
Patient accounts receivable—net of estimated uncollectible amounts of $85,960 and $68 668 in 2014 and 2013, respectively	279 838	242 567
Other receivables—net	26 177	18 540
Inventory, prepaid expenses, and other assets	100 957	91 555
Estimated settlements with third parties	3,674	9,051
Total current assets	488 018	464 538
INVESTMENTS	733 076	847 195
ASSETS WHOSE USE IS LIMITED	24 125	21 545
PROPERTY AND EQUIPMENT—Net	1 241 388	1 189 387
GOODWILL	1,855	74 675
OTHER LONG-TERM ASSETS	24 812	27 751
TOTAL	$2 513 274	$2 625 091
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of long-term debt and capital lease obligations	$ 179 870	$ 125 818
Accounts payable	32 753	35 690
Accrued expenses and other	154 437	157 411
Estimated settlements with third parties	19 816	13 564
Total current liabilities	386 876	332 483
LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS	360 901	313 989
OTHER LONG-TERM LIABILITIES	136 232	155 289
COMMITMENTS AND CONTINGENCIES (Note 18)		
NET ASSETS		
Unrestricted net assets	1 558 142	1 766 149
Temporarily and permanently restricted net assets	71 123	57 181
Total net assets	1 629 265	1 823 330
TOTAL	$2 513 274	$2 625 091

See notes to combined financial statements

BAPTIST MEMORIAL HEALTH CARE CORPORATION AND AFFILIATES

COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013
(Amounts in thousands)

	2014	2013
UNRESTRICTED REVENUES AND OTHER SUPPORT:		
Patient service revenue—net of contractuals	$2,073,582	$2,053,898
Provision for bad debt	(267,310)	(250,715)
Net patient service revenue	1,806,272	1,803,183
Other revenue	80,578	81,242
Total unrestricted revenues and other support	1,886,850	1,884,425
EXPENSES:		
Salaries and benefits	1,069,398	1,008,871
Supplies and drugs	435,882	423,074
Purchased services and other	314,663	292,723
Professional fees	149,335	103,602
Depreciation and amortization	132,018	115,227
Goodwill impairment charge	74,517	-
Interest	10,778	10,049
Loss on asset impairment	-	1,765
Total expenses	2,186,591	1,955,311
LOSS FROM OPERATIONS	(299,741)	(70,886)
NONOPERATING INCOME (LOSS):		
Interest and dividend income from marketable portfolio	24,466	28,459
Net realized gains on investments from marketable portfolio	67,333	69,491
Noncontrolling interest and other—net	7,891	(6,590)
Total nonoperating income	99,690	91,360
(EXPENSES IN EXCESS OF REVENUES) REVENUES IN EXCESS OF EXPENSES	(200,051)	20,474

(Continued)

BAPTIST MEMORIAL HEALTH CARE CORPORATION AND AFFILIATES

COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013
(Amounts in thousands)

	2014	2013
UNRESTRICTED NET ASSETS:		
(Expenses in excess of revenues) revenues in excess of expenses	$ (200,051)	$ 20,474
Net unrealized losses on investments	(6,394)	(2,266)
Net (distributions) contributions made from/to joint venture partners and other	(1,562)	1,749
Change in unrestricted net assets	(208,007)	19,957
TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS:		
Gifts and donations	17,475	13,182
Investment income	116	86
Net unrealized gains (losses) on investments	1,011	(1,366)
Net distributions made to affiliates and others	(4,660)	(3,885)
Increase in temporarily and permanently restricted net assets	13,942	8,017
CHANGE IN NET ASSETS	(194,065)	27,974
NET ASSETS—Beginning of year	1,823,330	1,795,356
NET ASSETS—End of year	$1,629,265	$1,823,330

See notes to combined financial statements (Concluded)

BAPTIST MEMORIAL HEALTH CARE CORPORATION AND AFFILIATES

COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013
(Amounts in thousands)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES AND NONOPERATING INCOME		
Change in net assets	$(194,065)	$ 27,974
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities and nonoperating income		
Depreciation and amortization	131,476	114,683
Goodwill impairment charge	74,517	
Net realized gain on sales of investments and fixed assets	(64,479)	(68,897)
Net unrealized loss on investments	5,383	3,632
Loss on asset impairment	-	1,765
Changes in operating assets and liabilities		
Net patient accounts receivable	(37,271)	19,781
Inventory, prepaid expenses, and other assets	(9,119)	(7,324)
Accounts payable, accrued expenses, and other liabilities	340	7,110
Other long-term liabilities	(15,851)	(20,053)
Net cash (used in) provided by operating activities and nonoperating income	(109,069)	78,671
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions	(2,514)	(27,773)
Capital expenditures	(183,069)	(227,377)
Proceeds from sales of fixed assets	886	969
Purchases of long-term investments	(185,291)	(273,509)
Sales of long-term investments	362,076	392,406
(Increase) decrease in short-term investments	(110)	275
Increase in assets whose use is limited	(2,580)	(2,591)
Other	(3,494)	(1,823)
Net cash used in investing activities	(14,096)	(139,423)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of debt	222,490	53,013
Principal payments on debt and capital lease obligations	(124,888)	(25,199)
Net cash provided by financing activities	97,602	27,814
NET CHANGE IN CASH AND CASH EQUIVALENTS	(25,563)	(32,938)
CASH AND CASH EQUIVALENTS—Beginning of year	102,825	135,763
CASH AND CASH EQUIVALENTS—End of year	$ 77,262	$ 102,825
CASH PAID FOR INTEREST DURING THE YEAR	$ 12,085	$ 11,863

See notes to combined financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Affiliation and Combination—Baptist Memorial Health Care Corporation (the "Corporation") is a nonprofit corporation. The accompanying combined financial statements include the financial statements of the Corporation and its affiliates under common ownership and common management (collectively, BMHCC). The Corporation is the member (parent) organization of most of the not-for-profit affiliates that comprise BMHCC. Such affiliates include hospitals offering both inpatient and outpatient services, as well as surgery centers, physician practices, and other ancillary businesses. Significant intercompany accounts and transactions have been eliminated. Investments in 50% or less-owned companies and partnerships are generally accounted for using the equity method.

Estimates—The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

Cash and Cash Equivalents—For purposes of the combined statements of cash flows, BMHCC considers certificates of deposit, overnight reverse repurchase agreements, and other highly liquid investments with original maturities of less than three months to be cash equivalents.

Investments—Investments classified as current assets are available to BMHCC entities for current working capital needs. Investments classified as noncurrent are managed under BMHCC's long-term investment policy and are reported at fair value. Investment income or loss (including realized gains and losses on investments, other-than-temporary impairments, interest, and dividends) is included in the excess of revenues over expenses, unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from the excess of revenues over expenses, but are reflected in changes in net assets for each period.

Allowance for Doubtful Accounts—Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, BMHCC analyzes accounts receivable by payor category in determining the appropriate allowance for doubtful accounts. Additionally, BMHCC also considers past history, collection trends, the age of accounts receivable, and recoveries of amounts previously written off in determining and evaluating the amount of the allowance for doubtful accounts. Historically, BMHCC has not had significant bad debts on accounts receivable from third-party payors. For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductibles and co-payment balances due for which third-party coverage exists for part of the bill), BMHCC records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if offered) and the amounts actually collected after all reasonable collection efforts have been exhausted is written off against the allowance for doubtful accounts.

BMHCC's allowance for doubtful accounts increased from 22.06% of accounts receivable (net of contractuals) as of September 30, 2013, to 23.50% as of September 30, 2014. This increase in the percentage was largely the result of a deterioration of collection rates experienced in 2014.

Financial Instruments and Hedging—BMHCC is using an interest rate swap agreement to convert a portion of its variable-rate debt to a fixed rate. This derivative was originally designated as a cash flow hedge; however, it no longer qualifies for hedge accounting. Therefore, all changes in market value are immediately included in interest in the combined statements of operations and changes in net assets.

Inventory—Inventory is stated at the lower of cost (weighted-average method) or market (replacement cost).

Property and Equipment—Property and equipment is recorded at cost when purchased or at fair market value when received by donation. Property and equipment is depreciated on a straight-line basis over its estimated useful life. Property and equipment held under capital leases is amortized evenly over the lesser of the lease term or its estimated useful life. In fiscal year 2014, the Company extended the useful lives assigned to certain long-lived assets based on an independent assessment. The change in depreciable lives resulted in a reduction in depreciation expense for the year ended September 30, 2014, of approximately $7,558,000.

Property and equipment also consists of capitalized software costs, which are amortized on a straight-line basis over the estimated useful life of the software that ranges from three to eight years. As of September 30, 2014, capitalized software costs included in property and equipment is approximately $61,424,000, and accumulated amortization on those costs is approximately $7,578,000. As of September 30, 2013, capitalized software costs included in property and equipment is approximately $53,693,000, and accumulated amortization on those costs were approximately $2,340,000.

BMHCC capitalizes interest on borrowings during the active construction period of major capital projects. Capitalized interest is added to the cost of underlying assets and is amortized over the useful lives of the assets. Interest capitalized in 2014 and 2013 was approximately $369,000 and $851,000, respectively.

Goodwill—Goodwill is included in the accompanying combined balance sheets and represents the excess of costs over the fair value of assets of businesses acquired. In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*, BMHCC performs an annual impairment assessment of goodwill. BMHCC performs the impairment test at the reporting unit level at least annually or when events occur that require an evaluation to be performed at an interim date. If BMHCC determines the carrying value of goodwill is impaired, or if the carrying value of a business that is to be sold or otherwise disposed of exceeds its fair value, then management reduces the carrying value, including any allocated goodwill, to fair value. Estimates of fair value are based on appraisals, established market prices for comparative assets, or internal estimates of future net cash flows. BMHCC has selected June 30 as the date on which it will perform its annual impairment assessment. Due to declines in operations, operating profits and cash flows were lower than expected in Memphis, Tennessee metropolitan, and Jonesboro, Arkansas markets. Based on that trend, the earnings forecast for the next five years was revised. An impairment of approximately $74,517,000 has been recorded on goodwill related to the Memphis metropolitan and Jonesboro markets in 2014. There was no impairment of goodwill during the year ended September 30, 2013. There can be no assurance that future goodwill impairment tests will not result in a charge to operations.

Impairment of Long-Lived Assets—BMHCC evaluates the carrying value of its long-lived assets under the provisions of FASB ASC Topic 360, *Property, Plant, and Equipment*. Under FASB ASC Topic 360, when events, circumstances, and operating results indicate that the carrying value of property and equipment assets may be impaired, BMHCC prepares projections of the undiscounted future cash flows expected to result from the use of the assets and their eventual disposition. If the projections identify impairment, BMHCC compares the assets' current carrying value to the assets' fair value. Fair value is based on current market values or discounted future cash flows. No impairment charge was recorded in 2014. An impairment of approximately $1,765,000 has been recorded on certain long-lived assets at an affiliated hospital in 2013.

Temporarily and Permanently Restricted Net Assets—Temporarily restricted net assets are those whose use by BMHCC has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by BMHCC in perpetuity.

Net Patient Service Revenue—Net patient service revenue is reported at the estimated net amounts realizable from patients, third-party payors, and others for services rendered, including estimated settlements under reimbursement agreements with third-party payors. Settlements are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, if necessary, as new information becomes available or final settlements are determined. Amounts relative to the reopening or appeal of prior-year cost report filings are recognized as revenue when cash is received.

BMHCC recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, BMHCC recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if provided by policy). On the basis of historical experience, a significant portion of BMHCC's uninsured patients will be unable or unwilling to pay for the services provided. Thus, BMHCC records a significant portion of bad debts related to uninsured patients in the period the services are provided.

Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized is as follows (in thousands):

	2014	2013
Medicare	$ 760,509	$ 764,457
Medicaid	200,035	177,139
Commercial and Blue Cross	585,977	565,265
Managed care	152,200	187,805
Other	374,861	359,232
Total	$2,073,582	$2,053,898

Charity Care—BMHCC provides care to uninsured and medically indigent patients (those patients with a demonstrated inability to pay) at either no charge or at substantially reduced rates. For medically indigent patients, no effort is made to pursue collection of any amounts charged after the determination of medical indigency of the patient has been made. Discounts are granted to uninsured patients who do not meet the requirements for medical indigency. Since management does not expect payment for charity care, the charges forgone are excluded from net patient service revenue. The amount of charity care provided, inclusive of discounts for uninsured patients based upon charges foregone, was approximately $213,161,000 and $210,427,000 in 2014 and 2013, respectively. BMHCC estimates the cost of charity care by calculating a ratio of cost to gross charges and applying that ratio to the gross

uncompensated charges associated with providing care to patients that qualify for charity care. The estimated cost of charity care provided in 2014 and 2013 was approximately $63,249,000 and $60,120,000, respectively (see Note 3)

Electronic Health Record Initiatives—Under certain provisions of the American Recovery and Reinvestment Act of 2009 (ARRA), federal incentive payments are available to hospitals, physicians, and certain other professionals ("Providers") when they adopt, implement, or upgrade (AIU) certified electronic health record (EHR) technology or become "meaningful users," as defined by ARRA, of EHR technology in ways that demonstrate improved quality, safety, and effectiveness of care. Providers can become eligible for annual Medicare incentive payments by demonstrating meaningful use of EHR technology in each period over four periods. Medicaid providers can receive their initial incentive payment by satisfying AIU criteria, but must demonstrate meaningful use of EHR technology in subsequent years in order to qualify for additional payments. Hospitals may be eligible for both Medicare and Medicaid EHR incentive payments; however, Providers may be eligible for either Medicare or Medicaid incentive payments, but not both. Hospitals that are meaningful users under the Medicare EHR incentive payment program are deemed meaningful users under the Medicaid EHR incentive payment program and do not need to meet additional criteria imposed by a state. Medicaid EHR incentive payments to Providers are 100% federally funded and administered by the states. The Centers for Medicare and Medicaid Services (CMS) established calendar year 2011 as the first year states could offer EHR incentive payments. Before a state may offer EHR incentive payments, the state must submit and CMS must approve the state's incentive plan.

BMHCC recognizes Medicaid EHR incentive payments in the accompanying combined statements of operations and changes in net assets for the first payment year when: (1) CMS approves a state's EHR incentive plan and (2) a hospital or employed physician acquires certified EHR technology. Medicaid EHR incentive payments for subsequent payment years are recognized in the period during which management becomes reasonably assured of meeting the meaningful use criteria. BMHCC recognizes Medicare EHR incentive payments when compliance with specified meaningful use criteria is reasonably assured. As a result, BMHCC recognized approximately $5,942,000 and $8,189,000 of Medicare and Medicaid EHR incentive payments as other revenue in the accompanying combined statements of operations and changes in net assets in 2014 and 2013, respectively.

Beginning in 2015, Providers that have not demonstrated meaningful use of certified EHR technology and have not applied and qualified for a hardship exception are subject to penalties. For eligible hospitals, the penalty would be a reduced market basket update to the inpatient prospective payment system standardized amount in 2015 and each subsequent fiscal year. For eligible professionals, the penalty would be a 1% per year cumulative reduction applied to the Medicare physician fee schedule amount for covered professional services, subject to a cap of 5%. BMHCC anticipates that certain of its hospitals and professionals will be subject to the aforementioned penalties.

Income Taxes—The majority of BMHCC is a nonprofit corporation and has been recognized as tax exempt pursuant to Section 501(c)(3) of the Internal Revenue Code. Certain affiliates are subject to income taxes. Such activities and income taxes are not significant to the combined financial statements.

As of September 30, 2014 and 2013, BMHCC had not identified any uncertain tax positions under FASB ASC Topic 740, *Income Taxes*, requiring adjustments to its combined financial statements. In the event BMHCC were to recognize interest and penalties related to uncertain tax positions, it would be recognized in the combined financial statements as interest expense. Generally, tax years 2011 through 2014 are open to examination by the federal and state taxing authorities. There are no income tax examinations currently in process.

Fair Value Measurements—BMHCC follows the authoritative guidance contained in FASB ASC Topic 820, *Fair Value Measurements and Disclosures*. Fair value is generally defined as the exit price at which an asset or liability could be exchanged in a current transaction between willing unrelated parties, other than in a forced liquidation or sale. The guidance establishes a fair value hierarchy, giving the highest priority to quoted prices in active markets and the lowest priority to unobservable data, and requires disclosures for assets and liabilities measured at fair value based on their level in the hierarchy.

The fair value framework requires the categorization of assets and liabilities into three levels based upon the assumptions used to value the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management judgment. The three levels are defined as follows:

Level 1—Unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2—Observable inputs other than those included in Level 1. For example, quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets.

Level 3—Unobservable inputs reflecting management's own assumption about the inputs used in pricing the asset or liability at the measurement date.

Assets measured at fair value based on the three-level hierarchy include investments, assets whose use is limited, long-lived assets acquired in a business combination, and goodwill.

Recent Accounting Pronouncements—In May 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-09, *Revenue From Contracts With Customers*, which outlines a single comprehensive model for recognizing revenue and supersedes most existing revenue recognition guidance, including guidance specific to the health care industry. This ASU provides companies the option of applying a full or modified retrospective approach upon adoption. This ASU is effective for fiscal years beginning after December 15, 2016. Early adoption is not permitted. BMHCC will adopt this ASU on October 1, 2017, and is currently evaluating its plan for adoption and the impact on its revenue recognition policies and procedures and the resulting impact on its combined financial position, results of operations, and cash flows.

Subsequent Events—Management has evaluated events and transactions that have occurred between September 30, 2014, and January 20, 2015, which is the date that the combined financial statements were available to be issued for possible recognition or disclosure in the combined financial statements.

2. ACQUISITIONS

During 2014, Baptist Memorial Medical Group, Inc. (BMMG), a nontaxable affiliate of BMHCC, purchased the assets of six physician practices for approximately $5,579,000. Five of these transactions include promissory notes to the sellers for a total of approximately $3,065,000.

The consideration paid for the assets acquired during the year ended September 30, 2014, is as follows (in thousands):

Cash consideration for real and personal property	$ 2,514
Assumption of promissory notes	3,065
Total purchase price	$ 5,579

Allocation of purchase price (including assumed liabilities) (in thousands):

Current assets	$ 73
Property and equipment	3,790
Goodwill	1,717
Current liabilities	(1)
Total purchase price	$ 5,579

During 2013, BMMG purchased the assets of 13 physician practices for approximately $30,638,000. Nine of these transactions include promissory notes to the sellers for a total of approximately $2,865,000.

The consideration paid for the assets acquired during the year ended September 30, 2013, is as follows (in thousands):

Cash consideration for real and personal property	$ 27,773
Assumption of promissory notes	2,865
Total purchase price	$ 30,638

Allocation of purchase price (including assumed liabilities) (in thousands):

Current assets	$ 1,524
Property and equipment	12,933
Goodwill	17,386
Current liabilities	(1,205)
Total purchase price	$ 30,638

3. COMMUNITY BENEFIT

The summary of the costs (estimated using applicable cost to charge ratio) of certain of BMHCC's community services provided to the indigent and to the broader community for the years ended September 30, 2014 and 2013, is as follows (in thousands):

	2014	2013
Benefits for the indigent:		
Traditional charity care—at cost	$ 63,249	$ 60,120
Unpaid costs of Medicaid/TennCare programs	63,289	69,120
Total benefits for the indigent	126,538	129,240
Benefits for the broader community:		
Uncompensated care—uninsured and underinsured—at cost	79,316	72,816
Unpaid costs of Medicare programs	225,901	146,401
Total benefits for the broader community	305,217	219,217
Total	$ 431,755	$ 348,457

This summary of community services costs above does not include impact of assessment programs. See Note 4 for additional disclosures.

Benefits for the indigent include services provided to persons who cannot afford health care because of inadequate resources and/or who are uninsured. This includes the cost of providing traditional charity care and the unpaid costs of treating Medicaid/TennCare beneficiaries. Services provided to traditional charity care patients are not reported as patient revenue in the accompanying combined statements of operations and changes in net assets.

Benefits for the broader community include the cost of services provided for which a fee has been assessed, but not collected, or only a portion of the cost of the rendered service has been recovered and unpaid costs in excess of government payments for treating Medicare beneficiaries.

BMHCC provides many educational programs and activities, including professional and technical schools, a graduate medical education program, and numerous continuing education programs for doctors, nurses, and other staff. BMHCC also broadly participates in medical research activities.

BMHCC engages in numerous health promotion and other community service activities. It sponsors health fairs and screenings, including inner city health screenings for cancer detection and prevention, diabetes, and high blood pressure, etc. It also works through other community organizations, such as United Way, Goals for Memphis, and charitable foundations for medical research, such as the American Cancer Society, American Heart Association, and Kidney Foundation, among others.

The value of BMHCC's overall charitable, educational, health promotion, and community services is not readily determinable.

4. NET PATIENT SERVICE REVENUE

BMHCC has agreements with third parties that provide for payments to BMHCC at amounts different from its established rates. Net patient service revenue included in the accompanying combined statements of operations and changes in net assets is stated net of contractual adjustments of approximately $4,368,718,000 and $4,099,192,000 in 2014 and 2013, respectively. A summary of the payment arrangements with major third-party payors is as follows:

Medicare—Payment for inpatient services and most outpatient services is generally based on prospectively determined rates.

Arkansas Medicaid—Payment for inpatient services is generally based on prospectively determined daily rates. Payment for outpatient services is generally based on prospectively determined rates.

Mississippi Medicaid—Payment for inpatient and outpatient services is generally based on prospectively determined rates.

TennCare—TennCare covers the medical needs of Tennessee's indigent and uninsured population. Eligible enrollees are generally persons who previously qualified for Medicaid and certain uninsured persons. TennCare is administered by state-approved managed care organizations (MCOs). The MCOs are third-party administrators, which enroll eligible participants and contract with Providers (both physicians and hospitals) for medical services. Payment for inpatient services is based on prospectively determined daily rates or prospectively determined rates based on payor. Payment for outpatient services is based on prospectively determined rates.

Blue Cross—Inpatient services are reimbursed at prospectively determined daily rates.

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

The final settlement of amounts to be paid to or from BMHCC by the Medicare program is subject to audit and adjustment by the respective programs. Estimated settlements to or from represent the difference between interim payments and tentative settlements received and estimated reimbursable costs.

During 2014 and 2013, BMHCC adjusted its estimates of settlement of prior years' cost reports and other revenue recognition estimates. The revised estimates reflect filings during 2014 and 2013 of the cost reports for 2013 and 2012, final settlement of previously filed cost reports, reopening or appeal of past cost report filings, as well as other changes in revenue recognized for prior years' services. The net effect of these adjustments was to increase net patient service revenue by approximately $134,000 and $7,511,000 for the years ended September 30, 2014 and 2013, respectively.

Currently, each of the states in which BMHCC operates participate in supplemental reimbursement programs for the purpose of providing reimbursement to providers to offset a portion of the cost of providing care to Medicaid patients. These programs are designed with input from CMS and are funded with a combination of state and federal resources, including, in certain instances, fees or taxes levied on the providers. After these supplemental programs are signed into law, BMHCC recognizes revenue and related expenses in the period in which amounts are estimable and collection is reasonably assured. Reimbursement received via these programs, as reflected in net patient service revenues, was approximately $94,420,000 and $89,389,000 for the years ended September 30, 2014 and 2013, respectively. Fees and tax assessments relative to such programs were approximately $56,686,000 and $55,974,000 for the years ended September 30, 2014 and 2013, respectively, and is recorded as operating expenses in the accompanying combined statements of operations. As these programs are legislatively approved for a defined period of time (one or multiple years), future receipts of reimbursement under such supplemental reimbursement programs are not guaranteed.

5. BUSINESS AND CREDIT CONCENTRATIONS

BMHCC provides health care services through both inpatient and outpatient care facilities in Tennessee, Mississippi, and Arkansas. The hospitals grant credit to patients, substantially all of whom are local area residents. The hospitals generally do 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 from Medicare, Medicaid, Blue Cross, health maintenance organizations, and commercial insurance policies or similar insurance programs or policies.

The mix of accounts receivable, net of contractual allowances from patients and third-party payors, as of September 30, 2014 and 2013, is as follows:

	2014	2013
Medicare	28 %	35 %
Commercial and Blue Cross	22	20
Managed care	10	10
Medicaid	9	9
Patients (self-pay)	28	23
Other third-party payors	3	3
Total	100 %	100 %

6. INVESTMENTS

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value in the combined balance sheets.

The composition of investments as of September 30, 2014 and 2013, is as follows (in thousands):

	2014	2013
Investments with readily determinable market values:		
Cash	$ 35,118	$ 22,816
US government debt obligations	18,838	53,145
Corporate obligations	178,583	194,293
Municipal obligations	22,244	38,085
Common stocks	477,947	530,469
Mutual funds	35,574	31,203
	768,304	870,011
Less cash	(35,118)	(22,816)
Less short-term investments	(110)	-
Total	$ 733,076	$ 847,195

The composition of net investment income for the marketable investment portfolio for the years ended September 30, 2014 and 2013, is as follows (in thousands):

	2014	2013
Interest and dividend income	$24,466	$ 28,459
Net realized gains on investments	67,333	69,491
Total	$91,799	$ 97,950

The gross unrealized losses and fair value of BMIICC's investments with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position as of September 30, 2014 and 2013, are shown as follows (in millions):

	As of September 30, 2014					
	Less than 12 Months		12 Months or Greater		Total	
Description of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. government debt obligations	$ -	$ -	$ 2	$ -	$ 2	$ -
Corporate obligations	13.5	-	44.3	(0.4)	57.8	(0.4)
Municipal obligations	0.2	-	0.1	-	0.4	-
Common stocks	19.5	(0.6)	38.7	(3.2)	58.2	(3.8)
Mutual funds	-	-	-	-	-	-
Total	$ 33.2	$ (0.6)	$ 85.1	$ (3.6)	$ 118.4	$ (4.2)

	As of September 30, 2013					
	Less than 12 Months		12 Months or Greater		Total	
Description of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. government debt obligations	$ -	$ -	$ 2.0	$ -	$ 2.0	$ -
Corporate obligations	32.0	(0.7)	34.3	(1.8)	66.3	(2.5)
Municipal obligations	4.9	(0.2)	1.5	-	6.4	(0.2)
Common stocks	62.6	(6.3)	-	-	62.6	(6.3)
Mutual funds	-	-	-	-	-	-
Total	$ 99.5	$ (7.2)	$ 37.8	$ (1.8)	$ 137.3	$ (9.0)

Marketable Equity Securities—BMIICC records declines in the market value of the common stock portion of the portfolio (marketable equity securities) below its cost as other-than-temporary impairment. These amounts are included in unrealized gains and losses in the combined statements of operations and changes in net assets. BMIICC believes the stocks owned represent financially sound companies and over time will experience growth in earnings and dividends resulting in long-term price appreciation. BMIICC intends to hold the remaining common stocks for a period of time sufficient to experience the recovery of fair value.

Investment and Equity Securities Carried at Cost—BMIICC's investment portfolio does not include any private securities that would be carried at cost. All investments have public market values and are actively traded.

7. FAIR VALUE MEASUREMENTS

BMIICC's assets and liabilities by asset class and fair value hierarchy level as of September 30, 2014, are presented in the following table (in thousands):

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Totals
Assets—investments:				
Cash	$ 35,118	$ -	$ -	$ 35,118
US government obligations	-	18,838	-	18,838
Corporate obligations	-	178.583	-	178.583
Municipal obligations	-	22,244	-	22,244
Common stocks	477.947	-	-	477.947
Mutual funds	35,574	-	-	35,574
Total assets—investments	$ 548.639	$ 219.665	$ -	$ 768.304
Liabilities—interest rate swap	$ -	$ (1.995)	$ -	$ (1.995)

BMIICC's assets and liabilities by asset class and fair value hierarchy level as of September 30, 2013, are presented in the following table (in thousands):

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Totals
Assets—investments:				
Cash	$ 22,816	$ -	$ -	$ 22,816
US government obligations	-	53,145	-	53,145
Corporate obligations	-	194.293	-	194.293
Municipal obligations	-	38,085	-	38,085
Common stocks	530.469	-	-	530.469
Mutual funds	31,203	-	-	31,203
Total assets—investments	$ 584.488	$ 285.523	$ -	$ 870.011
Liabilities—interest rate swap	$ -	$ (2.624)	$ -	$ (2.624)

There were no significant transfers between Level 1, Level 2, or Level 3 assets during the years ended September 30, 2014 and 2013

Common and preferred stock and common stock mutual funds are valued using quoted prices in principal active markets for identical assets as if the valuation date were used (Level 1).

Certain government and corporate debt securities are valued using either the yields currently available on comparable securities of issuers with similar credit ratings or using a discounted cash flows approach that utilizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks (Level 2). The impact of such unobservable inputs is not significant to the overall fair value measurement.

The fair value of the interest rate swap agreement is primarily determined using valuation techniques consistent with the market approach. Significant observable inputs to the valuation model include interest rates, U.S. Treasury yields, and credit spreads (Level 2).

The fair values of the debt instruments have been estimated using significant observable inputs including interest rates currently available to BMHCC for borrowings having similar characteristics, collateral, and duration (Level 2). The aggregate fair value approximated $542,445,000 and $443,278,000 as of September 30, 2014 and 2013, respectively. The carrying amounts of cash and cash equivalents, accounts receivable, inventory, prepaids, other assets, accounts payable, and accrued expenses approximate fair value based on their short-term nature.

8. ASSETS WHOSE USE IS LIMITED

The composition of long-term assets whose use is limited as of September 30, 2014 and 2013, is as follows (in thousands):

	2014	2013
Baptist Memorial Health Care Foundation Scholarships	$24,125	$21,545

Assets whose use is limited are invested as of September 30, 2014 and 2013, in the following (in thousands):

	2014	2013
US government obligations	$ 541	$ 955
Corporate obligations	4,118	3,606
Municipal obligations	646	739
Common stocks	17,984	15,805
Mutual funds	836	440
Total	$24,125	$21,545

Common and preferred stock and common stock mutual funds are valued using quoted prices in principal active markets for identical assets as of the valuation date were used (Level 1).

Certain government and corporate debt securities are valued using either the yields currently available on comparable securities of issuers with similar credit ratings or using a discounted cash flows approach that utilizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks (Level 2)

9. PROPERTY AND EQUIPMENT

The composition of property and equipment as of September 30, 2014 and 2013, is as follows (in thousands):

	Useful Lives in Years	2014	2013
Owned:			
Land and land improvements	3–25	$ 165.311	$ 146.503
Buildings and improvements	5–47	1,290.964	1,067.678
Equipment	2–25	1,051.978	877.310
Construction in progress		39,542	307.226
Total owned		2,547.795	2,398.717
Held under capital leases	5–35	6.916	6.396
Total property and equipment		2,554.711	2,405.113
Less accumulated depreciation and amortization		(1,313.323)	(1,215.726)
Property and equipment—net		$ 1,241.388	$ 1,189.387

10. GOODWILL

Information on changes in the carrying value of goodwill, which is included in the accompanying combined balance sheets as of September 30, 2014 and 2013, is as follows (in thousands):

Balance—September 30, 2012	$ 57,289
Goodwill acquired during the year	17,386
Balance—September 30, 2013	74,675
Goodwill acquired during the year	1.717
Goodwill impairment charge	(74.517)
Other	(20)
Balance—September 30, 2014	$ 1.855

11. OTHER LONG-TERM ASSETS

The composition of other assets as of September 30, 2014 and 2013, is as follows (in thousands):

	2014	2013
Cash surrender value of life insurance	$ 955	$ 5,105
Notes receivable	107	132
Deferred charges and other assets	8,105	6,668
Land held for investment	10,396	10,396
Investments in affiliates	5,249	5,450
Total	$24,812	$27,751

12. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

A summary of long-term debt and capital lease obligations as of September 30, 2014 and 2013, is as follows (in thousands):

	2014	2013
Series 2014A Note payable—due in installments through 2016, variable interest, LIBOR, plus 0.8% [1]	$ 165,709	$ -
Series 2012A Note payable, variable interest, LIBOR, plus 0.5% [1]	-	96,642
Series 2009 Taxable Commercial Paper, variable interest from 0.12% to 0.40% [1]	150,000	100,000
Series 2004A Revenue bonds—due in installments through 2020, fixed interest rate from 2% to 5% (plus original issue premium of $5,687 and $6,261 at September 30, 2014 and 2013, respectively) [1]	96,882	114,626
Series 2004B1 and 2004B2 Revenue bonds—due in installments through 2024, fixed interest from 4.5% to 5% (B1) and variable less than 1% (B2) (less original net issue discount of $378 and $410 at September 30, 2014 and 2013, respectively) [1]	112,577	114,245
Notes payable to banks and others—due in installments through 2019, variable interest from less than 0.5% to 5%	11,155	10,191
Capital lease obligations	4,448	4,103
Total long-term debt and capital obligations	540,771	439,807
Less current portion	(179,870)	(125,818)
Long-term debt and capital lease obligations	$ 360,901	$ 313,989

[1] Issued under System Trust Indenture

Included in the foregoing table are notes and bonds with a principal balance outstanding as of September 30, 2014, of approximately $519,859,000 under a system trust indenture dated as of September 1, 2004, with US Bank, as trustee, as amended and supplemented thereto, as of February 13, 2014 ("System Trust Indenture"). The System Trust Indenture permits BMHCC and certain hospitals and affiliated corporations (the "Obligated Group") to finance certain activities. All members of the Obligated Group are jointly and severally liable for obligations due under the System Trust Indenture. Obligations under the System Trust Indenture are secured by pledge of the gross revenue of each member of the Obligated Group. The System Trust Indenture includes certain covenants and restrictions with which the Obligated Group must comply. As of September 30, 2014, BMHCC was not in compliance with one of its debt covenants in the System Trust Indenture; however, BMHCC has obtained a written agreement from the Trustee that it has followed the required steps as required in the System Trust Indenture agreement. Therefore, BMHCC is not in an event of default of the System Trust Indenture as described in that agreement.

On February 13, 2014, BMHCC entered into a loan agreement with Bank of America (Series 2014A) in the amount of approximately $171,720,000. The funds were used to repay the Series 2012A Note and are for financing the costs of capital projects of one or more members of the Obligated Group. The interest rate is equal to the London InterBank Offered Rate (LIBOR) daily floating rate, plus 0.6%. The interest rate will adjust upwards or downwards in increments of 0.10% based on the Obligated Group's long-term debt rating. At September 30, 2014, the interest rate was 0.95%. As of September 30, 2014, BMHCC was not in compliance with one of its debt covenants with Bank of America; however, BMHCC has obtained a waiver from Bank of America for its covenant violation. In addition, on January 20, 2015, BMHCC amended its Series 2014A agreement with Bank of America to waive the debt covenant requirement for the rolling 12-months ended December 31, 2014 and rolling 12-months ended March 31, 2015.

On October 27, 2009, BMHCC adopted a resolution to issue commercial paper notes ("Commercial Paper") in the amount of $150,000,000 through a taxable commercial paper program. The Commercial Paper is available to be drawn for any corporate purpose. Each note issued from the Commercial Paper will mature on a business day not later than 270 days after the date of issuance of such note. Interest on a note is payable at maturity and the notes are not subject to redemption prior to their maturity date. The notes are general obligations of BMHCC and treated as short-term debt for accounting purposes. During 2014, $50,000,000 was drawn from the Commercial Paper. There is no available borrowing capacity under the Commercial Paper program as of September 30, 2014.

The Health, Education, and Housing Facility Board of the County of Shelby, Tennessee Revenue Bonds Series 2004A ("Series 2004A Bonds") were issued during September 2004, in the principal amount of $229,360,000 to refund the Tennessee Variable Rate Revenue Bonds Series 2000, issued on May 11, 2000 ("Series 2000 Bonds"). At the time of refunding, the outstanding principal of the Series 2000 Bonds was $245,600,000. On October 21, 2009, BMHCC entered into a bond purchase agreement with Merrill Lynch. This bond purchase agreement relates to the remarketing in the fixed-rate mode of $186,355,000 aggregate principal amounts, including $167,970,000, which represented the remaining outstanding balance of the Series 2004A Revenue bonds. The bonds were originally issued as multimodal variable rate bonds and on November 5, 2009, the bonds were remarketed in the fixed-rate mode. Interest on the bonds is payable on March 1 and September 1 of each year, commencing March 1, 2010, and range in rates from 2.5% to 5%, with maturities from 2010 to 2024.

The Mississippi Hospital Equipment and Facilities Authority Revenue Bonds Series 2004B1 ("Series 2004B 1 Bonds") and Revenue Bond Series 2004B2 ("Series 2004B 2 Bonds") were issued during September 2004, in the principal amounts of $86,000,000 and $73,385,000, respectively, to refund the Mississippi Variable Rate Revenue Bonds Series 2001, issued on May 24, 2001.

("Series 2001 Bonds"), and to provide a significant portion of the funding of a construction, renovation, and improvement project at Baptist Memorial Hospital-DeSoto. At the time of refunding, the outstanding principal of the Series 2001 Bonds was $34,320,000. The Series 2004B1 Bonds were issued as fixed-rate bonds and interest is payable on March 1 and September 1 of each year. The Series 2004B2 Bonds were originally issued as all multimodal variable rate bonds and interest is payable on March 1 and September 1 of each year. The bond purchase agreement with Merrill Lynch that was entered into on October 21, 2009, also included remarketing $18,385,000 of the Series 2004B1 Bonds. The bonds were originally issued as multimodal variable rate bonds and on November 5, 2009, the bonds were remarketed in the fixed-rate mode. Interest on this portion of the bonds is payable on March 1 and September 1 of each year, commencing March 1, 2010, and range in rates from 0.61% to 5%, with maturities from 2010 to 2024.

A rate maintenance agreement (RMA) was entered into during September 2004 between BMHCC, Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), and Merrill Lynch Capital Services, Inc. (MLCS). The Series 2004A Bonds and Series 2004B2 Bonds are subject to the RMA. Under this agreement, MLCS guarantees BMHCC an effective variable-rate debt service yield based upon the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA), plus 55 basis points. During 2006 and 2005, certain bonds reset their respective interest rates. Based on the current conditions at the time of reset, the RMA guarantees BMHCC an effective variable-rate debt service yield based upon the SIFMA, plus 45 basis points. The initial term of the RMA was five years, but upon the reset of the bonds the RMA term was extended through 2016. The RMA is accounted for as a derivative; however, the fair value has been determined to be $0 as of September 30, 2014 and 2013.

During 2001, BMHCC entered into an interest rate swap agreement relating to $38,000,000 of the bonds (due in installments through 2021) described above. The interest rate swap agreement was intended to convert the bonds from a variable interest rate based on 70% of one-month LIBOR to a fixed rate of 4.12%. The market deficit of the swap agreement was approximately $1,995,000 and $2,624,000 as of September 30, 2014 and 2013, respectively, and was included in other long-term liabilities in the accompanying combined balance sheets. Upon redemption of the bonds in 2004, the swap no longer qualified for hedge accounting; therefore, the change in market value has been included in earnings.

Certain affiliate hospitals are obligated to their respective counties under capital leases. The initial lease terms range from 30 to 35 years.

The scheduled maturities of long-term debt and capital lease obligations (including interest) subsequent to September 30, 2014, are as follows (in thousands):

Years Ending September 30	Long-Term Debt	Capital Lease Obligations
2015	$179.667	$ 203
2016	180.967	488
2017	20,945	254
2018	20,969	142
2019	15,789	51
Thereafter	112.677	6.869
	531.014	8.007
Plus net unamortized premium on bonds	5.309	-
Less amounts representing interest on capital lease obligations	-	(3.559)
Total	$536.323	$ 4.448

13. ACCRUED EXPENSES

The composition of accrued expenses and other as of September 30, 2014 and 2013, is as follows (in thousands):

	2014	2013
Accrued compensation and benefits	$ 80,530	$ 76,273
Accrued health claims incurred but not reported	14,081	14,831
Accrued other	38,015	35,989
Other current liabilities	19,224	27,474
Current portion of postretirement health care benefits	2.587	2.844
Total	$ 154.437	$ 157.411

14. OTHER LONG-TERM LIABILITIES

The composition of other long-term liabilities as of September 30, 2014 and 2013, is as follows (in thousands):

	2014	2013
Reserve for self-insurance	$ 67.951	$ 79.887
Postretirement benefit obligations and supplemental retirement benefits	40.013	38.696
Noncontrolling interests	6.776	9.019
Other	21.492	27.687
Total	$ 136.232	$ 155.289

Included in other for 2014 and 2013 is approximately $6,933,000 and $11,093,000, respectively, representing the long-term, unpaid portion of a software licensing agreement entered into during 2012. The current portion of the agreement is approximately $4,160,000 for both the years ended 2014 and 2013 and is included in accrued expenses and other in the combined balance sheets.

15. EMPLOYEE RETIREMENT PLANS

Defined Contribution Plan—Certain BMHCC entities sponsor a Section 403(b) defined contribution employee benefit plan administered through Guidestone Financial Resources of the Southern Baptist Convention. For those entities, employees who are at least 21 years of age and have completed 1,000 hours of service during a 12-month period are eligible to participate. Participants may make matched tax-deferred contributions of 2% to 5% of eligible earnings, as defined. These contributions are then matched on a graduated scale based on years of service from 50% of eligible contributions up to 200% of eligible contributions by BMHCC, up to 5% of the participants' annual base salaries. Effective January 1, 2014, the maximum match was reduced from 200% to 150% of eligible contributions. Participants may also make unmatched tax-deferred contributions up to applicable Internal Revenue Service limitations. Participants vest in BMHCC's matching contributions 20% after two years of service, with subsequent annual increases of 20% up to 100% after six years of service. During 2014 and 2013, BMHCC's matching contribution approximated $27,397,000 and $31,847,000, respectively.

Postretirement Health Care Benefits—BMHCC provides medical and dental benefits to certain retirees of BMHCC. Employees are generally eligible for postretirement benefits upon retirement and completion of a specified number of years of credited service. Participation in this plan is currently frozen to those employees having met these requirements in prior years. The plan is contributory, with retiree payments based on the year of retirement, age at retirement, and years of employment. BMHCC does not prefund these benefits and has the right to modify or terminate the plan in the future.

Net periodic postretirement benefit cost for the years ended September 30, 2014 and 2013, includes the following components (in thousands):

	2014	2013
Service cost	$ 520	$ 716
Interest cost on accumulated postretirement benefit obligation	1,271	1,111
Net amortizations	(128)	167
Total	$ 1,663	$ 1,994

The change in benefit obligation and reconciliation of funded status as of September 30, 2014 and 2013, is as follows (in thousands):

	2014	2013
Benefit obligation—beginning of year	$30,616	$ 33,399
Service cost	520	716
Interest cost	1,271	1,111
Plan participants' contributions	1,369	1,422
Amendments	86	(71)
Actuarial gain	(1,257)	(2,512)
Benefits paid	(3,803)	(3,449)
Benefit obligation—end of year	28,802	30,616
Funded status	$28,802	$ 30,616

Amounts recognized in the combined balance sheets as of September 30, 2014 and 2013, consist of the following (in thousands):

	Other Benefits	
	2014	2013
Current liabilities	$ 2,587	$ 2,844
Noncurrent liabilities	26,215	27,772

Amounts recognized as changes in unrestricted net assets arising from a postretirement benefit plan, but not yet included in net periodic benefit cost as of September 30, 2014 and 2013, consist of the following (in thousands):

	Other Benefits	
	2014	2013
Net gain	$ (9,030)	$ (8,374)
Prior service cost	1,121	1,508
Total	$ (7,909)	$ (6,866)

Other Changes in Plan Assets and Benefits—Obligations recognized in unrestricted net assets as of September 30, 2014 and 2013, are as follows (in thousands):

	2014	2013
Net (gain) loss	$ (1,257)	$ (2,512)
Amortization of net loss	601	316
Prior-service credit	86	(71)
Amortization of prior-service cost	(473)	(483)
Total recognized in unrestricted net assets	$ (1,043)	$ (2,750)
Total recognized in net periodic benefit cost and unrestricted net assets	$ 620	$ (756)

The estimated net gain and prior-service cost for the postretirement benefit plan that will be amortized from accumulated unrestricted net assets into net periodic benefit cost over the next fiscal year are approximately $719,000 and $484,000, respectively.

Benefit payments, net of plan participants' contributions, are expected to be paid as of September 30, 2014, are as follows (in thousands):

Years Ending September 30	Amount
2015	$ 2,587
2016	2,537
2017	2,420
2018	2,297
2019	2,186
2020–2024	8,977

Weighted-average assumptions used to determine net periodic benefit cost for the years ended September 30, 2014 and 2013, consist of the following:

	Other Benefits	
	2014	2013
Discount rate	4.35 %	3.45 %

Weighted-average assumptions used to determine benefit obligations as of September 30, 2014 and 2013, consist of the following:

	Other Benefits	
	2014	2013
Discount rate	4.00 %	4.35 %

Assumed health care cost trend rates as of September 30, 2014 and 2013, consist of the following:

	2014	2013
Post-65 health care cost trend rate assumed for next year	7.25 %	8.00 %
Rate to which the cost trend rate is assumed to (the ultimate trend rate)	4.75 %	5.00 %
Year that the rate reaches the ultimate trend rate	2024	2019

BMHCC expects to contribute approximately $2,587,000 to its postretirement benefit plan in 2015.

In 2006, eligible retirees of BMHCC had available to them the Medicare Part D prescription drug plan. BMHCC has chosen to continue to offer comparable prescription drug coverage, which the organization believes to be actuarially equivalent to the Medicare Part D coverage, and as a result, receives a direct subsidy of 28% of eligible plan expenses from the federal government.

Supplemental Retirement Benefits—BMHCC has an unfunded, noncontributory supplemental retirement benefit plan that covers certain employees.

Net periodic benefit cost for the years ended September 30, 2014 and 2013, includes the following components (in thousands):

	2014	2013
Service cost	$ 618	$ 676
Interest cost on accumulated benefit obligation	505	464
Amortization of unrecognized gain	174	174
Recognized loss	292	340
Net periodic benefit cost	$ 1,589	$ 1,654

The change in benefit obligation and reconciliation of funded status as of September 30, 2014 and 2013, is as follows (in thousands):

	2014	2013
Benefit obligation—beginning of year	$ 5,949	$ 7,199
Net periodic benefit cost	1,589	1,654
Benefits paid	(602)	(2,904)
Benefit obligation—end of year	6,936	5,949
Change in unrestricted reserves	5,794	4,975
Net amount recognized	$12,730	$ 10,924

As of September 30, 2014, projected future benefit payments are as follows (in thousands):

Years Ending September 30	Amount
2015	$1,012
2016	1,128
2017	1,123
2018	1,527
2019	1,276
2020–2024	9,636

Future benefit costs were estimated assuming a 6% earnings rate, a 4% discount rate for liabilities, and a salary increase assumption of 4%.

16. RESTRICTED NET ASSETS

Temporarily Restricted Net Assets—The composition of temporarily restricted net assets as of September 30, 2014 and 2013, is as follows (in thousands):

	2014	2013
Specific purpose:		
Educational activities	$17,633	$ 12,630
Charitable and religious activities	6,716	8,024
Capital additions	6,705	6,638
Science and research	788	793
Charitable remainder trusts	1,430	1,320
Total	$33,272	$ 29,405

Permanently Restricted Net Assets—The composition of permanently restricted net assets as of September 30, 2014 and 2013, is as follows (in thousands):

	2014	2013
Permanent endowment funds—the income from which is expendable to support:		
Educational activities	$20,676	$ 18,222
Charitable and religious activities	12,437	5,299
Capital additions	1,706	1,521
Science and research	2,660	2,371
Charitable remainder trusts	372	363
Total	$37,851	$ 27,776

17. ENDOWMENT FUNDS

BMHCC's endowment consists of approximately 115 individual funds established for a variety of purposes. Its endowment includes only donor-restricted endowment funds. There are no board-designated endowment funds.

Net assets associated with endowment funds, including funds designated by BMHCC's board of directors to function as endowments are classified and reported based on the existence or absence of donor-imposed restrictions. All permanently restricted net assets as of September 30, 2014 and 2013, are donor-restricted endowments.

Changes in endowment net assets all of which are permanently restricted for the years ended September 30, 2014 and 2013, are as follows (in thousands):

	Permanently Restricted	
	2014	2013
Endowment net assets—beginning of year	$27,725	$ 24,379
Contributions and bequests	4,071	921
Transfers	2,031	5
Interest and dividends	29	28
Net realized and unrealized gain	3,944	2,392
Endowment net assets—end of year	$37,800	$ 27,725

18. COMMITMENTS AND CONTINGENCIES

Operating Leases—Leases that do not meet the criteria for capitalization are classified as operating leases, with related rentals charged to operations as incurred.

The schedule, by year, of minimum lease payments for the next five years under operating leases as of September 30, 2014, that have initial or remaining lease terms in excess of one year consists of the following (in thousands):

Years Ending September 30	Minimum Lease Payments
2015	$ 14,401
2016	10,739
2017	7,246
2018	5,848
2019	4,189
Thereafter	10,318
Total	$ 52,741

Total rental expense in 2014 and 2013 for all operating leases was approximately $25,837,000 and $26,853,000, respectively.

Liabilities for Self-Insurance—The entities comprising BMHCC participate in a pooled risk program managed by the Corporation. Premiums are assessed by the Corporation to BMHCC entities based on their claims history and other factors. Except as provided below, BMHCC is self-insured for general and professional liability, employee health and workers' compensation risks, and employment practices

Professional and General Liability—BMHCC accrues an estimated liability for its uninsured exposure and self-insured retention based on historical loss patterns and actuarial projections. BMHCC's estimated liability for the self-insured portion of professional and general liability claims was approximately $57,170,000 and $69,225,000 as of September 30, 2014 and 2013, respectively. These estimated liabilities represent the present value of estimated future professional liability claims payments based on expected loss patterns using a weighted-average discount rate of 3.5% in both 2014 and 2013

As of September 30, 2014 and 2013, BMHCC has claims against Reciprocal of America that are due to the Company under previous insurance contracts, but considers these amounts to be gain contingencies, which are accounted for in accordance with ASC Topic 450, *Contingencies*. BMHCC will recognize amounts due from Reciprocal of America when substantially all uncertainties about the timing and amount of realization are resolved. These amounts, if realized by BMHCC, are not expected to be material to the combined financial statements.

BMHCC has procured excess hospital and general liability insurance through Ironshore Inc. on a claims-made basis. As of September 30, 2014, BMHCC's deductible is the first $5,000,000 per claim, including defense costs for the Tennessee and Mississippi facilities. In Arkansas, the deductible is the first $1,000,000 per claim. The policy has liability limits of $25,000,000 per occurrence for the Tennessee, Mississippi, and Arkansas facilities.

On September 1, 2013, BMHCC obtained a fronted professional and general liability policy covering claims in the state of Arkansas. BMHCC is responsible for managing and paying all claims under the policy. BMHCC carries a letter of credit of $3,000,000 on the policy.

In addition, BMHCC and its other affiliates are defendants in various actions arising from their health care service activities. It is the opinion of management that the foregoing actions will not have a material adverse effect on BMHCC's combined financial position.

Employee Health—BMHCC offers subsidized health insurance to its employees through a self-insured plan. Self-insurance reserves for the employee health program were approximately $14,081,000 and $14,831,000 as of September 30, 2014 and 2013, respectively. The estimated reserve for employee health claims is based on actual claims history.

Workers' Compensation—BMHCC is self-insured for workers' compensation liability for the first $1,000,000 per accident in the states of Arkansas, Mississippi, and Tennessee, and has excess coverage up to applicable statutory limits for each state on a claims-made basis. The workers' compensation self-insurance reserves are approximately $8,569,000 and $8,022,000 as of September 30, 2014 and 2013, respectively.

Employment Practices Liability—BMHCC is self-insured for employment practices liability (EPL) for the first $350,000 per claim. The reserves are approximately $2,212,000 and $2,640,000 as of September 30, 2014 and 2013, respectively. BMHCC has EPL coverage as part of the directors and officers liability policy, which has a $10,000,000 limit.

Physician Commitments—BMHCC has committed to provide certain financial assistance pursuant to recruiting agreements with various physicians practicing in the communities it serves. In consideration for a physician relocating to one of its communities and agreeing to engage in private practice for the benefit of the respective community, BMHCC may provide loans to those physicians, normally over a period of one year, to assist in the establishment of the physician's practice. The actual amount of such commitments to be advanced to physicians often depends upon the financial results of a physician's private practice during the term of the agreement. As of September 30, 2014, the maximum potential amount of future payments under these commitments is approximately $6,897,000. A portion of such payments is recoverable by BMHCC from physicians who do not fulfill their commitment period, which varies by contract, to the respective community.

Property Operating Agreements—During the period from 1999 to 2002, BMHCC entered into five individual property-operating agreements with a third party. The third party agreed to lease land from BMHCC, develop medical office buildings, and manage the medical office buildings pursuant to the property operating agreements. In turn, BMHCC agreed to guarantee the third party's net cash flows from the medical office buildings.

The original term for each agreement is 180 months with 14 successive options to renew (each for a five-year period), which begin to expire in 2015. In addition, there is an option for BMHCC to purchase a facility from the third party. During 2014, BMHCC sold the rights to purchase the facilities from the third party for approximately $12,000,000, and is included in nonoperating income in the combined statements of operations and changes in net assets. As of September 30, 2014, the estimated remaining maximum potential future payments related to these guarantees are approximately $31,700,000, which assumes no future tenants; therefore, zero rental income. Amounts actually funded under these guarantees were approximately $4,477,000 and $5,175,000 for the years ended September 30, 2014 and 2013, respectively. As these guarantees incepted before the initial recognition requirements of ASC Topic 460, *Guarantees*, there is no liability recorded related to these instruments.

Commitments to Build Hospital Facilities—As of September 30, 2014, BMHCC had a commitment to build a replacement facility for its North Mississippi hospital. The North Mississippi commitment is for an approximate $250,000,000 facility to be completed no later than 2017. Approximately $25,113,000 relative to the North Mississippi facility is included in property and equipment (land and construction in progress) as of September 30, 2014.

Other Industry Risks—The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters, such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. 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 amounts previously received for patient services. BMHCC believes it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing that would have a material impact on its financial position or results of operations. Compliance with these and other laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

The Patient Protection and Affordable Care Act of 2010, or the Reform Legislation, mandates that substantially all US citizens maintain medical insurance coverage, which has begun to increase the number of persons with access to health insurance in the United States. The Reform Legislation expands health insurance coverage through a combination of public program expansion and private sector health insurance reforms.

Based on the Congressional Budget Office (CBO) projections issued in April 2014, the Reform Legislation could result in 1.2 million and 2.5 million formerly uninsured Americans gaining insurance coverage by the end of 2014 and 2016, respectively. In an April 2014 report, the CBO projects, by the end of 2016, a 45% reduction in the number of nonelderly Americans who remain uninsured due to the effects on insurance coverage from the Reform Legislation. BMHCC believes its hospitals are well positioned to participate in the provider networks of various Qualified Health Plans (QHPs) offering plan options on the health insurance exchanges. Regarding the markets in which we participate, Tennessee and Mississippi participate in a federally managed exchange. Arkansas expanded Medicaid coverage and uses Medicaid funds to pay QHP premiums for all newly eligible adults. Most of BMHCC's exchange reimbursement arrangements reflect a slight discount to that of commercial rates.

The Reform Legislation also makes a number of other changes to Medicare and Medicaid, such as reductions to the Medicare annual market basket update for federal fiscal years 2010 through 2019; a productivity offset to the Medicare market basket update, which began October 1, 2011; and a reduction to the Medicare and Medicaid disproportionate share payments, that could adversely impact the reimbursement received under these programs. Also included in the Reform Legislation are provisions

aimed at reducing fraud, waste, and abuse in the health care industry. These provisions allocate significant additional resources to federal enforcement agencies and expand the use of private contractors to recover potentially inappropriate Medicare and Medicaid payments. The Reform Legislation amends several existing federal laws, including the Medicare Anti-Kickback Statute and the False Claims Act, making it easier for government agencies and private plaintiffs to prevail in lawsuits brought against health care providers. These amendments also make it easier for potentially severe fines and penalties to be imposed on health care providers accused of violating applicable laws and regulations. BMHCC believes the expansion of private sector and Medicaid coverage will, over time, increase BMHCC's reimbursement related to providing services to individuals who were previously uninsured, which should reduce BMHCC's expense from uncollectible accounts receivable.

The various provisions in the Reform Legislation that directly or indirectly affect reimbursement are scheduled to take effect over a number of years. Over time and contingent upon if Tennessee expands Medicaid coverage, BMHCC believes the net impact of the overall changes as a result of the Reform Legislation may have a positive effect on net operating revenues. Other provisions of the Reform Legislation, such as requirements related to employee health insurance coverage, should increase BMHCC's operating costs.

19. FUNCTIONAL EXPENSES

BMHCC provides general health care and other services to residents within its geographic location. Expenses related to providing these services for the years ended September 30, 2014 and 2013, are as follows (in thousands):

	2014	2013
Health care services	$1,600,255	$1,496,571
Managed care	3,089	2,613
Student instruction	12,393	12,188
General and administrative	570,854	443,939
Total	$2,186,591	$1,955,311

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