



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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

GENERAL HEALTH SYSTEM'S (GHS) PRIMARY EXEMPT PURPOSE IS TO PROVIDE EFFICIENT HEALTH CARE SERVICES BY PROVIDING CENTRALIZED MANAGEMENT, GOVERNANCE AND ADMINISTRATIVE SERVICES TO RELATED TAX-EXEMPT HEALTHCARE PROVIDER ORGANIZATIONS

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 \$ 23,467,923 including grants of \$) (Revenue \$ 29,475,711)

GENERAL HEALTH SYSTEM PROVIDES CENTRALIZED INFORMATION TECHNOLOGY SERVICES TO ALL GHS AFFILIATES SOFTWARE AND HARDWARE SUPPORT AS WELL AS WELL-TRAINED SUPPORT PERSONNEL ARE PROVIDED TO, BUT NOT LIMITED TO, BATON ROUGE GENERAL MEDICAL CENTER (BRGMC) BRGMC IS A 527 BED, 2 CAMPUS HOSPITAL SYSTEM AND IS AN IRC SEC 501(C)(3) ORGANIZATION ITS ID # IS 72-1025017

4b

(Code) (Expenses \$ 13,080,461 including grants of \$) (Revenue \$ 16,429,059)

GENERAL HEALTH SYSTEM ALSO PROVIDES ALL HUMAN RESOURCES SERVICES AND ADMINISTERS ALL EMPLOYEE BENEFIT PROGRAMS FOR ALL OF ITS AFFILIATES IN AN EFFICIENT, COST EFFECTIVE MANNER FOR ALL EMPLOYEES

4c

(Code) (Expenses \$ 29,326,513 including grants of \$ 75,000) (Revenue \$ 36,817,887)

GENERAL HEALTH SYSTEM PROVIDES CENTRALIZED MANAGEMENT SERVICES INCLUDING, BUT NOT LIMITED TO, BANKING, ACCOUNTS PAYABLE AND ACCOUNTS RECEIVABLE/BILLING, PAYROLL, ACCOUNTING/TAX, INTERNAL AUDIT AND COMPLIANCE, HUMAN RESOURCE, RISK MANAGEMENT, INSURANCE AND LEGAL SERVICES TO ITS NOT-FOR-PROFIT AFFILIATE (BATON ROUGE GENERAL MEDICAL CENTER # 72-1025017) AND ITS FOR-PROFIT AFFILIATES

4d

Other program services (Describe in Schedule O)

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




















4e

Total program service expenses

65,874,897

Form 990 (2013)

Part IV Checklist of Required Schedules

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

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	277	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	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	3,867
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	
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f	
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	18	
	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	12	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶GLENN SMITH 8490 PICARDY AVE 300 BATON ROUGE, LA 70809 (225) 237-1547

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

[illegible]

Part VII

1b	Sub-Total	▼			
c	Total from continuation sheets to Part VII, Section A	▼			
d	Total (add lines 1b and 1c)	▼	5,843,440	482,464	899,978

2 Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization. 30

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ANTHELIO HEALTH SOLUTIONS 1581 DALLAS PKWY 925 ADDISON TX 75001	INFORMATION SERVICES	1,293,102
PST SERVICES INC PO BOX 742526 ATLANTA GA 30374	COLLECTIONS	1,233,479
GJEREST AND LORENZ 2801 VIA FORTUNA STE 500 AUSTIN TX 78746	LEGAL SERVICES	1,129,428
VENYU 7127 FLORIDA BLVD BATON ROUGE LA 70505	DATA STORAGE	663,947
CSI LEASING INC PO BOX 204267 DALLAS TX 75320	EQUIPMENT RENTAL	601,365

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 ▶15

Part VIII

Statement of Revenue

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

			(A)	(B)	(C)	(D)
			Total revenue	Related or exempt function revenue	Unrelated business revenue	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				
	e	Government grants (contributions) 1e				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	11,824			
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f	11,824			
Program Service Revenue	Business Code					
	2a	MANAGEMENT FEE REVENUES 541610	78,721,186	78,721,186		
	b	MGT FEES - FOR PROFIT COMPANIES 541610	1,860,813		1,860,813	
	c					
	d					
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f	80,581,999			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	1,055,557			1,055,557
	4	Income from investment of tax-exempt bond proceeds				
	5	Royalties				
	6a	(i) Real				
		(ii) Personal				
		Gross rents 4,001,471				
		Less rental expenses 0				
	c	Rental income or (loss) 4,001,471				
	d	Net rental income or (loss)	4,001,471	4,001,471		
	7a	(i) Securities				
		(ii) Other				
		Gross amount from sales of assets other than inventory 5,830,769				
		Less cost or other basis and sales expenses 4,667,823				
	c	Gain or (loss) 1,162,946				
	d	Net gain or (loss)	1,162,946			1,162,946
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18				
	b	Less direct expenses				
	c	Net income or (loss) from fundraising events				
	9a	Gross income from gaming activities See Part IV, line 19				
	b	Less direct expenses				
	c	Net income or (loss) from gaming activities				
	10a	Gross sales of inventory, less returns and allowances				
	b	Less cost of goods sold				
	c	Net income or (loss) from sales of inventory				
	Business Code					
	11a					
	b					
	c					
	d	All other revenue				
	e	Total. Add lines 11a-11d				
	12	Total revenue. See Instructions	86,813,797	82,722,657	1,860,813	2,218,503

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.	75,000	75,000		
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.	4,107,766	3,286,213	821,553	
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.	11,147,539	8,905,862	2,241,677	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	4,022,958	3,218,366	804,592	
9	Other employee benefits.	16,350,577	13,080,461	3,270,116	
10	Payroll taxes.	1,166,803	984,552	182,251	
11	Fees for services (non-employees):				
a	Management.				
b	Legal.	895,380	716,304	179,076	
c	Accounting.	86,420	69,136	17,284	
d	Lobbying.	61,000	48,800	12,200	
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.	176,900	141,520	35,380	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	3,275,464	2,608,171	667,293	
12	Advertising and promotion.	57,212	45,769	11,443	
13	Office expenses.	738,893	591,114	147,779	
14	Information technology.	29,334,904	23,467,923	5,866,981	
15	Royalties.				
16	Occupancy.	435,693	348,554	87,139	
17	Travel.	199,185	159,348	39,837	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	22,126	17,701	4,425	
20	Interest.	799,468	639,574	159,894	
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	4,019,829	3,215,863	803,966	
23	Insurance.	2,973,456	2,378,765	594,691	
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	EQUIP RENTALS & REPAIRS	1,263,228	1,010,584	252,644	
b	REIMBURSED EXPENSES	516,696	413,357	103,339	
c	OTHER SUPPLIES	125,286	100,229	25,057	
d	DUES & SUBSCRIPTIONS	32,174	25,416	6,758	
e	All other expenses	407,894	326,315	81,579	
25	Total functional expenses. Add lines 1 through 24e.	82,291,851	65,874,897	16,416,954	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		524,185	1	1,469,344
	2	Savings and temporary cash investments		83,478,806	2	67,404,866
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net			4	
	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	150,000
	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		2,500	7	
	8	Inventories for sale or use			8	7
	9	Prepaid expenses and deferred charges		4,570,830	9	5,816,164
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a114,182,271			
	b	Less accumulated depreciation	10b35,174,539	65,509,911	10c	79,007,732
	11	Investments—publicly traded securities		5,483,032	11	6,347,390
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		13,722,280	15	15,504,070
	16	Total assets. Add lines 1 through 15 (must equal line 34)		173,291,544	16	175,699,573
Liabilities	17	Accounts payable and accrued expenses		33,242,480	17	37,544,850
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		40,027,929	20	38,257,446
	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		14,587,409	23	11,312,096
	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			25	
	26	Total liabilities. Add lines 17 through 25		87,857,818	26	87,114,392
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		85,433,726	27	88,585,181
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		85,433,726	33	88,585,181
	34	Total liabilities and net assets/fund balances		173,291,544	34	175,699,573

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	86,813,797
2	Total expenses (must equal Part IX, column (A), line 25)	2	82,291,851
3	Revenue less expenses Subtract line 2 from line 1	3	4,521,946
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	85,433,726
5	Net unrealized gains (losses) on investments	5	472,546
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	-1,843,037
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	88,585,181

Part XII Financial Statements and Reporting

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

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

Additional Data

Software ID:
Software Version:
EIN: 72-0475545
Name: GENERAL HEALTH SYSTEM

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
VENKAT BANDA MD BOARD MEMBER	3 00	X						0	423,114	66,023
PETER BOSTICK MD BOARD MEMBER	3 00	X						0	13,350	0
GREG BOWSER BOARD MEMBER	3 00	X						0	0	0
ISABELINA NAHMENS PHD BOARD MEMBER	3 00	X						0	0	0
PERRY FRANKLIN BOARD MEMBER	3 00	X						0	0	0
GARY GRAPHIA BOARD MEMBER	3 00	X						0	0	0
MARGARET HART BOARD MEMBER	3 00	X						0	0	0
EVELYN HAYES MD BOARD CHAIR INTERIM PRES/CEO UNTIL NOV 2013	50 00	X		X				528,873	0	43,931
LESLIE HERPIN MARX BOARD MEMBER	3 00	X						0	0	0
JOE JUBAN BOARD MEMBER	3 00	X						0	0	0
DEBRA LOCKWOOD BOARD MEMBER	3 00	X						0	0	0
JAMES LLORENS PHD BOARD MEMBER	3 00	X						0	0	0
ANDREW OLINDE MD BOARD MEMBER	3 00	X						0	36,000	0
JANICE PELLAR BOARD MEMBER	3 00	X						0	0	0
GOV CHARLES BUDDY ROEMER BOARD MEMBER	3 00	X						0	0	0
ELAINE VALLETTE DRPH BOARD MEMBER	3 00	X						0	0	0
REV RONNIE WILLIAMS BOARD MEMBER	3 00	X						0	0	0
EVERETT BONNER MD BOARD MEMBER	3 00	X						0	10,000	0
MARK SLYTER PRES & CEO, EFF 11/01/13	50 00	X		X				67,442	0	1,543
DIONNE E VIATOR CPA VICE PRES & CNSO	50 00			X				480,418	0	61,336
EDGARDO TENREIRO VICE PRES & COO	50 00			X				372,445	0	109,050
FLOYD ROBERTS MD CHIEF MEDICAL OFFICER	50 00			X				472,011	0	39,809
KENDALL JOHNSON CPA VICE PRES & CFO	50 00			X				444,964	0	81,298
ANNA CAZES DNS CHIEF NURSING OFFICER	50 00			X				269,112	0	86,763
PAUL DOUGLAS VICE PRES-HUMAN RESOURCES	50 00				X			524,345	0	35,373

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
DONALD SHAW VICE PRES-REVENUE CYCLE	50 00				X			227,515	0	52,242
PEYTON GRANT VICE PRES-FACILITIES MGT	50 00				X			218,365	0	66,559
GEORGE BELL HOSP ADMINISTRATOR-MID CITY CAMPUS	50 00				X			263,028	0	51,697
EDWARD JEFFRIES MD COO-PHYSICIANS GROUP	50 00				X			434,722	0	50,413
ERIN ZERINGUE VP-QUALITY	50 00					X		199,543	0	55,447
WANDA HUGHES DIRECTOR-PATIENT SAFETY	50 00					X		173,419	0	22,514
WM PAINE DIRECTOR-MANAGED CARE CONTRACTS	50 00					X		164,745	0	13,374
GERARD BARRILLEAUX DIRECTOR-RADIOLOGY/IMAGING	50 00					X		131,274	0	8,982
COREY DOUGHTY DIRECTOR-LEGAL/RISK MANAGEMENT	50 00					X		157,096	0	0
WILLIAM HOLMAN FORMER PRES & CEO, EFF MARCH 2013	50 00						X	714,123	0	53,624

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 GENERAL HEALTH SYSTEM	Employer identification number 72-0475545
---	--

Part I

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

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

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2

☐

A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E)
- 3

☐

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state _____
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II)
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II)
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9

☐

An organization that normally receives (1) more than 33¹/₃% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33¹/₃% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2)**. (Complete Part III)
- 10

☐

An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**.
- 11

☒

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

a

☐

Type I

b

☐

Type II

c

☒

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated
- e

☒

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

☐

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

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

(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	
See Additional Data Table									
Total									74,929,454

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

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2013

Part II

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

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

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

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

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

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

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

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

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

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

Facts And Circumstances Test

Return Reference	Explanation	
------------------	-------------	--

Additional Data

Software ID:
Software Version:
EIN: 72-0475545
Name: GENERAL HEALTH SYSTEM

Form 990, Sch A, Part I, Line 11h - 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)	(iv) Is the organization in (i) listed in your governing document?		(v) Did you notify the organization in (i) of your support?		(vi) Is the organization in (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
(A) BATON ROUGE GENERAL MEDICAL CTR	721025017	3	Yes		Yes		Yes		74863413
(A) GENERAL HEALTH SYSTEM FOUNDATION	740801335	7	Yes		Yes		Yes		66041
(B) BEHAVIORAL HEALTH INC	720893168	3	Yes		Yes		Yes		0
(C) GENERAL LIVING CENTERS INC	581705626	9	Yes		Yes		Yes		0

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**
▶ **See separate instructions.** ▶ **Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

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

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

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

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

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

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

Name of the organization GENERAL HEALTH SYSTEM	Employer identification number 72-0475545
---	--

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

1	Provide a description of the organization's direct and indirect political campaign activities in Part IV	
2	Political expenditures	▶ \$
3	Volunteer hours	

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

1	Enter the amount of any excise tax incurred by the organization under section 4955	▶ \$
2	Enter the amount of any excise tax incurred by organization managers under section 4955	▶ \$
3	If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If "Yes," describe in Part IV	

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

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

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

Part II-A

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

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

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

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

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

Part II-B

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?	Yes		
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?	Yes		500
e	Publications, or published or broadcast statements?	Yes		
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		500
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		60,000
j	Total. Add lines 1c through 1i.			61,000
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	PART II-B, LINE 1D & 1E - INTERNAL COMMUNICATIONS TO EMPLOYEES ONLY, INVOLVING LITTLE OR NO DIRECT COST. PART II-B, LINE G - COSTS WERE LIMITED TO IN-TOWN TRAVEL AT MINIMAL DIRECT COST. PART II-B, LINE I - LOBBYING FIRM ENGAGED TO ASSIST IN LEGISLATIVE AND/OR PUBLIC RELATIONS ONLY.

Part IV

[illegible]

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

► 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.

Name of the organization GENERAL HEALTH SYSTEM	Employer identification number 72-0475545
---	--

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

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

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

1

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

☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area

☐ Protection of natural habitat ☐ Preservation of a certified historic structure

☐ Preservation of open space

2

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

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

3

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

4

Number of states where property subject to conservation easement is located ►

5

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

☐ Yes ☐ No

6

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

7

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

8

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

☐ Yes ☐ No

9

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

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

1a

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

b

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

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

► \$

(ii) Assets included in Form 990, Part X

► \$

2

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

a

Revenues included in Form 990, Part VIII, line 1

► \$

b

Assets included in Form 990, Part X

► \$

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

Cat No 52283D

Schedule D (Form 990) 2013

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

- 3

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

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other
- 4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

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

- 1a

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

☐ Yes

☐ No
- b

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

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance
- | | |
|----|--------|
| | Amount |
| 1c | |
| 1d | |
| 1e | |
| 1f | |
- 2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No
- b

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

☐

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance					
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
- (i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

b

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

3b
- 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 | | 16,749,309 | | 16,749,309 |
| b Buildings | | 35,140,152 | 17,542,738 | 17,597,414 |
| c Leasehold improvements | | 131,564 | 131,564 | 0 |
| d Equipment | | 30,556,699 | 17,500,237 | 13,056,461 |
| e Other | | 31,604,547 | | 31,604,548 |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) | | | | 79,007,732 |
- Schedule D (Form 990) 2013

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	THE SYSTEM FOLLOWS THE PROVISIONS OF THE ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES TOPIC OF THE FASB ASC. THE SYSTEM RECOGNIZES A THRESHOLD AND MEASUREMENT PROCESS FOR FINANCIAL STATEMENT RECOGNITION OF UNCERTAIN TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN. THE INTERPRETATION ALSO PROVIDES GUIDANCE ON RECOGNITION, DERECOGNITION, CLASSIFICATION, INTEREST AND PENALTIES, ACCOUNTING IN INTERIM PERIODS, DISCLOSURE AND TRANSITION. THE SYSTEM'S TAX FILINGS ARE SUBJECT TO AUDIT BY VARIOUS TAXING AUTHORITIES. THE SYSTEM'S OPEN AUDIT PERIODS ARE 2011 THROUGH 2013. THERE ARE CURRENTLY NO RETURNS UNDER EXAMINATION. MANAGEMENT EVALUATED THE SYSTEM'S TAX POSITIONS AND CONSIDERED THAT THE SYSTEM HAD TAKEN NO UNCERTAIN TAX POSITIONS THAT REQUIRE ADJUSTMENTS TO THE FINANCIAL STATEMENTS TO COMPLY WITH THE PROVISIONS OF THIS GUIDANCE.

[illegible]

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
GENERAL HEALTH SYSTEM

Employer identification number
72-0475545

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 <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> 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 <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care <input type="checkbox"/> 100% <input checked="" type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	3a Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care <input checked="" type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> 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	No
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c	
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)			19,046,755	0	19,046,755	5 130 %
b Medicaid (from Worksheet 3, column a)			43,846,253	20,769,593	23,076,660	6 210 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			62,893,008	20,769,593	42,123,415	11 340 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		19,412	260,262	0	260,262	0 070 %
f Health professions education (from Worksheet 5)	7	752	9,502,045	3,799,080	5,702,965	1 540 %
g Subsidized health services (from Worksheet 6)	3	101,001	39,898,293	29,515,741	10,382,552	2 800 %
h Research (from Worksheet 7)			456,737	16,084	440,653	0 120 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			834,431	0	834,431	0 230 %
j Total Other Benefits	10	121,165	50,951,768	33,330,905	17,620,863	4 760 %
k Total. Add lines 7d and 7j	10	121,165	113,844,776	54,100,498	59,744,278	16 100 %

Part IICommunity Building Activities

Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing					
2	Economic development					
3	Community support					
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building					
7	Community health improvement advocacy					
8	Workforce development					
9	Other					
10	Total					

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

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

1

No

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

17,452,359

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

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

90,486,082

6

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

6

105,551,599

7

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

7

-15,065,517

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

9b

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 IVManagement Companies and Joint Ventures

(owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

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

Part V

Facility Information

Section A. Hospital Facilities

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

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

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

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

BRGMC - MID CITY AND BLUEBONNET CAMPUS

Name of hospital facility or facility reporting group

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

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

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
9	Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care 200 00000000000000% If "No," explain in Part VI the criteria the hospital facility used	10	Yes
11	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care 200 00000000000000% If "No," explain in Part VI the criteria the hospital facility used	11	Yes
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	12	Yes
a	<input checked="" type="checkbox"/> Income level		
b	<input checked="" type="checkbox"/> Asset level		
c	<input checked="" type="checkbox"/> Medical indigency		
d	<input checked="" type="checkbox"/> Insurance status		
e	<input checked="" type="checkbox"/> Uninsured discount		
f	<input checked="" type="checkbox"/> Medicaid/Medicare		
g	<input type="checkbox"/> State regulation		
h	<input type="checkbox"/> Residency		
i	<input type="checkbox"/> Other (describe in Part VI)		
13	Explained the method for applying for financial assistance?	13	Yes
14	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	14	Yes
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input checked="" type="checkbox"/> The policy was attached to billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available upon request		
g	<input type="checkbox"/> Other (describe in Part VI)		
Billing and Collections			
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	Yes
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP		
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged	17	No
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		

Part V

Facility Information (continued)

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

☐

Notified individuals of the financial assistance policy on admission
- b

☒

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

☒

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

☒

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

☐

Other (describe in Section C)

Policy Relating to Emergency Medical Care

	Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate why	19 Yes	
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b <input type="checkbox"/> The hospital facility's policy was not in writing		
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d <input type="checkbox"/> 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 <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b <input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d <input checked="" type="checkbox"/> 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? If "Yes," explain in Part VI	21	No
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Part VI	22 Yes	

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.

[illegible]

Part V

Facility Information *(continued)*

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

How many non-hospital health care facilities did the organization operate during the tax year? 9

Name and address		Type of Facility (describe)
1	FAMILY HEALTH CENTER 3801 NORTH BLVD BATON ROUGE, LA 70806	CLINICAL LOCATION
2	FAMILY HEALTH CENTER-SOUTH 333 LEE DRIVE BATON ROUGE, LA 70806	CLINICAL LOCATION
3	BRG SURGICAL ASSOCIATES 3600 FLORIDA BLVD BATON ROUGE, LA 70806	CLINICAL LOCATION
4	BRG SURGICAL ASSOCIATES-BLUEBONNET 8595 PICARDY AVE SUITE 235 BATON ROUGE, LA 70809	CLINICAL LOCATION
5	BRG ORTHOPEDIC ASSOCIATES 8595 PICARDY AVE SUITE 235 BATON ROUGE, LA 70809	CLINICAL LOCATION
6	BRG GASTROENTEROLOGY CENTER 6615 PERKINS ROAD BATON ROUGE, LA 70808	CLINICAL LOCATION
7	BRG NEUROLOGY ASSOCIATES 3600 FLORIDA BLVD BATON ROUGE, LA 70806	CLINICAL LOCATION
8	MATERNAL-FETAL MEDICINE OF BATON ROUGE 8595 PICARDY AVE SUITE 305 BATON ROUGE, LA 70809	CLINICAL LOCATION
9	WOMACK HEART CENTER-VALVE CLINIC 8888 SUMMA AVENUE BATON ROUGE, LA 70809	CLINICAL LOCATION
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	THE COST-TO-CHARGE RATIO USED IN THE VARIOUS LINE 7 WORKSHEETS IS DERIVED FROM THE TAXPAYER'S 2014 MEDICARE COST REPORT AS FILED WITH THE CENTER FOR MEDICARE AND MEDICAID SERVICES IN ACCORDANCE WITH THE LINE 7 INSTRUCTIONS, TOTAL EXPENSES USED TO CALCULATE THE COLUMN F PERCENTAGES DO NOT INCLUDE BAD DEBTS EXPENSE

Form and Line Reference	Explanation
PART I, LINE 3	CHARITY CARE ELIGIBILITY IS BASED ON MANY FACTORS RELATED TO INDIVIDUAL PATIENT CIRCUMSTANCES EACH AND EVERY PATIENT IS SCREENED BY PATIENT FINANCIAL SERVICES PERSONNEL, LICENSED SOCIAL WORKERS AND OTHER HEALTHCARE PROFESSIONALS TO DETERMINE IF ELIGIBLE FOR STATE AND/OR FEDERAL HEALTHCARE ASSISTANCE SAID ASSISTANCE AS WELL AS ELIGIBILITY FOR BRGMC CHARITY CARE IS ASSESSED WITH THE PATIENT OR THEIR DESIGNATED FAMILY MEMBER OR REPRESENTATIVE OF PRIMARY IMPORTANCE IS THE HEALTH, RECUPERATION AND WELL-BEING OF OUR PATIENTS

Form and Line Reference	Explanation
PART III, LINE 2	THE BAD DEBT ESTIMATE IS BASED ON PERIODIC, ONGOING REVIEW OF THE AGING OF PATIENT ACCOUNT BALANCES AS WELL AS COLLECTION HISTORIES OF THOSE ACCOUNTS

Form and Line Reference	Explanation
PART III, LINE 4	THE BAD DEBT FOOTNOTE CAN BE FOUND ON PAGE 19 OF THE AUDITED FINANCIAL STATEMENTS ATTACHED HERETO

Form and Line Reference	Explanation
PART III, LINE 9B	THE TAXPAYER'S COLLECTION PROCESS POLICY STATES THAT IF A PATIENT CANNOT PAY ANY REMAINING BALANCES IN FULL, THE COLLECTOR IS TO UTILIZE THE PAYMENT ARRANGEMENT GUIDELINES IN ITS CHARITY CARE POLICY TO APPLY FOR FINANCIAL ASSISTANCE APPROVAL FOR ASSISTANCE WILL BE BASED ON INCOME, ABILITY TO PAY AND ACCOUNT BALANCE, AMONG OTHER FACTORS NO AMOUNT OF THE ORGANIZATION'S BAD DEBT EXPENSE IS ATTRIBUTABLE TO PATIENTS ELIGIBLE FOR FINANCIAL ASSISTANCE THE ORGANIZATION PERFORMS ANNUAL REVIEWS OF ITS COLLECTION HISTORIES TO DETERMINE THE ACCURACY OF ITS ESTIMATIONS OF BAD DEBT ALLOWANCE AMOUNTS

Form and Line Reference	Explanation
PART VI, LINE 4	BRGMC IS THE ONLY COMMUNITY-OWNED, NON-PROFIT HOSPITAL LOCATED IN THE BATON ROUGE AREA IT CONSISTS OF 2 HOSPITAL CAMPUSES, MID CITY AND BLUEBONNET MID CITY SERVES THE DOWNTOWN AND SURROUNDING URBAN AREAS OF BATON ROUGE AS WELL AS THE SURROUNDING WEST BATON ROUGE, IBERVILLE, THE FELICIANAS, ST HELENA AND POINTE COUPEE PARISH AREAS THE BLUEBONNET CAMPUS SERVES THE SOUTHERN AREA OF BATON ROUGE AS WELL AS THE SURROUNDING ASCENSION, LIVINGSTON AND TANGIPAHOA PARISH AREAS WHICH HAVE SEEN ENORMOUS GROWTH IN POPULATION OVER THE LAST 30 YEARS

Form and Line Reference	Explanation
PART VI, LINE 6	BRGMC IS AN IRC SEC 501(C)(3) ORGANIZATION, OWNED BY THE TAXPAYER THE GHS BOARD OF DIRECTORS ALSO SERVE AS THE BOARD FOR BRGMC THE BOARD CONSISTS OF VARIOUS RESPECTED COMMUNITY LEADERS FROM THE BUSINESS, FINANCE, EDUCATION, GOVERNMENTAL, PHILANTHROPIC AND MEDICAL COMMUNITIES IN THE BATON ROUGE AREA, SERVE WITHOUT COMPENSATION AND PROVIDE A VERY BROAD BASE OF KNOWLEDGE AND EXPERTISE TO THE GOVERNANCE AND MANAGEMENT OF GHS MEDICAL STAFF PRIVILEGES ARE EXTENDED TO ALL QUALIFIED PHYSICIANS IN THE GREATER BATON ROUGE AREA WHO WISH TO PROVIDE THEIR PATIENTS WITH THE FINEST CARE AND MEDICAL TECHNOLOGY AT THEIR DISPOSAL IN FURTHERANCE OF ITS COMMITMENT TO PROVIDE THE BEST MEDICAL EDUCATION IN THE REGION, GHS/BRGMC ENTERED INTO AN AFFILIATION AGREEMENT WITH TULANE UNIVERSITY SCHOOL OF MEDICINE TO CREATE A SATELLITE TRAINING CAMPUS FOR ITS MEDICAL STUDENTS IN MAY 2014, 12 SELECTED STUDENTS (IN MAY 2013, 12 STUDENTS) BEGAN THE PROGRAM DURING WHICH THEY WILL SPEND THEIR 3RD AND 4TH YEAR CLINICAL ROTATIONS AT THE MID CITY CAMPUS THE BRG PHYSICIANS WILL BE SERVING AS THE STUDENTS' TEACHERS AND MENTORS THE PROGRAM TITLED "LEAD (LEADERSHIP, EDUCATION, ADVOCACY AND DISCOVERY) ACADEMY" SIGNIFIES THE FIRST TIME TULANE UNIVERSITY SCHOOL OF MEDICINE HAS OPENED A TRAINING FACILITY OUTSIDE OF NEW ORLEANS, LOUISIANA

Additional Data

Software ID:
Software Version:
EIN: 72-0475545
Name: GENERAL HEALTH SYSTEM

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
BRGMC - MID CITY AND BLUEBONNET CAMPUS	PART V, SECTION B, LINE 3 THE BATON ROUGE GENERAL MEDICAL CENTER (BRGMC) SERVES THE NEEDS OF THE COMMUNITY THROUGH ITS COMMITMENT TO EXCEPTIONAL PATIENT CARE, MEDICAL EDUCATION AND RESEARCH IN ORDER TO IDENTIFY THE HEALTH AND WELLNESS NEEDS OF THE BATON ROUGE AREA, BRGMC PARTICIPATED IN THE MAYOR'S HEALTHY CITY INITIATIVE TO ENCOURAGE BATON ROUGE AREA RESIDENTS TO ADOPT A HEALTHIER AND MORE ACTIVE LIFESTYLE PARTICIPATING IN THE INITIATIVE INCLUDED, BUT WERE NOT LIMITED TO, BRGMC, THE OFFICE OF MAYOR-PRESIDENT KIP HOLDEN, BLUE CROSS/BLUE SHIELD OF LOUISIANA, THE OFFICE OF US SENATOR MARY LANDRIEU, EBR PARISH PUBLIC SCHOOL SYSTEM, LSU HEALTH SCIENCES CENTER, LA PRIMARY CARE ASSOCIATION, AMERICAN HEART ASSOCIATION, LSU PENNINGTON BIOMEDICAL RESEARCH CENTER AMONG A GROUP OF 25 MAJOR COMMUNITY GROUPS IN THE AREA COORDINATIONAMONG THESE GROUPS SERVED TO COORDINATE THE ASSESSMENT AND AVOID DUPLICATE EFFORTS TO INCREASE THE VALUE OF WHAT WE COLLECTIVELY BRING TO THE COMMUNITY HEALTHCARE NEEDS

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
BRGMC - MID CITY AND BLUEBONNET CAMPUS	PART V, SECTION B, LINE 7 THE BATON ROUGE GENERAL MEDICAL CENTER DID NOT ADDRESS ALL 10 OF THE PUBLIC HEALTH NEEDS FORMULATED BY THE 2012 COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA, AKA KNOWN AS THE MAYOR'S HEALTHY CITY INITIATIVE) THE NUMEROUS CHNA CONTRIBUTORS (IDENTIFIED ABOVE) AGREED THAT EACH WILL CONCENTRATE THEIR INDIVIDUAL EFFORTS ON THEIR TOP FOUR PRIORITIES BATON ROUGE GENERAL MEDICAL CENTER HAS ADOPTED AND HAS BEEN FOCUSING THEIR EFFORTS ON THE ISSUES OF OBESITY, HIV/AIDS, OVERUTILIZATION OF EMERGENCY DEPARTMENT AVAILABILITY AND MENTAL/BEHAVIORAL HEALTH AGAIN, COORDINATION AMONG THE PARTICIPANTS SERVED TO COORDINATE THE ASSESSMENT BUT ALSO SERVED TO AVOID DUPLICATE EFFORTS TO INCREASE THE DEPTH AND VALUE OF WHAT WE COLLECTIVELY BRING TO THE COMMUNITY HEALTHCARE NEEDS BATON ROUGE GENERAL MEDICAL CENTER CURRENTLY OFFERS MEDICAL PROGRAMS, SERVICES AND HEALTH EDUCATION SERVICES TO ADDRESS THE 10 IDENTIFIED NEEDS OF OUR COMMUNITY THESE PROGRAMS AND SERVICES ARE MORE CLEARLY EXPLAINED IN OUR CHNA THE LINK TO OUR WEBSITE IS WWW.BRGENERAL.ORG/IN-THE-COMMUNITY/COMMUNITY-HEALTH-NEEDS-ASSESSMENT

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

Form and Line Reference	Explanation
PART V SECTION B	THE ORGANIZATION PARTICIPATES IN A PARISH-WIDE COMMUNITY BENEFIT REPORT WHICH SUMMARIZES ITS EFFORTS TO IMPROVE THE OVERALL HEALTH AND WELLNESS OF THE GREATER BATON ROUGE AREA SAID REPORT IS AVAILABLE TO THE GENERAL PUBLIC ON AN AS-REQUESTED BASIS THE COST-TO-CHARGE RATIO, AS CALCULATED ON THE TAXPAYER'S MEDICARE COST REPORT, IS USED AS THE BASIS FOR CALCULATING THE AMOUNTS REPORTED IN PART I, LINES 7A-7D ACTUAL, DIRECT COSTS WERE USED IN THE CALCULATIONS OF THE VARIOUS AMOUNTS IN PART I, LINES 7E-7I NO ADDITION OF UNALLOCATED OVERHEAD COSTS WERE USED ALTHOUGH THE ORGANIZATION FEELS THAT SUCH AN DDITION WOULD BE JUSTIFIED

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
GENERAL HEALTH SYSTEM

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

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

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

OMB No 1545-0047

2013

Open to Public
Inspection

Employer identification number
72-0475545

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) BATON ROUGE AREA CHAMBER 564 LAUREL ST BATON ROUGE, LA 70801	72-0126959	501C6	50,000				GENERAL SUPPORT
(2) MID CITY REDEVELOPMENT ALLIANCE 419 N 19TH ST BATON ROUGE, LA 70802	72-1196990	501C3	25,000				GENERAL SUPPORT

2

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

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	REQUESTS FOR GRANTS OR ASSISTANCE ARE INITIATED AT THE EXECUTIVE LEVEL AFTER CONSIDERATION AND FORMAL APPROVAL IS GIVEN, REQUESTS FOR DISBURSEMENT ARE EXECUTED AND SENT TO ACCOUNTS PAYABLE FOR PAYMENT ALL SUPPORTING DOCUMENTATION AND DISBURSEMENT AUTHORIZATION ARE RETAINED FOR A 10 YEAR PERIOD OF TIME

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
GENERAL HEALTH SYSTEM

Employer identification number
72-0475545

Part I

Questions Regarding Compensation

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

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	PART I, LINE 1A CERTAIN EMPLOYEE BENEFITS THAT WERE PROVIDED TO THE FORMER PRESIDENT/CEO (HOLMAN) WERE GROSSED UP TO COVER THE TAX IMPACT IN ORDER TO ASSIST IN THE RELOCATION OF THE NEW PRESIDENT/CEO (SLYTER), A SHORT-TERM MONTHLY HOUSING ALLOWANCE WAS PROVIDED FOR CALENDAR YEAR 2014 CERTAIN KEY EXECUTIVES ARE PROVIDED A BENEFITS STIPEND IN ORDER TO ALLOW FOR SELF-DIRECTED BENEFITS THE EXECUTIVE BENEFITS PACKAGE ALSO INCLUDES AN OPTIONAL WELLNESS BENEFIT THAT INCLUDES A WELLNESS ASSESSMENT AND THE AVAILABILITY OF A PERSONAL FITNESS TRAINER ALL OF THESE BENEFITS WERE INCLUDED ON THE 2013 AND/OR 2014 FORMS W-2 AS COMPENSATION
PART I, LINE 4B	PART I, LINE 4B THE FORMER PRESIDENT/CEO (HOLMAN) PARTICIPATED IN A NON-QUALIFIED RETIREMENT PLAN IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF HIS EMPLOYMENT CONTRACT WITH GENERAL HEALTH SYSTEM #72-0475545 ALL EXECUTIVES PARTICIPATE IN A NON-QUALIFIED DEFERRED COMPENSATION PLAN DESIGNED TO PROVIDE A RETIREMENT SUPPLEMENT EXECUTIVES MAY DEFER A PRE-TAX PORTION OF THEIR WAGES AND THE ORGANIZATION PROVIDES A PERCENT OF WAGES SUPPLEMENT THE AMOUNT PROVIDED IS DIRECTED BY THE BOARD AND THE BOARD'S COMPENSATION COMMITTEE BASED ON MARKET DATA PROVIDED BY AN INDEPENDENT BENEFIT CONSULTING FIRM THAT CONDUCTS A REVIEW OF RETIREMENT FUNDING FOR EXECUTIVES IN COMPARABLE HEALTHCARE ORGANIZATIONS FUNDS DEPOSITED BY THE ORGANIZATION HAVE A RISK OF FORFEITURE TIED TO SOLVENCY, RETENTION, NON-COMPETITION AND/OR VESTING PART I, LINE 7 IN ORDER TO MAKE HEALTHCARE COST EFFECTIVE AND OF THE HIGHEST QUALITY, VARIOUS EXECUTIVES LISTED IN 990 PART VII SECTION A HAD PART OF THEIR COMPENSATION PUT AT RISK AND PAID IN THE FORM OF A PERFORMANCE INCENTIVE BASED UPON A BALANCED SCORECARD THAT FACTORED IN QUALITY, PEOPLE, SERVICE AND FINANCIAL PILLAR RESULTS SAID INCENTIVE PAYMENTS WERE APPROVED BY THE BOARD'S COMPENSATION COMMITTEE
PART II	PART II BOARD MEMBER (BANDA) IS THE OWNER/PRINCIPAL OF A HEALTHCARE SERVICES PROVIDER (CONSISTING OF 42 PHYSICIANS, PHYSICIAN ASSISTANTS AND NURSE PRACTITIONERS) THAT PROVIDES HOSPITALIST, PALLIATIVE CARE, GERIATRIC, CARE MANAGEMENT, NON ACUTE AND GRADUATE MEDICAL EDUCATION SERVICES TO THE TAXPAYER'S 501C3 HOSPITAL AFFILIATE, BATON ROUGE GENERAL MEDICAL CENTER #72-1025017 THAT SERVICES PROVIDER IS STAFFED BY A RELATED, FOR-PROFIT ENTITY IN ACCORDANCE WITH A STAFFING SERVICES AGREEMENT THE FORMER PRESIDENT/CEO (HOLMAN) AND OTHER QUALIFYING EXECUTIVES RECEIVED LUMP SUM PAYMENTS AS THE RESULT OF THE VESTING OF RETIREMENT BENEFITS DEPOSITED ON THEIR BEHALF IN PREVIOUS YEARS OTHER REPORTABLE COMPENSATION PAID TO PHYSICIAN BOARD MEMBERS INCLUDES MEDICAL PRACTICE INCOME AND CONTRACTUAL PAYMENTS THE FORMER PRESIDENT/CEO (HOLMAN) HAD AN AMOUNT INCLUDED IN PART II IN RETIREMENT SUPPLEMENT AND RETIREMENT BENEFITS VESTING ACCUMULATED IN PRIOR YEARS AS WELL AS \$252,180 OF GENERAL PAID TIME (VACATION) PAY INCLUDED IN PART II, COLUMN B(III)

Additional Data

Software ID:
Software Version:
EIN: 72-0475545
Name: GENERAL HEALTH SYSTEM

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				
VENKAT BANDA MD BOARD MEMBER	(i)	0	0	0	0	0	0	0
	(ii)	225,000	88,179	109,935	45,000	21,023	489,137	0
EVELYN HAYES MD BOARD CHAIR INTERIM PRES/CEO UNTIL NOV 2013	(i)	103,587	0	425,286	40,500	3,431	572,804	0
	(ii)	0	0	0	0	0	0	0
MARK SLYTER PRES & CEO, EFF 11/01/13	(i)	66,750	0	692	0	1,543	68,985	0
	(ii)	0	0	0	0	0	0	0
DIONNE E VIATOR CPA VICE PRES & CNSO	(i)	397,009	77,409	6,000	39,948	21,388	541,754	0
	(ii)	0	0	0	0	0	0	0
EDGARDO TENREIRO VICE PRES & COO	(i)	353,666	0	18,779	94,030	15,020	481,495	0
	(ii)	0	0	0	0	0	0	0
FLOYD ROBERTS MD CHIEF MEDICAL OFFICER	(i)	363,000	61,710	47,301	23,000	16,809	511,820	0
	(ii)	0	0	0	0	0	0	0
KENDALL JOHNSON CPA VICE PRES & CFO	(i)	366,000	78,964	0	60,295	21,003	526,262	0
	(ii)	0	0	0	0	0	0	0
ANNA CAZES DNS CHIEF NURSING OFFICER	(i)	201,200	38,250	29,662	65,375	21,388	355,875	0
	(ii)	0	0	0	0	0	0	0
PAUL DOUGLAS VICE PRES-HUMAN RESOURCES	(i)	245,000	41,650	237,695	22,770	12,603	559,718	0
	(ii)	0	0	0	0	0	0	0
DONALD SHAW VICE PRES-REVENUE CYCLE	(i)	191,000	32,470	4,045	43,285	8,957	279,757	0
	(ii)	0	0	0	0	0	0	0
PEYTON GRANT VICE PRES-FACILITIES MGT	(i)	172,000	37,840	8,525	46,220	20,339	284,924	0
	(ii)	0	0	0	0	0	0	0
GEORGE BELL HOSP ADMINISTRATOR- MID CITY CAMPUS	(i)	245,694	0	17,334	34,888	16,809	314,725	0
	(ii)	0	0	0	0	0	0	0
EDWARD JEFFRIES MD COO-PHYSICIANS GROUP	(i)	293,875	140,847	0	36,946	13,467	485,135	0
	(ii)	0	0	0	0	0	0	0
ERIN ZERINGUE VP- QUALITY	(i)	168,987	30,556	0	41,710	13,737	254,990	0
	(ii)	0	0	0	0	0	0	0
WANDA HUGHES DIRECTOR-PATIENT SAFETY	(i)	146,120	15,343	11,956	8,903	13,611	195,933	0
	(ii)	0	0	0	0	0	0	0
WM PAINE DIRECTOR-MANAGED CARE CONTRACTS	(i)	155,698	9,047	0	0	13,374	178,119	0
	(ii)	0	0	0	0	0	0	0
GERARD BARRILLEAUX DIRECTOR- RADIOLOGY/IMAGING	(i)	84,049	0	47,225	0	8,982	140,256	0
	(ii)	0	0	0	0	0	0	0
COREY DOUGHTY DIRECTOR- LEGAL/RISK MANAGEMENT	(i)	140,020	10,537	6,539	0	0	157,096	0
	(ii)	0	0	0	0	0	0	0
WILLIAM HOLMAN FORMER PRES & CEO, EFF MARCH 2013	(i)	303,238	0	410,885	40,500	13,124	767,747	0
	(ii)	0	0	0	0	0	0	0

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2013

Open to Public Inspection

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

Name of the organization
GENERAL HEALTH SYSTEM

Employer identification number
72-0475545

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
(1) MARK SLYTER	PRES/CEO	SEE BELOW		X	150,000	150,000		No	Yes		Yes	
Total ▶ \$						150,000						

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) R MORRIS	DAUGHTER OF BRD MEMBER	75,196	EMPLOYEE COMPENSATION		No
(2) M FRANKLIN	SPOUSE OF BRD MEMBER	6,450	EMPLOYEE COMPENSATION		No
(3) A TENREIRO	SON OF VP/COO	9,999	EMPLOYEE COMPENSATION		No
(4) J CAZES	SPOUSE OF CNO	144,188	EMPLOYEE COMPENSATION		No
(5) HMG PHYSICIANS LLC	BRD MEMBER	3,032,914			No

Part V Supplemental Information

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

Return Reference	Explanation
PART IV	VARIOUS FAMILY MEMBERS OF CERTAIN BOARD MEMBERS AND OFFICERS ARE EMPLOYED BY THE TAXPAYER A BOARD MEMBER (BANDA) IS THE OWNER/PRINCIPAL OF A HEALTHCARE SERVICES PROVIDER (CONSISTING OF 42 PHYSICIANS, PHYCISIAN ASSISTANTS AND NURSE PRACTITIONERS) THAT PROVIDE HOSPITALIST, PALLIATIVE CARE, GERIATRIC, CARE MANAGEMENT, NON ACUTE AND GRADUATE MEDICAL EDUCATION SERVICES TO THE TAXPAYER'S 501C3 HOSPITAL AFFILIATE, BATON ROUGE GENERAL MEDICAL CENTER #72-1025017 ALL SERVICES ARE PROVIDED AT FAIR MARKET VALUES IN ACCORDANCE WITH A MEDICAL SERVICES AGREEMENT
PART II, LINE 1	IN FEB 2014, IN ORDER TO ASSIST IN THE RELOCATION EFFORTS OF OUR NEWLY APPOINTED PRESIDENT/CEO (MR SLYTER), THE BOARD APPROVED A SHORT TERM LOAN TO SLYTER SAID LOAN IS TO REPAID AT THE EARLIEST OF THE ONE YEAR ANNIVERSARY OF THE LOAN OR THE SALE OF MR SLYTER'S HOME IN JACKSON, MS IN JAN 2015, MR SLYTER SOLD HIS HOME IN JACKSON, MS AT WHICH TIME THE LOAN WAS FULLY REPAID WITH INTEREST

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.**

2013

**Open to Public
Inspection**

Name of the organization
GENERAL HEALTH SYSTEM

Employer identification number

72-0475545

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	DURING PREPARATION OF THE 990, SENIOR ADMINISTRATIVE AND FINANCE LEADERS ARE CONSULTED TO PROVIDE ANY ADDITIONAL INFORMATION ON CERTAIN, VARIOUS TRANSACTIONS ON AN AS-NEEDED BASIS UPON COMPLETION OF THE 990 BUT PRIOR TO FILING, SAID LEADERS ARE PROVIDED WITH A DRAFT COPY OF ALL FORMS/SCHEDULES FOR THEIR REVIEW AND COMMENTS UPON CLEARING ANY REVIEW COMMENTS, REVISED DRAFT COPIES ARE EMAILED TO ALL MEMBERS OF THE BOARD VIA SECURE BOARD NETWORK THE EXECUTIVE COMMITTEE HAS BEEN TASKED BY THE BOARD TO FULLY REVIEW THE FORM 990 AT THEIR NEXT MEETING AND FORWARD THEIR RECOMMENDATIONS TO THE FULL BOARD

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	AS PART OF ITS ANNUAL WORK PLAN, THE INTERNAL AUDIT & CORPORATE COMPLIANCE DEPARTMENT ADMINISTERS A MANDATORY ELECTRONIC CONFLICT OF INTEREST (COI) SURVEY THROUGH WHICH ALL LEADERSHIP EMPLOYEES (RANGING FROM SUPERVISORS TO EXECUTIVE MANAGEMENT), GHS FOUNDATION BOARD MEMBERS AND TRUSTEES OF THE ORGANIZATION ARE PROMPTED TO TIMELY DISCLOSE ANY INTERESTS THAT COULD GIVE RISE TO CONFLICTS AFTER THE 2 WEEK COI SURVEY PERIOD IS OVER, MEMBERS OF THE INTERNAL AUDIT & CORPORATE COMPLIANCE DEPARTMENT SORT THROUGH & ORGANIZE ALL SURVEY RESPONSES RECEIVED AND CONDUCT AN INITIAL REVIEW OF ALL DISCLOSURES FLAGGED AS POTENTIAL CONFLICTS AND OBTAINS ADDITIONAL INFORMATION/DOCUMENTATION AS NECESSARY FROM KEY STAKEHOLDERS TO CLARIFY OR RECTIFY (THROUGH APPROPRIATE MITIGATION) ANY CONFLICTS NOTED SO AS TO ENSURE BUSINESS DECISIONS ARE DRIVEN BY THE BEST INTERESTS OF THE ORGANIZATION UPON COMPLETION, THE CORPORATE COMPLIANCE OFFICER FORMALLY COMMUNICATES CONFLICT RESULTS TO THE CHIEF FINANCIAL OFFICER, CHIEF EXECUTIVE OFFICER AND THE CHAIRMAN OF THE AUDIT/FINANCE COMMITTEE OF THE BOARD

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	<p>THE COMPENSATION COMMITTEE OF THE BOARD OF TRUSTEES OVERSEES ALL EXECUTIVE COMPENSATION MATTERS. THE COMMITTEE ENGAGES AN INDEPENDENT THIRD PARTY CONSULTING FIRM TO CONDUCT AN ANNUAL INDEPENDENT MARKET-BASED COMPENSATION REVIEW OF EXECUTIVES IN COMPARABLE HEALTHCARE SYSTEMS AND USES THIS DATA IN DETERMINING REASONABLE AND APPROPRIATE EXECUTIVE COMPENSATION LEVELS. ALL COMPENSATION COMMITTEE MEMBERS ARE INDEPENDENT WITH NO CONFLICT OF INTEREST WITH REGARD TO EXECUTIVE COMPENSATION MATTERS. THE COMPENSATION COMMITTEE CONSIDERS MANY FACTORS IN DETERMINING EXECUTIVE PAY LEVELS. SOME OF THESE FACTORS ARE, BUT ARE NOT LIMITED TO, THE KNOWLEDGE, EXPERIENCE AND COMPETENCIES OF THE EXECUTIVE, PERFORMANCE OF THE EXECUTIVE, AREAS OF RESPONSIBILITY, IMPORTANCE OF EXECUTIVE RETENTION AND PEER CALIBRATION AND TALENT MANAGEMENT RATING. THE COMMITTEE DOCUMENTS ITS DECISIONS AND THE PROCESS IT FOLLOWS IN DETAILED AND CONTEMPORANEOUS MINUTES. IT DILIGENTLY FOLLOWS THE PRESCRIBED PROCESS FOR ESTABLISHING A PRESUMPTION OF REASONABLENESS.</p>

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	THE TAXPAYER MAKES ALL GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICIES AND TAX RETURNS AVAILABLE TO THE GENERAL PUBLIC ON AN AS-REQUESTED BASIS

Return Reference	Explanation
PART VII, LINE 1A	COLUMN D- COMPENSATION PAID TO THE FORMER PRESIDENT/CEO (HOLMAN) INCLUDES A LUMP SUM VESTING PAYMENT OF RETIREMENT BENEFITS EARNED IN PREVIOUS YEARS INCLUDING CALENDAR YEAR 2013 COLUMN F-OTHER COMPENSATION TO OFFICERS AND DESIGNATED EXECUTIVES INCLUDES 401K AND DEFERRED COMPENSATION BENEFITS SUBJECT TO FUTURE VESTING

Return Reference	Explanation
GENERAL INFO	THE GENERAL HEALTH SYSTEM (GHS) BOARD OF TRUSTEES ALSO SERVES AS THE BOARD OF TRUSTEES FOR ITS WHOLLY-OWNED, 501C3 HOSPITAL AFFILIATE, BATON ROUGE GENERAL MEDICAL CENTER EIN 72-1025017

Return Reference	Explanation
FORM 990, PART XI, LINE 9	EQUITY IN EARNINGS OF SUBSIDIARY 888,680 ADJUSTMENT OF PRIOR YR PENSION SVC COST LIABILITY - 2,731,717

Return Reference	Explanation
PART XII, LINE 2C	NO CHANGE IN THE ORGANIZATION'S AUDIT OVERSIGHT PROCESS OR AUDITOR SELECTION PROCESS. THE AUDIT COMMITTEE OF THE BOARD OF TRUSTEES IS TASKED WITH THE OVERSIGHT OF THE ANNUAL AUDIT AND SELECTION OF THE INDEPENDENT ACCOUNTANT.

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
GENERAL HEALTH SYSTEM

Employer identification number
72-0475545

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

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.							
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) BATON ROUGE GENERAL MEDICAL CENTER 8585 PICARDY AVENUE BATON ROUGE, LA 70809 72-1025017	HOSPITAL	LA	501(C)(3)	3	N/A		No
(2) GENERAL HEALTH SYSTEM FOUNDATION 8585 PICARDY AVENUE BATON ROUGE, LA 70809 74-0801335	FOUNDATION	LA	501(C)(3)	11	N/A		No
(3) BEHAVIORAL HEALTH INC 8585 PICARDY AVENUE BATON ROUGE, LA 70809 72-0893168	DORMANT CORP	LA	501(C)(3)	3	N/A		No
(4) GENERAL LIVING CENTERS INC 8585 PICARDY AVENUE BATON ROUGE, LA 70809 58-1705626	DORMANT CORP	LA	501(C)(3)	9	N/A		No
(5) MID CITY HEALTH CENTER 8585 PICARDY AVENUE BATON ROUGE, LA 70809 72-1260054	DORMANT CORP	LA	501(C)(3)	3	N/A		No
(6) THE GENERAL HEALTH FOUNDATION 8585 PICARDY AVENUE BATON ROUGE, LA 70809 72-0907879	DORMANT CORP	LA	501(C)(3)	11	N/A		No

Part III

Identification of Related Organizations Taxable as a Partnership

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

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

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
See Additional Data Table									

Part V

Transactions With Related Organizations

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

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

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

a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity

b Gift, grant, or capital contribution to related organization(s)

c Gift, grant, or capital contribution from related organization(s)

d Loans or loan guarantees to or for related organization(s)

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

j Lease of facilities, equipment, or other assets to related organization(s)

k Lease of facilities, equipment, or other assets from related organization(s)

l Performance of services or membership or fundraising solicitations for related organization(s)

m Performance of services or membership or fundraising solicitations by related organization(s)

n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

s Other transfer of cash or property from related organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

1s

No

No

No

No

No

No

Yes

Yes

No

Yes

Yes

No

Yes

Yes

Yes

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			

Schedule R (Form 990) 2013

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

[illegible]

Part VII

Supplemental Information

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

Return Reference	Explanation
PAGE 3, PART V, LINE 2(A)	GENERAL HEALTH SYSTEM (GHS) PROVIDES CENTRALIZED MANAGEMENT, BANKING, ACCOUNTS PAYABLE AND ACCOUNTS RECEIVABLE/BILLING, PAYROLL, ACCOUNTING/TAX, INTERNAL AUDIT AND CORPORATE COMPLIANCE, HUMAN RESOURCE, RISK MANAGEMENT, INSURANCE, BENEFITS MANAGEMENT, LEGAL AND INFORMATION TECHNOLOGY SERVICES TO ALL MEMBERS OF GENERAL HEALTH SYSTEM ALL MONIES COLLECTED FROM OR SPENT FOR ALL GHS-RELATED ENTITIES ARE DEPOSITED INTO/SPENT FROM CENTRALIZED GHS BANK ACCOUNTS AND ACCOUNTED FOR AS RECEIVED OR DISBURSED THE ANNUAL NET AMOUNTS OF THESE TRANSACTIONS ARE REFLECTED AS GHS RECEIVABLES/LIABILITIES ON AN ONGOING BASIS DUE TO THE MASSIVE NUMBER OF TRANSACTIONS DESCRIBED ABOVE, A PROPER, SEGREGATED ACCOUNTING IN THE MANNER PROSCRIBED BY SCHEDULE R IS NOT POSSIBLE AT THIS TIME

Additional Data

Software ID:
Software Version:
EIN: 72-0475545
Name: GENERAL HEALTH SYSTEM

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) BATON ROUGE GENERAL MEDICAL CENTER 8585 PICARDY AVENUE BATON ROUGE, LA 70809 72-1025017	HOSPITAL	LA	501(C)(3)	3	N/A		No
(1) GENERAL HEALTH SYSTEM FOUNDATION 8585 PICARDY AVENUE BATON ROUGE, LA 70809 74-0801335	FOUNDATION	LA	501(C)(3)	11	N/A		No
(2) BEHAVIORAL HEALTH INC 8585 PICARDY AVENUE BATON ROUGE, LA 70809 72-0893168	DORMANT CORP	LA	501(C)(3)	3	N/A		No
(3) GENERAL LIVING CENTERS INC 8585 PICARDY AVENUE BATON ROUGE, LA 70809 58-1705626	DORMANT CORP	LA	501(C)(3)	9	N/A		No
(4) MID CITY HEALTH CENTER 8585 PICARDY AVENUE BATON ROUGE, LA 70809 72-1260054	DORMANT CORP	LA	501(C)(3)	3	N/A		No
(5) THE GENERAL HEALTH FOUNDATION 8585 PICARDY AVENUE BATON ROUGE, LA 70809 72-0907879	DORMANT CORP	LA	501(C)(3)	11	N/A		No

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(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
GENERAL HEALTH MANAGEMENT INC 8585 PICARDY AVENUE BATON ROUGE, LA 70809 72-0904131	MANAGING COMPANY	LA	N/A	C			100 000 %		No
HEALTH MANAGEMENT SERVICES INC 8585 PICARDY AVENUE BATON ROUGE, LA 70809 72-0929442	DORMANT CORP	LA	GENERAL HEALTH MANAGEMENT INC	C			100 000 %		No
HEALTH INITIATIVES INC 8585 PICARDY AVENUE BATON ROUGE, LA 70809 72-0981798	DORMANT CORP	LA	GENERAL HEALTH MANAGEMENT INC	C			100 000 %		No
GENERAL HEALTH SYSTEM MANAGEMENT INC 8585 PICARDY AVENUE BATON ROUGE, LA 70809 72-1335513	MANAGING COMPANY	LA	N/A	C			100 000 %		No
VERITY HEALTHNET ACCT MGT SVS INC 8585 PICARDY AVENUE BATON ROUGE, LA 70809 72-1245224	MANAGING COMPANY	LA	GENERAL HEALTH SYSTEM MANAGEMENT	C	800,686	1,400,440	100 000 %		No
VERITY HEALTHNET LLC 8585 PICARDY AVENUE BATON ROUGE, LA 70809 45-0510673	PROVIDER NETWORK MARKETER	LA	VERITY HEALTHNET ACCOUNTS MANAGEMENT SERVICES INC	C	3,949	71,956	50 000 %		No
VERITY NATIONAL HEALTHNET LLC 8585 PICARDY AVENUE BATON ROUGE, LA 70809 56-2353850	DORMANT CORP	LA	VERITY HEALTHNET ACCOUNTS MANAGEMENT SERVICES INC	C			50 000 %		No
BRG PHYSICIANS AFTER HOURS CLINIC INC 8585 PICARDY AVENUE BATON ROUGE, LA 70809 74-3109146	PHYSICIAN CLINIC	LA	BRG PHYSICIAN SERVICES	C			100 000 %		No
MEDICAL DIAGNOSTIC SERVICES INC 8585 PICARDY AVENUE BATON ROUGE, LA 70809 72-0994499	DORMANT CORP	LA	GENERAL HEALTH SYSTEM MANAGEMENT	C	-1	88,500	100 000 %		No
BRG PHYSICIANS SERVICES INC 8585 PICARDY AVENUE BATON ROUGE, LA 70809 20-3756691	PHYSICIAN CLINIC	LA	GENERAL HEALTH SYSTEM MANAGEMENT	C	-2,019,490	145,621	100 000 %		No
BRG PHYSICIANS INC 8585 PICARDY AVENUE BATON ROUGE, LA 70809 72-1245632	PHYSICIAN CLINIC	LA	BRG PHYSICIAN SERVICES	C	-3,391,133	1,870,437	100 000 %		No
HOSPITAL MEDICINE GROUP INC 8585 PICARDY AVENUE BATON ROUGE, LA 70809 20-3720898	DORMANT CORP	LA	BRG PHYSICIAN SERVICES	C	-4	10,184	100 000 %		No
BRG HOSP SPECIALISTS INC 8585 PICARDY AVENUE BATON ROUGE, LA 70809 20-3756738	PHYSICIAN CLINIC	LA	GENERAL HEALTH SYSTEM MANAGEMENT	C	-424,786	121,866	100 000 %		No
GULF SOUTH HEALTH PLANS INC 8585 PICARDY AVENUE BATON ROUGE, LA 70809 72-1068656	DORMANT CORP	LA	N/A	C		13,201	100 000 %		No
BATON ROUGE GENERAL PRIMARY CARE 8490 PICARDY AVENUE BATON ROUGE, LA 70809 45-2969168	PHYSICIAN CLINIC	LA	GENERAL HEALTH SYSTEM MANAGEMENT	C		126,225	100 000 %		No

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(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
BRGP MEDICAL GROUP LLC 8490 PICARDY AVENUE BATON ROUGE, LA 70809 45-3063914	PHYSICIAN CLINIC	LA	GENERAL HEALTH SYSTEM MANAGEMENT	C	-264,265	618,900	100 000 %		No
GHS STAFFING SERVICES LLC 8490 PICARDY AVENUE BATON ROUGE, LA 70809 45-3058006	STAFFING SVCS	LA	GENERAL HEALTH SYSTEM MANAGEMENT	C	17,508	488,781	100 000 %		No
BR GENERAL LAB SERVICES LLC 8490 PICARDY AVENUE BATON ROUGE, LA 70809 46-1735706	DORMANT CORP	LA		C			100 000 %		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
SEE PART VII FOR ADDITIONAL SCHEDULE R INFORMATION			
BATON ROUGE GENERAL MEDICAL CENTER #72-1025017			FAIR MKT VALUE
GENERAL HEALTH SYSTEM FOUNDATION #74-0801335			FAIR MKT VALUE
BATON ROUGE GENERAL PHYSICIANS INC #72-1245632			FAIR MKT VALUE
HOSPITAL MEDICINE GROUP INC #20-3720898			FAIR MKT VALUE
BATON ROUGE GENERAL PHYSICIANS HOSPITAL SPECIALISTS INC # 20-3756738			FAIR MKT VALUE
BATON ROUGE GENERAL PHYSICIANS SERVICES INC # 20-3756691			FAIR MKT VALUE

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172

2013

Attachment
Sequence No **179**

Name(s) shown on return
GENERAL HEALTH SYSTEM

Business or activity to which this form relates
FORM 990 PAGE 10

Identifying number

72-0475545

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost	
7	Listed property Enter the amount from line 29	7		
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8		
9	Tentative deduction Enter the smaller of line 5 or line 8	9		
10	Carryover of disallowed deduction from line 13 of your 2012 Form 4562	10		
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11		
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12		
13	Carryover of disallowed deduction to 2014 Add lines 9 and 10, less line 12	13		

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2013	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B—Assets Placed in Service During 2013 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2013 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (see instructions.)

21	Listed property Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V

Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)
Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? <input type="checkbox"/> Yes <input type="checkbox"/> No						24b If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No		
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation/ deduction	(i) Elected section 179 cost
25Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						25		
26 Property used more than 50% in a qualified business use								
1231	1999-01-01		17,580					
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1						28		
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1							29	

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

30 Total business/investment miles driven during the year (do not include commuting miles)	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
31 Total commuting miles driven during the year												
32 Total other personal(noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions)

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2013 tax year (see instructions)					
43 Amortization of costs that began before your 2013 tax year				43	
44 Total. Add amounts in column (f) See the instructions for where to report				44	

GENERAL HEALTH SYSTEM

Consolidated Financial Statements
and
Audit Reports and Schedules Related to
Office of Management and Budget Circular A-133

Years Ended September 30, 2014 and 2013

GENERAL HEALTH SYSTEM

For the Years Ended September 30, 2014 and 2013

Contents

Independent Auditor's Report	1 - 3
-------------------------------------	-------

Consolidated Financial Statements

Consolidated Balance Sheets	4
Consolidated Statements of Operations	5
Consolidated Statements of Changes in Net Assets	6
Consolidated Statements of Cash Flows	7
Notes to Financial Statements	8 - 41

Supplemental Information

Consolidating Balance Sheets	43 - 44
Consolidating Statements of Operations	45 - 46

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	47 - 48
--	---------

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by OMB Circular A-133 and the Consolidated Audit Guide for Audits of HUD Programs	49 - 51
--	---------

Schedule of Expenditures of Federal Awards	52
Notes to Schedule of Expenditures of Federal Awards	53 - 54
Schedule of Findings and Questioned Costs	55 - 56

Independent Auditor's Report

To the Board of Trustees
General Health System

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of General Health System (the System) which comprise the consolidated balance sheets as of September 30, 2014 and September 30, 2013, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to error or fraud

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of General Health System as of September 30, 2014 and September 30, 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying schedule of expenditures of federal awards as required by the Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating balance sheets as of September 30, 2014 and September 30, 2013, and the consolidating statements of operations for the years then ended are presented for the purpose of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2015, on our consideration of General Health System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering General Health System's internal control over financial reporting and compliance.

A handwritten signature in cursive script, appearing to read "LaPorte".

A Professional Accounting Corporation

Metairie, LA
January 22, 2015

GENERAL HEALTH SYSTEM
Consolidated Balance Sheets
September 30, 2014 and 2013

	2014	2013
	(In Thousands)	
Assets		
Current assets		
Cash and cash equivalents	\$ 19,794	\$ 87,711
Short-term investments	91,314	40,294
Patient accounts receivable, net (Note 1)	49,470	38,295
Inventories	7,297	6,670
Prepaid expenses and other assets	10,273	10,590
Total current assets	178,148	183,560
Assets whose use is limited	19,475	29,738
Assets restricted by donors or grantors for specific purposes	4,026	3,637
Other assets	12,211	11,745
Property, plant and equipment, net	226,531	207,856
Total assets	\$ 440,391	\$ 436,536
Liabilities and net assets		
Current liabilities		
Trade accounts payable	\$ 27,907	\$ 27,660
Accrued expenses	13,889	14,298
Amounts due to contractual third-party payors	2,968	2,758
Current portion of self-insurance reserves	8,001	9,127
Current portion of long-term debt	9,701	12,072
Total current liabilities	62,466	65,915
Self-insurance reserves, less current portion	3,672	3,967
Long-term debt, less current portion	204,285	214,045
Other noncurrent liabilities	7,011	6,905
Total liabilities	277,434	290,832
Net assets		
Unrestricted	158,932	142,067
Temporarily restricted	3,818	3,431
Permanently restricted	207	206
Total net assets	162,957	145,704
Total liabilities and net assets	\$ 440,391	\$ 436,536

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

GENERAL HEALTH SYSTEM
Consolidated Statements of Operations
Years Ended September 30, 2014 and 2013

	2014	2013
	<i>(In Thousands)</i>	
Unrestricted revenues, gains and other support		
Net patient revenue	\$ 411,364	\$ 376,746
Provision for bad debts	(18,526)	(9,173)
Net patient revenue after provision for bad debts	392,838	367,573
Investment income (loss)	3,044	(134)
Other revenue	45,584	44,684
Transfers to restricted	(18)	-
Net assets released from restrictions	272	155
Total revenues, gains and other support	441,720	412,278
Expenses		
Salaries, wages, and benefits	213,126	205,243
Supplies and other expenses	187,931	167,124
Depreciation and amortization	14,590	15,211
Interest expense	6,752	7,797
Total expenses	422,399	395,375
Operating income	19,321	16,903
Nonoperating loss (Note 7)	(64)	(15,731)
Excess of revenues over expenses	\$ 19,257	\$ 1,172

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

GENERAL HEALTH SYSTEM
Consolidated Statements of Changes in Net Assets
Years Ended September 30, 2014 and 2013

	2014	2013
	<i>(In Thousands)</i>	
Unrestricted net assets		
Excess of revenues over expenses	\$ 19,257	\$ 1,172
Charge from minimum pension liability	(2,732)	8,892
Net assets released from restrictions - capital	340	766
Increase in unrestricted net assets	<u>16,865</u>	<u>10,830</u>
Temporarily restricted net assets		
Contributions	981	871
Transfers from unrestricted	18	-
Net assets released from restrictions	(612)	(921)
Increase (decrease) in temporarily restricted net assets	<u>387</u>	<u>(50)</u>
Permanently restricted net assets		
Interest	1	-
Increase in permanently restricted net assets	<u>1</u>	<u>-</u>
Increase in net assets	17,253	10,780
Net assets, beginning of year	145,704	134,924
Net assets, end of year	<u>\$ 162,957</u>	<u>\$ 145,704</u>

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

GENERAL HEALTH SYSTEM
Consolidated Statements of Cash Flows
Years Ended September 30, 2014 and 2013

	2014	2013
	<i>(In Thousands)</i>	
Cash flows from operating activities		
Change in net assets	\$ 17,253	\$ 10,780
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	14,590	15,211
Gain from disposal of assets	(9)	(12)
Charge from minimum pension liability	2,732	(8,892)
Amortization of bond premium	-	(4,571)
Provision for bad debts	18,526	26,838
(Increase) decrease in operating assets		
Patient accounts receivable	(29,701)	(28,008)
Inventories, prepaid expenses and other current assets	(310)	(4,776)
Other assets	(2,491)	9,863
(Decrease) increase in operating liabilities		
Trade accounts payable and accrued expenses	(162)	3,924
Accrued self-insurance reserves	(1,421)	(76)
Amounts due to contractual third-party payors	210	586
Other noncurrent liabilities	106	(7,983)
Net cash provided by operating activities	19,323	12,884
Cash flows from investing activities		
Purchases of property, plant, and equipment	(33,043)	(32,590)
Decrease in assets whose use is limited	10,263	35,193
(Increase) decrease in assets restricted by donors for specific purposes	(389)	50
Proceeds from disposal of assets	9	12
Purchases of investments	(51,949)	(40,600)
Net cash used in investing activities	(75,109)	(37,935)
Cash flows from financing activities		
Proceeds from debt financing	-	175,653
Principal payments on outstanding debt	(12,131)	(188,931)
Net cash used in financing activities	(12,131)	(13,278)
Net decrease in cash and cash equivalents	(67,917)	(38,329)
Cash and cash equivalents at beginning of year	87,711	126,040
Cash and cash equivalents at end of year	\$ 19,794	\$ 87,711
Supplemental disclosure of cash flow information		
Cash paid during the year for		
Interest, net of amount capitalized	\$ 6,752	\$ 10,106

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

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 1. Significant Accounting Policies

Organization

General Health System (the System) is a private, community-owned, nonprofit health care system located in Baton Rouge, Louisiana. The System primarily provides health care services, including primary care, acute care, rehabilitative services, skilled nursing care, and psychiatric services, all of which are designed to meet the health care needs of the southeast Louisiana area.

Basis of Presentation and Principles of Consolidation

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The consolidated financial statements include the accounts of the System and its' directly and indirectly owned entities supported by the System. Those entities primarily include Baton Rouge General Medical Center (BRGMC), which provides substantially all of the System's health care services, General Health System Foundation (Foundation) and Behavioral Health Inc. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

The significant estimates affecting the System's net patient service revenue and provision for bad debts relate to the allowance for uncollectible accounts, provision for contractual discounts, and provision for retroactive adjustments under third-party payor arrangements. Differences between original estimates and subsequent revisions are included in the consolidated statement of operations in the period in which the differences become known. These revisions decreased net patient service revenue by approximately \$1,040,000 and \$163,000 in 2014 and 2013, respectively.

Cash Equivalents and Investments

Cash equivalents include investments in money market accounts and highly liquid investments with original maturities of three months or less when purchased, excluding amounts whose use is limited by Board designation, under trust agreements, or amounts pledged to third parties. Investments that can be readily traded are considered current assets.

Inventories

Inventories are valued at the latest invoice price. This method approximates the lower of cost (first-in, first-out method) or market.

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 1. Significant Accounting Policies (Continued)

Assets Whose Use is Limited

Several funds were established concurrent with the issuance of tax-exempt debt. Trustees maintain the capital improvement and debt retirement funds, which include cash, investments, and accrued interest receivable, as special trust accounts for the benefit and security of the holders and owners of the debt. The limited use assets as of September 30 are as follows:

	2014	2013
	<i>(In Thousands)</i>	
Capital improvement funds	\$ 2,411	\$ 14,918
Debt retirement funds	16,914	14,695
Other restricted assets	150	125
	<u>\$ 19,475</u>	<u>\$ 29,738</u>

Property, Plant and Equipment

All property, plant and equipment acquisitions are recorded at cost, except for donated assets, which are recorded at fair market value on the date of donation. Any interest expense incurred on funds acquired to be used for the construction of assets is capitalized and included in construction in process during the construction phase. After construction is complete, the capitalized interest is transferred along with the other costs to the asset to be depreciated. Capital leases are recorded at the present value of future minimum lease payments, and the related amortization is included in depreciation and amortization expense in the consolidated statements of operations. Depreciation of plant and equipment is calculated using the straight-line method over the estimated useful lives of the assets. Estimated useful lives of the assets range from 3 to 40 years.

Fair Values

The System follows ASU 2011-04, regarding disclosure requirements about recurring and non-recurring fair value measurements, including significant transfers into and out of Level 1 and Level 2 fair value measurements, and information on purchases, sales, issuances, and settlements on a gross basis in the reconciliation of Level 3 fair value measurements. It also clarifies existing fair value disclosures about the level of disaggregation and about inputs and valuation techniques used to measure fair value.

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

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

Investments Fair values, which are the amounts reported in the consolidated balance sheets, are based on quoted market prices, if available, or estimated using quoted market prices for similar securities.

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 1. Significant Accounting Policies (Continued)

Fair Values (Continued)

Assets limited as to use: These assets consist primarily of cash and short-term investments and interest receivable. The carrying amount reported in the consolidated balance sheets is fair value.

Accounts payable and accrued expenses: The carrying amount reported in the consolidated balance sheets for accounts payable and accrued expenses approximates its fair value.

Estimated third-party payor settlements: The carrying amount reported in the consolidated balance sheets for estimated third-party payor settlements approximates its fair value.

Long-term debt: Fair values of the System's revenue notes are based on current traded values. The fair value of the Hospital's remaining long-term debt is estimated using discounted cash flow analyses, based on the System's current incremental borrowing rates for similar types of borrowing arrangements.

The carrying amounts and fair values of the System's financial instruments at September 30 are as follows (in thousands):

	2014		2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 19,794	\$ 19,794	\$ 87,711	\$ 87,711
Short-term investments	\$ 90,052	\$ 91,314	\$ 38,486	\$ 40,294
Assets limited as to use, less current portion	\$ 19,475	\$ 19,475	\$ 29,738	\$ 29,738
Assets restricted by donors or grantors	\$ 4,026	\$ 4,026	\$ 3,637	\$ 3,637
Accounts payable and accrued expenses	\$ 41,796	\$ 41,796	\$ 41,958	\$ 41,958
Estimated third-party payor settlements	\$ 2,968	\$ 2,968	\$ 2,758	\$ 2,758
Long-term debt	\$ 213,986	\$ 171,382	\$ 226,117	\$ 181,048

Debt Issuance Costs and Bond Issue Premium

Deferred debt issuance costs and original issue premium on the System's revenue bonds are being amortized over the terms of the bonds using the bonds outstanding method.

Self-Insurance Liabilities

The System follows ASU 2010-24, *Health Care Entities (Topic 954): Presentation of Insurance Claims and Related Insurance Recoveries*, in regards to its presentation of claims liabilities.

The System is self-insured up to certain amounts for employee health, malpractice, general liability, and workers' compensation claims. The System participates in the Louisiana Patients Compensation Fund, which limits the System's exposure to malpractice losses. The System limits exposure to general liability and workers' compensation claims through indemnity insurance purchased in the commercial market, which includes specific loss and aggregate limit thresholds.

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 1. Significant Accounting Policies (Continued)

Self-Insurance Liabilities (Continued)

The liabilities recorded represent management's best estimate of the ultimate unpaid cost of all reported and unreported claims incurred, including legal costs. The medical malpractice and workers' compensation claims estimates are based on actuarial projections of the historical loss development of claims incurred but not reported and case-basis estimates of claims reported prior to the end of the period. These estimates are continually reviewed and adjusted, as necessary, as experience develops or new information becomes known, such adjustments are included in current operations.

Accounting for Pension Plans

The System recognizes the overfunded or underfunded status of its pension plan as an asset or liability in its consolidated balance sheets. Changes in the funded status of the pension plan are reported as a change in unrestricted net assets presented below the excess of revenues over expenses financial statement line item in the consolidated statements of changes in net assets in the year in which the changes occur.

Unrestricted Net Assets

Unrestricted net assets are those whose use by the System is unlimited and not subject to a donor's restriction as to its use. Included in unrestricted net assets are amounts that have been designated by the Board for specified purposes.

Temporarily Restricted Net Assets

Temporarily restricted net assets are those whose use by the System has been limited by donors to a specific purpose. Temporarily restricted net assets are held primarily by General Health System Foundation and are available for the following purposes at September 30:

	2014	2013
	<i>(In Thousands)</i>	
Restricted for a specific purpose	\$ 3,097	\$ 2,750
Medical education	596	560
Employee assistance program	125	121
	<u>\$ 3,818</u>	<u>\$ 3,431</u>

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 1. Significant Accounting Policies (Continued)

Permanently Restricted Net Assets

Permanently restricted net assets are those whose use of corpus amounts by the System is prohibited by the donors' request. In most cases, the earnings on these permanently restricted net assets are temporarily restricted and use of is limited by the donors' specific purpose. Permanent restrictions of net assets are as follow for the year ended September 30.

	2014	2013
	(In Thousands)	
Endowments	\$ 207	\$ 206
	\$ 207	\$ 206

The *Not-for-Profit Entities* Topic of the FASB ASC provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). Management has considered the disclosures required under UPMIFA and determined that the additional disclosures are unnecessary due to the immaterial amount of the endowments.

Revenue, Gains, and Losses

The System's mission is to provide a broad range of innovative health care services delivered in a caring, consumer-oriented, and cost-effective manner through a quality-driven system. As such, activities related to this purpose are classified as revenue.

Revenue is generated from direct patient care, related support services, and other revenue related to the operation of the System. In addition, earnings on interest-bearing deposits and marketable securities that are used in conjunction with providing health care services are reported as operating revenue. Other activities that result in gains or losses unrelated to the System's primary mission are reported as non-operating gains or losses.

Net Patient Service Revenue and Related Receivables

The System, through certain subsidiaries and affiliates, has entered into agreements with third-party payors, including government programs and managed health care plans, under which the System is compensated for care based upon established charges, the cost of providing services, predetermined rates per diagnosis, fixed per diem rates, or discounts from established charges.

Net patient service revenue is reported at the estimated net realizable amounts due from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. The allowance for uncollectable accounts at September 30, 2014 and 2013 was approximately \$50,352,000 and \$38,829,000, respectively.

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 1. Significant Accounting Policies (Continued)

Net Patient Service Revenue and Related Receivables (Continued)

Retroactively calculated contractual adjustments arising under reimbursement agreements with third-party payors are accrued on an estimated basis in the period the related services are rendered and adjusted as final settlements are determined. Actual results could differ from those estimates.

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, and reimbursement for patient services. Government activity has continued with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the System is in compliance with applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

To ensure accurate payments to providers, the Tax Relief and Healthcare Act of 2006 mandated the Centers for Medicare & Medicaid Services (CMS) to implement Recovery Audit Contractor (RAC) and Medicaid Integrity Contractor (MIC) programs on a permanent and nationwide basis. The program uses RACs and MICs to search for potentially improper Medicare and Medicaid payments that may have been made to health care providers that were not detected through existing CMS program integrity efforts, on payments that have occurred at least one year ago but not longer than three years ago. Once a RAC or MIC identifies a claim it believes to be improper, it makes a deduction from the provider's Medicare or Medicaid reimbursement in an amount estimated to equal the overpayment.

The System will deduct from revenue amounts assessed under the RAC and MIC audits at the time a notice is received until such time that estimates of net amounts due can be reasonably estimated. Management has evaluated the System's experience with RAC and MIC audits and believes that the financial statements are fairly presented. Management has accrued a reserve of \$528,000 related to the ongoing RAC and MIC audits. Actual results could differ from these estimates.

Excess of Revenues over Expenses

The consolidated statements of operations include the excess of revenues over expenses. Changes in unrestricted net assets, which are excluded from excess of revenues over expenses, consistent with industry practice, include contributions used to acquire property and equipment and pension related changes other than net periodic pension costs.

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 1. Significant Accounting Policies (Continued)

Income Tax Status

The System, BRGMC, the Foundation and Behavioral Health, Inc are not-for-profit organizations as described in Internal Revenue Code Section 501(c)(3) and are exempt from federal income taxation under Internal Revenue Code Section 501(a). All other consolidated corporations/LLCs are for-profit entities electing to be taxed under Internal Revenue Code Sub-Chapter C. Income tax expense for these entities is insignificant and is included in the consolidated statement of operations under supplies and other expenses.

Advertising

The System's policy is to expense advertising costs as the costs are incurred. Advertising costs for the years ended September 30, 2014 and 2013, were approximately \$2,040,000 and \$1,728,000, respectively.

Reclassifications

Certain reclassifications have been made to the prior year balances in order to comply with current year presentation.

Note 2. Community Benefits - Unaudited

The System provides healthcare services to patients who are economically disadvantaged and medically underserved. These patients generally cannot afford health care because of either inadequate resources or they are uninsured.

See Note 3 for a discussion of the System's charity care.

Beginning in the late 1980s BRGMC recognized the need for a proactive and aggressive approach to the challenges of crime and deterioration in the Mid City neighborhoods surrounding its flagship hospital, Baton Rouge General Medical Center – Mid City. As a result, The System helped establish the Mid City Redevelopment Alliance (MCRA), a separate not-for-profit 501(c) 3 organization with a sole mission of revitalization and renewal of the heart of Baton Rouge. MCRA is focused on economic development, home ownership and community vitality in the Mid City area. This initiative has increased merchants in the area by over 150, has repaired more than 250 houses, businesses, non-profit agencies and schools, and has increased home ownership in the area to 40%. The System continues to provide funding to support MCRA's various community programs to improve the quality of life in the central urban core of Baton Rouge.

The System also recognizes the critical role of education in creating a more positive future for individuals and cultivating future clinician leaders. Through its robust training and education programs, BRGMC annually trains approximately 500 medical students, residents, fellows, nurses, pharmacists, physician assistants, nurse practitioners, certified registered nurse anesthetists, and radiation technologists.

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 2. Community Benefits - Unaudited (Continued)

BRGMC operates the Baton Rouge General Medical Center School of Nursing and the School of Radiologic Technology and provides trained healthcare professionals to the Baton Rouge community. In response to the community need for registered nurses, BRGMC has increased the class size of its School of Nursing. BRGMC also has a PharmD program through the University of Louisiana-Monroe School of Pharmacy.

BRGMC is a Council of Teaching Hospital accredited community-based teaching hospital. BRGMC has accredited residency programs in family medicine and internal medicine as well as a fellowship program in primary care sports medicine. This commitment to graduate medical education (GME) is important to both Baton Rouge and the State of Louisiana. BRGMC has been active in GME for many years, working with the Louisiana State University School of Medicine (LSU) to enhance the quality of healthcare through medical education programs. BRGMC has collaborated with LSU in training physician residents in a variety of specialties, including internal medicine, emergency medicine and general surgery. In addition, BRGMC provides training for Tulane University anesthesiology residents.

BRGMC is also a satellite training campus for Tulane University medical students and is the first Tulane University School of Medicine satellite training campus outside of New Orleans. Officially titled the Baton Rouge LEAD (Leadership, Education, Advocacy, and Discovery) Academy, the program is based on BRGMC's Mid City campus. In the program, Tulane medical students spend their third and fourth year clinical rotations in Baton Rouge. BRGMC physicians serve as faculty members and mentor the students. Since the program was established in May 2010, 19 medical students have graduated from the program. The upcoming third and fourth year classes of medical students have grown and many of the program's graduates have remained in Louisiana for their residency training.

Beyond ensuring access to high quality healthcare, BRGMC's medical education programs also help support viable communities across Louisiana through ancillary jobs and allied industry, as well as creating an economic halo that helps sustain local businesses. The economic impact of BRGMC's physician residents upon graduation is over \$63 million and 252 full-time jobs annually.*

**Source: The Economic Impact of Baton Rouge General's Mid City Campus, Tripp Umbach, 2012*

Another unique program to BRGMC is its Regional Burn Center (Burn Center), recognized by the American Burn Association as the only burn center in southern Louisiana and, therefore, BRGMC provides critical burn care services to patients in the entire Gulf Coast region and petro-chemical corridor. The Burn Center's comprehensive range of services includes education and prevention programs for the patient, family, and community, with specific programs for work-related burn prevention and treatment. Burn treatment procedures use a team approach to care that involves physicians, nurses, occupational and physical therapists, clinical dietitians, respiratory therapists, and social and pastoral care. The "Burn Camp" and the "Recovering Burn Support Group" are two examples of post-acute-care programs developed by the Company to meet the rehabilitative and psychosocial needs of this unique patient population.

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 2. Community Benefits - Unaudited (Continued)

In addition, the System, through BRGMC, also provides many free health screenings, health fairs and programs encouraging community wellness. Overall, for FY2014, approximately 2,889 people signed up to participate in seminars, screenings, and health events. These health events and educational programs included:

- Free resources and support groups for cancer patients led by clinical experts, including breast cancer, lymphedema, pancreatic cancer, and prostate cancer support groups, as well as specialized wellness and exercise classes for cancer survivors. Volunteer support for these classes and groups is valued at more than \$3,000.
- Preoperative classes, including classes on joint replacement and spine surgery, to members of the community that are designed to help ease fear and anxiety related to having a surgical procedure and to educate them on what to expect during and after surgery. Volunteer support for these courses for FY2014 is valued at \$670.
- Through a specialized Healthy Heart Club, a cardiac reconditioning program, an ongoing rehabilitation maintenance program in which the former cardiac patients and community members can exercise in the hospital's gym under the supervision of certified therapists and nutritionists.
- Tours of our birth center and birth and baby classes to expectant parents that include childbirth preparation, breastfeeding basics, baby care basics, and CPR for friends and family. The tours and courses are led by clinicians and experts, and volunteer support for these classes and educational events for FY2014 is valued at approximately \$12,250.
- Through the Womack Heart Center and Pennington Cancer Center, a 5-week, comprehensive Smoking Cessation Program several times a year to help aid smokers quit and to address real issues surrounding the lifestyle of a smoker. The overall facility support for these classes for FY2014 is valued at \$30,000.
- Free, monthly Surgical Weight Loss Seminars to members of the community interested in learning more about obesity and options for medically managed weight loss, including surgery. BRGMC also offers support groups for patients who are considering or have undergone weight loss surgery. Volunteer support for these seminars and groups for FY2014 is valued at \$1,800.
- Recognizing the importance of programs that support the emotional well-being of patients and maintaining its Arts in Medicine program, bringing the arts to patients, visitors and community members through painting, crafts and music as well as free live musical concerts each week that are open free to the community. The arts offer therapeutic benefits, encouragement and hope during treatment and recovery. Since the program began in 2012, it has touched the lives of more than 7,000 patients, families, visitors and staff, and 130 concerts have been hosted.

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 2. Community Benefits - Unaudited (Continued)

- Providing free community health screenings to aid in early detection, led by physicians and other clinical experts
 - Providing two free skin cancer screenings and screened a total of 141 participants Volunteer support for these events is valued at more than \$4,000
 - Providing a free vascular screening series that included four vascular screening events and screened a total of 245 participants Volunteer support for these events is valued at more than \$4,900
- Serving as a corporate sponsor of the Susan G Komen Race for the Cure and the volunteer support for this event is valued at approximately \$870
- Supporting Cancer Services of Greater Baton Rouge, a community based agency that provides financial, emotional, educational support for cancer patients and their families In 2014, BRGMC was a corporate sponsor and participated in the organization's Capitol Chef Showcase, a fundraising event that supports programs and services for children and adults in the Baton Rouge area coping with cancer Volunteer support for this event is valued at \$480
- Hosting "Life's a Canvas", a free cancer awareness and interactive painting event for the community, which featured physicians and clinicians who spoke on different types of cancers, as well as interacted with event attendees at their tables to answer health and cancer questions during the event The event was attended by more than 300 people, and volunteer support for the event is valued at more than \$1,100
- Hosting an educational luncheon for Greater Baton Rouge area emergency services technicians and first responders led by a physician and other clinical experts Volunteer support for this seminar is valued at \$618
- Serving as the main corporate sponsor of the American Heart Association's Go Red for Women Luncheon BRGMC provided education activities that promoted heart health awareness and also had physician experts on hand to answer heart health questions at the event Volunteer support for this event is valued at more than \$1,100
- Participating as a corporate sponsor of the American Heart Association's Heart Walk Volunteer support for this event is valued at approximately \$230
- Participating in the Gloryland Health Fair, a local community event to promote healthy families, and provided information about programs and wellness tools Volunteer support for this event is valued at approximately \$580
- Sponsoring the Mayor's Family Fit Day, an event hosted by the city of Baton Rouge, to promote health and fitness for families BRGMC participated and offered healthy, fun activities for parents and children at the event Volunteer support for this event is valued at approximately \$800

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 2. Community Benefits - Unaudited (Continued)

- Offering a free e-wellness health tool to enhance primary care and early detection as well as support the overall health of the community. The tool provides a customized annual email reminder with suggested screenings and topics (based on age and gender) to discuss with their physicians. For FY2014, 1,553 people signed up for the e-wellness tool.
- Publishing a free community newsletter, Health Matters, which provides healthy recipes, nutrition, fitness and wellness tips as well as expert advice from clinicians and physicians on a wide range of health conditions and diseases. The newsletter gained 2,317 new subscribers in FY2014.
- Launching a new online health risk assessment tool that is provided free to the community. This digital health tool allows community members to receive a free health profile that helps them identify potential risk factors for major health conditions, including breast cancer, colon cancer, diabetes and heart disease. To date, more than 400 people have accessed this online tool.
- Using its social media platforms, Facebook and Twitter, to encourage healthy behaviors through responsible messaging with health information and wellness tips, such as nutrition and fitness videos. In FY2014, BRGMC gained 11,312 new Facebook & Twitter followers.
- Participating as a corporate sponsor of the "Walk from Obesity", providing information on wellness programs and weight loss options. Volunteer support for this event is valued at more than \$540.
- In collaboration with other area hospitals, providing medical support for participants at the Louisiana Marathon event. Physicians, physician residents and nurses volunteered their expertise to provide medical support. Volunteer support for this event is valued at approximately \$2,900.
- Offering free wellness classes for the community focused on the special needs of seniors, including fitness, nutrition and safety classes for seniors and caregiver support groups. The overall value of facility and volunteer support for these classes in FY2014 is more than \$29,700.
- Participating as a major corporate sponsor of Pennington Biomedical Research Center's 2nd Annual Parkinson's Conference, an education event for community members living with Parkinson's disease and their families and caregivers. BRGMC provided information on rehabilitation and physical medicine services for the community. Volunteer support for this event is valued at more than \$575.

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 3. Third-Party Reimbursement

The System has agreements with third-party payors that provide for payments to the System at amounts different from established rates. The primary third-party programs include Medicare and Medicaid, which account for a significant amount of the System's revenue. A summary of the payment arrangements with major third-party payors follows:

Medicare - The System is paid for inpatient and outpatient acute care services rendered to Medicare program beneficiaries under prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Final settlement is determined after submission of the System's annual cost reports and audits thereof by the Medicare fiscal intermediary.

The System's Medicare cost reports have been audited by the Medicare fiscal intermediary through September 30, 2009.

Medicaid - Inpatient care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per day. Certain outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The System is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the System and audits thereof by the Medicaid fiscal intermediary.

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

During the years ended September 30, 2014 and 2013, approximately 44% and 40%, respectively, of consolidated net patient service revenue was derived from Medicare and Medicaid program beneficiaries. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

The System has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment under these agreements includes prospectively determined rates-per-discharge, discounts from established charges and prospectively determined daily rates. The System provides healthcare services to patients who are economically disadvantaged and medically underserved. These patients generally cannot afford health care because of either inadequate resources or they are uninsured.

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 3. Third-Party Reimbursement (Continued)

For patients who meet certain criteria under the System's charity care policy, care is provided without charge or at amounts that are less than established rates. Benefits to the indigent also include charges foregone and costs in excess of government payments for services provided to Medicaid beneficiaries. Technological advances offered at BRGMC for many patient care services have increased both the options and the cost of "appropriate" care.

The System also commits significant time and resources to others who may not qualify as indigent, but who still require special services and support. These benefits include charges foregone and costs in excess of government payments for care provided to Medicare beneficiaries.

The System follows ASU 2010-23, *Health Care Entities (Topic 954): Measuring Charity Care for Disclosure*, which states that the level of charity care provided should be measured based on the health care entity's direct and indirect costs of providing charity care services. It further states that if the costs cannot be specifically attributed to services provided to charity care patients, management may estimate the costs of those services using reasonable techniques, including calculating a ratio of costs to gross charges and multiplying that ratio by the gross uncompensated charges associated with providing charity care.

A summary of charges foregone (representing charges in excess of payments) and estimated costs in excess of payments related to community benefits provided during the years ended September 30, 2014 and 2013, is as follows:

	2014		2013	
	Charges Foregone	Estimated Costs In Excess of Payments	Charges Foregone	Estimated Costs In Excess of Payments
Benefits for the indigent				
Charity care	\$ 64,413	\$ 15,118	\$ 55,063	\$ 12,359
Medicaid program services	97,683	-	107,444	-
	162,096	15,118	162,507	12,359
Other community benefits				
Medicare program services	190,326	-	182,686	-
Other community benefits	-	181	-	279
	190,326	181	182,686	279
Total quantifiable benefits	\$ 352,422	\$ 15,299	\$ 345,193	\$ 12,638

The System estimates its cost of care provided under its charity care programs by applying a ratio of direct and indirect costs to charges to gross uncompensated revenue associated with providing care to charity patients.

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 3. Third-Party Reimbursement (Continued)

In 2014, the System updated its charity care calculation based on the historical collection percentages for non-insured patients. The above chart shows the 2013 charity as it would be under this new methodology. The new methodology resulted in an increase in the 2013 charity care by \$17,724,000. The adoption of the new methodology had no effect on the net assets of the System. The adjustment occurred between the provision for bad debts and charity care expense which both are presented as reductions to patient service revenue.

Note 4. Investments

The System's investments at September 30, 2014 and 2013 were as follows:

	2014	2013
	<i>(In Thousands)</i>	
Assets whose use is limited		
Cash and cash equivalents	\$ 2,543	\$ 14,976
Certificate of deposit	150	125
U S government and government agency obligations and mutual funds	16,782	14,637
Total assets whose use is limited	<u>19,475</u>	<u>29,738</u>
 Short-term investments		
Government securities	4,225	3,445
Exchange traded funds (ETFs)	40,630	-
Bond fund	1,243	22,057
Corporate bonds	12,972	13,667
Mortgage backed securities	830	1,125
Alternative investments	31,414	-
Total short-term investments	<u>91,314</u>	<u>40,294</u>
	<u>\$ 110,789</u>	<u>\$ 70,032</u>

See Note 1, Significant Accounting Policies, for further information about Assets whose use is limited.

Fair value measurements are based on a framework that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 4. Investments (Continued)

The three levels of the fair value hierarchy are described as follows

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the System has the ability to access
Level 2	Inputs to the valuation methodology include <ul style="list-style-type: none"> • quoted prices for similar assets or liabilities in active markets, • quoted prices for identical or similar assets or liabilities in inactive markets, • inputs other than quoted prices that are observable for the asset or liability, • inputs that are derived principally from or corroborated by observable market data by correlation or other means If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement

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

Assets measured at fair value on a recurring basis at September 30, 2014, are summarized below (in thousands) and are included on the consolidated balance sheets as assets whose use is limited and short-term investments

Assets	Level 1	Level 2	Level 3	Net Balance
Government securities	\$ 16,782	\$ 4,225	\$ -	\$ 21,007
Money market deposits	2,543	-	-	2,543
Certificate of deposit	150	-	-	150
ETFs	40,630	-	-	40,630
Corporate bonds	-	12,972	-	12,972
Mortgage backed securities	-	830	-	830
Bond fund	1,243	-	-	1,243
Alternative investments	-	18,399	13,015	31,414
Total	\$ 61,348	\$ 36,426	\$ 13,015	\$ 110,789

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 4. Investments (Continued)

Assets measured at fair value on a recurring basis at September 30, 2013, are summarized below (in thousands) and are included on the consolidated balance sheets as assets whose use is limited and short-term investments

Assets	Level 1	Level 2	Level 3	Net Balance
Government securities	\$ 14,637	\$ 3,445	\$ -	\$ 18,082
Money market deposits	14,976	-	-	14,976
Certificate of deposit	125	-	-	125
Corporate bonds	-	13,667	-	13,667
Bond fund	22,057	-	-	22,057
Mortgage backed securities	-	1,125	-	1,125
Total	\$ 51,795	\$ 18,237	\$ -	\$ 70,032

A reconciliation for the activity in Level 3 investments as of September 30, 2014 is as follows

Beginning balance	\$ -
Purchases	14,280,000
Income (loss)	(1,265,344)
Ending balance	<u>\$ 13,014,656</u>

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2014 from those used in 2013.

- Common stocks, corporate bonds and U S government securities Valued at the closing price reported on the active market on which the individual securities are traded
- Exchange Traded Funds (ETFs) Valued at the daily closing price as reported by the fund. Mutual funds held by the System are open-end mutual funds that are registered with the SEC. The NAV of an ETF is calculated in the same manner as it is for a mutual fund by summing the total assets and subtracting the total liabilities, divided by the number of shares outstanding. The NAV is the value used to compare it with other funds and to calculate performance statistics, but it may not represent the current value of an ETF, since the component prices change throughout the trading day, but the NAV is calculated only at the end of the trading day. The ETFs held by the System are deemed to be actively traded and valued at the NAV calculated at the end of the trading day.
- Certificate of Deposit Valued at cost which approximates fair value
- Alternative investments (hedge funds) Hedge funds are usually organized as limited partnerships, with the manager being the general partner who makes the investments decisions, and has a significant stake in the fund. Since hedge funds are private investment pools, securities are issued as private offerings. Valued based on the net asset value per share, without further adjustment. Net asset value is based upon the fair value of the underlying investments.

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 4. Investments (Continued)

The following schedule summarizes the investment income in the consolidated statements of operations for the years ended September 30, 2014 and 2013

	2014	2013
	<i>(In Thousands)</i>	
Dividends and interest	\$ 2,018	\$ 1,946
Net realized losses	5	(164)
Net unrealized gains (losses)	1,262	(1,808)
Investment management fees	(241)	(108)
Total investment income (loss)	<u>\$ 3,044</u>	<u>\$ (134)</u>

Fair Value of Investments that Calculate Net Asset Value

The following table summarizes investments measured at fair value based on net asset value (NAVs) per share as of September 30, 2014 and 2013, respectively (in thousands)

September 30, 2014	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Hedge Funds:				
AQR Style Premia Fund LP (CL B)		None	15th Calendar Day of Each Month or Last Business Day of Each Month	15/30 Days
(A) \$ 1,533				
Armajaro CC+ FD LTD (CL A)	(B) 840	None	Monthly	90 Days
Brev How Credit Ctlyst Fund LTD (CL A US\$)	(C) 1,587	None	Monthly	90 Days
Clinton Equity Strategies FD LTD	(D) 1,441	None	Monthly	30 Days
Cumulus Energy FD (CL A)	(E) 758	None	Monthly	30 Days
HFR RVA Harvest MLP Master Trust	(F) 2,263	None	Monthly	15 Days
Kayne Anderson Midstream Energy FD LTD	(G) 2,079	None	Monthly	30 Days
Lyxor-Balyasny Atlas Enhanced FD LTD	(H) 1,627	None	Weekly	2 Days
Lyxor-Bridgewater PAMM (CL B)	(I) 1,673	None	Weekly	2 Days
Lyxor-Sandler Plus Offshore FD (CL B)	(J) 1,009	None	Weekly	2 Days
Lyxor-Twin Offshore LTD (CL B)	(K) 1,171	None	Weekly	2 Days
Millennium International LTD	(L) 4,321	None	Quarterly	90 Days
Palmetto Fund LTD (Nephila) (CL D)	(M) 1,500	None	Quarterly	90 Days
PIMCO LN Int and CR Offshore FD LTD	(N) 5,369	None	Quarterly	60 Days
Two Sigma Abslt Rtrn Caymn Fund LTD (CL A1)	(O) 1,773	None	Monthly	30 Days
Winton Futures FD LTD (CL B)	(P) 1,426	None	Monthly	2 Days
York Credit Opp Unit Fund LTD (CL A)	(Q) 1,045	None	Annually	60 Days
	<u>\$ 31,414</u>			

September 30, 2013	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
--------------------	------------	----------------------	--	--------------------------

None

Note 4. Investments (Continued)

Fair Value of Investments that Calculate Net Asset Value (Continued)

- (A) AQR Style Premia Fund LP (the "Fund") is a feeder fund in a master-feeder structure and invests exclusively in AQR Style Premia Master Account, L P (the "Master Account"), an exempted limited partnership incorporated under the laws of the Cayman Islands. The Fund and Master Account's primary objectives are to produce high risk-adjusted returns while maintaining low-to-zero correlation to traditional markets. The Master Account pursues these goals by investing in a combination of different investment strategies that apply quantitative return forecasting models and systematic risk control methods. Each of these investment strategies is designed to (a) target positive excess returns over a cash investment, (b) target a specific controlled level of volatility and (c) exhibit low-to-zero correlation to other traditional and nontraditional markets. The Master Account will invest globally in a broad range of instruments, including without limitation, equities, currencies, futures, forwards, options, swaps and other derivative products.
- (B) The CC+ Fund is a specialist commodity fund that focuses on the coffee and cocoa markets, with the discretion to trade up to 25% of its capital in other soft and agricultural commodities. The Fund trades on registered derivative exchanges and OTC contracts and has the ability to be active in the physical markets. The Fund will trade both directional and arbitrage long or short futures positions, exchange traded options and OTC options/derivatives.
- (C) Brevan Howard Credit Catalysts Fund Limited (the "Feeder Fund") is a feeder fund in a master-feeder structure and invests exclusively in Brevan Howard Credit Catalysts Master Fund Limited (the "Master Fund"), an exempted company with limited liability which was incorporated under the Companies Law of the Cayman Islands. The investment objective of the Master Fund is to generate high absolute returns through trading and investing in financial assets in the corporate credit, mortgage-backed securities and asset-backed securities markets.
- (D) Clinton Equity Strategies Fund, Ltd (the "Fund") is a feeder fund in a master-feeder structure and invests exclusively in Clinton Equity Strategies Master Fund Ltd (the "Master Fund"), an exempted company incorporated under the laws of the Cayman Islands. The Fund and Master Fund's primary objectives are to seek capital appreciation while minimizing risk by following a trading strategy based on the Investment Manager's proprietary models. The Investment Manager's trading strategy is intended to be market-neutral and attempts to exploit and profit from pricing aberrations in the financial instruments and markets traded by the Master Fund. The Master Fund's focus will be on the trading of, and investment in, U S and non-U S equity and equity-related securities, including "new-issues" indices and convertible debt securities.
- (E) Cumulus Energy Fund, LP (the "Fund") is organized as a feeder fund and all of the Fund's assets (to the extent not retained in cash) are invested solely in the shares of Cumulus Energy Master Fund (the "Master Fund"), an open-ended multi-class exempted company incorporated with limited liability in the Cayman Islands. The Fund is a shareholder in the Master Fund together with another entity. The investment objective of the Master Fund is to achieve an enhanced risk-adjusted return from the available assets through focusing typically, but not exclusively, on opportunities arising from weather and climate events and expectations whilst seeking to minimize exposure to general market risk.

Note 4. Investments (Continued)

Fair Value of Investments that Calculate Net Asset Value (Continued)

- (F) HFR RVA Harvest MLP Master Trust is a hedge fund whose objective is to generate positive, consistent, and stable risk-adjusted returns by exploiting market inefficiencies and the fundamental mispricing of MLPs and energy infrastructure assets
- (G) Kayne Anderson Midstream Energy Fund (KMF) LTD's investment objective is to provide a high level of total return with an emphasis on making quarterly cash distributions to its stockholders. KMF invests principally in securities of companies in the Midstream/Energy Sector, consisting of (a) Midstream MLPs, (b) Midstream Companies, (c) Other MLPs and (d) Other Energy Companies. KMF anticipates that the majority of its investments will consist of equity investments in Midstream MLPs and Midstream Companies
- (H) Lyxor-Balyasny Atlas Enhanced Fund LTD is setup as a multi-class investment fund whose investment objective is to primarily achieve capital appreciation and deliver absolute returns across a number of investment strategies in all market environments
- (I) Lyxor-Bridgewater Fund LTD is setup as a multi-class investment fund to provide a competitive return by trading the global markets
- (J) Lyxor-Sandler Plus Offshore Fund Limited is a hedge fund that invests in public equity markets. It also employs long/short strategy to make its investments. Lyxor/Sandler Plus Offshore Fund Limited is domiciled in United States
- (K) Lyxor-Twin Offshore Fund Limited is setup as a multi-class investment fund to provide an event driven and risk arbitrage strategy with a merger arbitrage orientation
- (L) Millennium International LTD is the domestic feeder fund of Millennium Partner LP. Millennium USA, LP is used to receive investments made by domestic investors. Millennium Partners LP is a trading partnership engaged in the business of trading equities, fixed income products, options, futures and other financial instruments
- (M) Palmetto Fund, LTD (Nephila) is incorporated under the laws of Bermuda as an open-ended investment Company and seeks to achieve its investment objectives through investing substantially all of its investable assets in Palmetto Catastrophe Master Fund, LTD
- (N) PIMCO Loan Interests and Credit Offshore Fund Ltd is a hedge fund that invests all or substantially all of its assets in PIMCO Loan Interests and Credit Master Fund LLC" (the "Master Fund"). The Fund's and the Master Fund's investment objective is to provide enhanced risk-adjusted total return through investment primarily in high-yield instruments, including without limitation, investing in the global loan and high-yield bond markets
- (O) Two Sigma Absolute Return Cayman Fund, LTD was organized as a Cayman Islands exempted company, registered under the Cayman Islands' Mutual Funds Law. The investment objective of the Fund is to achieve absolute U.S. dollar-denominated returns primarily by combining multiple model-driven investment strategies with proprietary risk management and execution techniques
- (P) Winton Futures Fund LTD incorporated under the laws of the British Virgin Islands as an open-ended investment Company with limited liability and engages in the speculative trading and investment in international futures, options, and forward markets

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 4. Investments (Continued)

Fair Value of Investments that Calculate Net Asset Value (Continued)

(Q) York Credit Opportunities Unit Trust is a fund that invests in a Master Fund which in turn invests in long and short positions in equity and debt of companies undergoing Chapter 11 reorganization or other types of restructuring

Note 5. Investment in Subsidiary

On December 23, 2009, the System purchased a 45% interest in Baton Rouge Rehabilitation Hospital, L L C (BRRH) and Baton Rouge Rehabilitation Development, L L C (BRRD) for a purchase price of \$4,380,000. The System financed the purchase by entering into a \$4,800,000 note payable with a maturity date of March 28, 2015, which is included in the schedule of maturities within Note 7. The remaining proceeds of the note may be used as additional capital contributions as required by the operating agreement. Baton Rouge Rehabilitation Hospital is an 80 bed, Medicare certified inpatient rehabilitation hospital that offers a variety of rehabilitation services to Baton Rouge and the surrounding area. The investments in BRRH and BRRD are reported on the equity method of accounting and are included in the accompanying consolidated balance sheets as other assets.

On September 30, 2011, the System entered into a joint venture with Baton Rouge Radiology Group. The joint venture operates as Baton Rouge Radiology Imaging Center, LLC (BRRIC). The System entered into a contribution agreement whereby it contributed approximately \$3,100,000 to BRRIC for a 50% membership interest. The System financed the contribution by entering into a \$3,100,000 note payable with a maturity date of February 7, 2017, which is included in the schedule of maturities within Note 7. BRRIC will focus in the area of radiology and supporting imaging services. The investment in BRRIC is reported on the equity method of accounting and is included in the accompanying consolidated balance sheets as other assets.

On July 17, 2012, the System entered into an operating agreement to own and operate Radiation Oncology Center – Zachary (ROC-Zachary) with the Hospital Service District No. 1 of the Parish of East Baton Rouge, Louisiana, a Louisiana political subdivision d/b/a Lane Regional Medical Center, and Bayou Income Group, LLC. In accordance with its 50% membership interest, the System entered into a contribution agreement for contributions when needed. As of September 30, 2014, the System contributions to date totaled approximately \$1,234,000. The purpose of ROC-Zachary is to operate a radiation oncology center. The center opened in February 2014. The investment in ROC-Zachary is reported on the equity method of accounting and is included in the accompanying consolidated balance sheets as other assets.

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 5. Investment in Subsidiary (Continued)

These investments are summarized as follows

	2014	2013
	<i>(In Thousands)</i>	
Rehabilitation Hospital (BRRH)		
Beginning balance	\$ 1,752	\$ 1,893
Distributions	(405)	(945)
Net income (45%)	393	804
	<u>\$ 1,740</u>	<u>\$ 1,752</u>
	2014	2013
	<i>(In Thousands)</i>	
Rehabilitation Development (BRRD)		
Beginning balance	\$ 2,706	\$ 2,746
Distributions	(596)	(563)
Net income (45%)	549	523
	<u>\$ 2,659</u>	<u>\$ 2,706</u>
	2014	2013
	<i>(In Thousands)</i>	
BR Radiology Imaging Centers (BRRIC)		
Beginning balance	\$ 3,206	\$ 3,663
Distributions	(562)	(1,057)
Net income (50%)	638	600
	<u>\$ 3,282</u>	<u>\$ 3,206</u>
	2014	2013
	<i>(In Thousands)</i>	
ROC-Zachary		
Beginning balance	\$ 305	\$ -
Contributions	929	306
Net loss (50%)	(270)	(1)
	<u>\$ 964</u>	<u>\$ 305</u>
Total equity investments	<u>\$ 8,645</u>	<u>\$ 7,969</u>

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 5. Investment in Subsidiary (Continued)

Summarized financial information for entities carried under the equity method are as follows as of and for the year ended September 30, 2014

	BRRH	BRRD	BRRIC	ROC-Zachary
	<i>(In Thousands)</i>			
Total assets	\$ 4,467	\$ 6,190	\$ 4,252	\$ 2,365
Total liabilities	\$ 895	\$ 1	\$ 657	\$ 439
Equity	\$ 3,572	\$ 6,191	\$ 3,595	\$ 1,926
Net income	\$ 876	\$ 1,220	\$ 1,276	\$ (541)

Summarized financial information for entities carried under the equity method are as follows as of and for the year ended September 30, 2013

	BRRH	BRRD	BRRIC	ROC-Zachary
	<i>(In Thousands)</i>			
Total assets	\$ 5,218	\$ 6,409	\$ 4,636	\$ 898
Total liabilities	\$ 1,622	\$ 114	\$ 1,192	\$ 515
Equity	\$ 3,596	\$ 6,295	\$ 3,444	\$ 383
Net income	\$ 1,784	\$ 1,163	\$ 1,201	\$ (2)

At September 30, 2014 and 2013, the System had a receivable of approximately \$819,000 and \$1,798,000, respectively due from joint venture partners for various operating and payroll expenses, which is reported in the accompanying consolidated balance sheets as prepaid expenses and other assets

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 6. Property, Plant and Equipment

Property, plant and equipment and accumulated depreciation at September 30, 2014 and 2013, are as follows

	2014	2013
	<i>(In Thousands)</i>	
Land and land improvements	\$ 33,751	\$ 33,751
Buildings and fixed equipment	245,227	245,087
Equipment	127,674	121,492
Construction in progress	51,255	24,550
	<u>457,907</u>	<u>424,880</u>
Accumulated depreciation	(231,376)	(217,024)
	<u>\$ 226,531</u>	<u>\$ 207,856</u>

Capitalized interest of \$938,512 and \$927,150 is included in construction in progress at September 30, 2014 and 2013, respectively

Depreciation expense was approximately \$14,368,000 and \$14,888,000, for the years ended September 30, 2014 and 2013, respectively

Note 7. Long-Term Debt

Long-term debt, as presented on the consolidated balance sheets, is comprised of both bond indentures and bank debt. The bond indentures are as follows:

On December 8, 2004, the Louisiana Public Facilities Authority issued the Series 2004 Bonds, for which BRGMC is obligated. The proceeds of the Series 2004 Bonds were used in refunding previously issued bond series, together with providing funds for (a) funding a \$98.1 million capital expansion of the Bluebonnet campus, including capitalized interest during the construction period, (b) funding a debt service reserve fund, and (c) paying certain costs incurred in connection with the issuance of the bonds. These bonds were defeased on December 4, 2012.

On October 1, 2011, the Louisiana Local Government Environmental Facilities and Community Development Authority issued \$28,000,000 in Gulf Opportunity Zone Revenue Bonds, for which GHS is obligated. The proceeds of the Series 2011 Bonds are being used to construct a 106,000 square foot medical office building on the Bluebonnet campus.

On December 4, 2012, the Louisiana Public Facilities Authority, ("Series 2004 Bonds"), were defeased and new Government National Mortgage Association ("GNMA") taxable bonds were issued. The proceeds of the bonds were used for the purpose of advance refunding and defeasance of the nontaxable Series 2004 Bonds.

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 7. Long-Term Debt (Continued)

Under the terms of the bond indentures, the System is required to make certain deposits with a trustee. Such deposits are included within assets whose use is limited on the consolidated balance sheets. The bond indentures also limit the incurrence of additional borrowings and requires that certain measures of financial performance be met as long as the bonds are outstanding. Management is not aware of any noncompliance with these requirements.

A summary of both bond indentures and bank debt is summarized as follows (in thousands)

	2014	2013
Series 2011, LA Local Government Environmental Facilities and Community Development Authority-Gulf Opportunity Zone Revenue Bonds issued on behalf of General Health System (Obligor). \$28,000,000 of serial bonds, variable interest. Interest payments only until October 2013. Monthly principal and interest payments of \$250,000 through maturity at January 2023. Secured by a mortgage on medical office building which was constructed with the proceeds of issue.	\$ 27,000	\$ 28,000
Note payable with Bank for the purchase of land, original amount of \$7,786,783 with interest rate of 3% per annum, matures on July 23, 2018. Unsecured.	6,653	7,630
Notes payable with Bank, original amount of \$5,176,879 and \$10,389,891, respectively, with interest rate of 4.64% and 4.93%, respectively, per annum, matures on March 2, 2018 and December 1, 2013, respectively. Secured by security interest in equipment financed with notes payable.	-	435
Series 2008, Louisiana Public Financing Authority Revenue Bonds issued on behalf of General Health System (obligor), original principal of \$15,000,000 with interest rate of 4.00% per annum, matures on March 2, 2018. Secured by building and deposits held by trustee under indenture.	11,257	11,884
Note payable to Bank, original principal of \$4,003,403 with interest rate of 4.64% per annum, matured on December 1, 2013. Secured by security interest in equipment financed with note payable.	-	111
Notes payable to Banks, original principal of \$4,800,000 and \$3,100,000, respectively, with interest rates of 2.85% and LIBOR +2.75%, respectively, matures on March 25, 2015 and February 7, 2017, respectively. Unsecured and secured by deposits held by bank, respectively.	1,859	3,734
Note payable to Bank, original principal of \$175,983,168 with interest rate of 2.98% per annum, matures on January 1, 2033. Secured by building. Loan was issued to refinance 2004 series bonds.	164,417	171,100
Remaining principal balance from purchase of Endoscopy Center of Baton Rouge that is due April 30, 2014 with the interest rate of LIBOR at closing plus 1%. Unsecured.	-	207
Notes payable with Bank, original amount of \$2,100,000 and \$1,004,185, respectively, with interest rate of LIBOR + 1.75%, per annum, matures April 30, 2023. Secured by deposits held by Banks.	2,800	3,016
	213,986	226,117
Less principal payments due within one year	(9,701)	(12,072)
Noncurrent portion	\$ 204,285	\$ 214,045

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 7. Long-Term Debt (Continued)

The scheduled maturities of long-term debt for the next five years ending September 30th are as follows (in thousands)

2015	\$ 9,701
2016	10,576
2017	10,448
2018	21,820
2019	8,948
Thereafter	<u>152,493</u>
Total	<u>\$213,986</u>

Note 8. Employee Benefit Plans

Substantially all employees of the System are eligible to participate in the General Health System Retirement Plus Plan (the GHSRP Plan) provided they meet certain service and eligibility requirements. Newly hired, eligible employees are automatically enrolled in the GHSRP Plan within 30 days after their hire date. If employees do not specifically elect an alternative deferral amount (including zero), then as soon as administratively feasible after the end of that 30-day period, 2% of their compensation will automatically be withheld from each paycheck and deposited into a plan account in their name as a salary deferral. The GHSRP Plan also allows for voluntary contributions by employees up to 30% of their annual compensation, subject to certain limits. The System matches 50% of the employee's deferral up to 3% of annual compensation, to participants who are at least 21 years of age and have completed one year of service, defined as a 1,000 hours worked. A participant is 100% vested in the System match after completing three years of credited service. System matching contributions to the GHSRP Plan totaled approximately \$2,467,000 and \$2,485,000 for the years ended September 30, 2014 and 2013, respectively.

The System maintains sponsorship of a noncontributory, defined benefit plan covering employees who were eligible at the curtailment date of January 1, 2000. Only participants who either attained age 55 and had 5 years of credited service as of December 31, 1999, or met the "Rule of 70" as of that date, continued to earn credited service, however the Plan was effectively "frozen" January 1, 2011. As a result, participants will not receive credit for any additional Credited Service for any period after December 31, 2010.

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 8. Employee Benefit Plans (Continued)

A summary of the defined benefit plan funding status and assumptions is as follows for the years ended September 30, 2014 and 2013

	2014	2013
	<i>(In Thousands)</i>	
Projected benefit obligation at year-end	\$ 44,763	\$ 43,706
Fair value of plan assets at year-end	37,778	36,852
Underfunded status	<u>\$ (6,985)</u>	<u>\$ (6,854)</u>

The System has reflected its under-funded status at September 30, 2014 and 2013, as a component of other non-current liabilities on the consolidated balance sheet

The summary of the defined benefit plan expected and actual expenses, benefits paid and System contributions for fiscal years 2015 and 2014, are as follows

	Expected 2015	Actual 2014
Service cost	\$ 328,913	\$ 508,825
Interest cost	1,848,103	2,101,100
Expected return on assets	(2,577,247)	(2,587,766)
Net cost	<u>(400,231)</u>	<u>22,159</u>
Net prior service cost amortization	35,655	26,239
Net loss amortization	936,802	791,088
Net amortization	<u>972,457</u>	<u>817,327</u>
Net periodic benefit cost	<u>\$ 572,226</u>	<u>\$ 839,486</u>
Employer contributions	<u>\$ 3,600,000</u>	<u>\$ 3,450,000</u>
Benefits paid from plan assets	<u>\$ 2,599,658</u>	<u>\$ 4,651,512</u>

The plan had prior service cost of \$279,000 and \$227,000 and net accumulated losses of \$25,835,000 and \$23,156,000 at September 30, 2014 and 2013, respectively, with an accumulated other comprehensive income adjustment of approximately \$26,114,000 and \$23,383,000, at September 30, 2014 and 2013, respectively

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 8. Employee Benefit Plans (Continued)

Significant defined benefit plan assumptions used in actuarial calculations, which are based on historical performances and expected market and economic conditions, are as follows

	2014	2013
Weighted-average assumptions		
Discount rate	5.00%	4.00%
Expected return on plan assets	7.00%	7.00%
Expected compensation increase	N/A	N/A

The composition of plan assets at September 30, 2014 and 2013, is as follows

	2014	2013
Asset category		
Equity securities	31.70%	33.00%
Debt securities	31.50%	33.40%
Cash	4.10%	33.60%
Other	32.70%	0.00%
	<u>100.00%</u>	<u>100.00%</u>

A summary of the defined benefit plan asset allocation strategy is as follows for the year ended September 30, 2014

	Minimum	Target Average	Maximum
Asset Class:			
Equity	15%	25%	70%
Fixed income	25%	41%	85%
Real assets	0%	14%	15%
Alternative investments	0%	20%	30%
Cash and cash equivalents	0%	0%	50%

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 8. Employee Benefit Plans (Continued)

Assets measured at fair value on a recurring basis at September 30, 2014, are summarized below (in thousands)

Assets	Level 1	Level 2	Level 3	Net Balance
Cash	\$ 1,549	\$ -	\$ -	\$ 1,549
Equity Securities	11,976	-	-	11,976
Debt Securities	11,900	-	-	11,900
Other	-	12,353	-	12,353
Total	\$ 25,425	\$ 12,353	\$ -	\$ 37,778

Assets measured at fair value on a recurring basis at September 30, 2013, are summarized below (in thousands)

Assets	Level 1	Level 2	Level 3	Net Balance
Cash	\$ 12,382	\$ -	\$ -	\$ 12,382
Equity Securities	12,161	-	-	12,161
Debt Securities	12,309	-	-	12,309
Total	\$ 36,852	\$ -	\$ -	\$ 36,852

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid

Fiscal year ending September 30, 2015	\$ 5,199,315
Fiscal year ending September 30, 2016	\$ 3,504,372
Fiscal year ending September 30, 2017	\$ 3,335,356
Fiscal year ending September 30, 2018	\$ 3,245,805
Fiscal year ending September 30, 2019	\$ 3,396,788
Fiscal year ending September 30, 2020 through September 30, 2023	\$ 15,544,110

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 8. Employee Benefit Plans (Continued)

Pension Loss Amortization and Pension Settlements

The System's qualified pension plan became underfunded in 2002 primarily as a result of the weak stock market in 2001 and 2002 and subsequent declines in interest rates. This produced actuarial losses that are amortized to expense in subsequent years. Non-cash pension loss amortization was \$791,000 and \$1,030,000 in fiscal years ended September 30, 2014 and 2013, respectively.

A pension settlement charge is recorded when the total lump sum payments for a year exceed total service and interest costs recognized for that year. Lump sum payments to plan participant during the fiscal year 2014 did not exceed total service and interest costs recognized for that year.

During fiscal year 2013, 241 plan participants received lump sums totaling \$6,937,000. This triggered settlement accounting and resulted in a net periodic benefit cost of \$4,000,000, which is included as a nonoperating loss on the consolidated financial statements. These payments reduced the plan liability by \$6,982,000, resulting in a savings of \$45,000 in the pension liability. These savings from these settlements are a result of the lump sum interest rates being higher than the accounting disclosure rate of 4.00%.

On May 1, 2014, the plan was amended to allow unlimited lump sum payments.

The System will continue to review the need for lump sum distributions throughout the 2015 fiscal year.

Note 9. Contingencies and Risk Management

Malpractice claims that fall within the System's adopted policy of self-insurance (see Note 1) have been asserted against the System by various claimants. The claims are in various stages of processing and some may ultimately be brought to trial.

The accrual for malpractice and general liability self-insurance reserves totaled approximately \$4,422,000 and \$4,717,000, at September 30, 2014 and 2013, respectively, of which \$750,000 is included in current liabilities at each of those dates. Based on management's best knowledge and belief, it is the opinion of management that the ultimate resolution of malpractice claims and incidents will not have a material effect on the System's consolidated financial statements.

In addition to the malpractice and general liabilities reserves, the System has reserved for workers' compensation claims. The reserves totaled \$5,400,000 and \$5,543,000, at September 30, 2014 and 2013, respectively, all of which is included as current liabilities at each of those dates.

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 10. Insurance Programs

The Hospital is exposed to various risks of loss from torts, theft of, damage to, and destruction of assets, business interruption, errors and omissions, employee's injuries and illnesses, natural disasters, and medical malpractice

As mentioned in Note 9, the System is self-insured for medical claims up to predetermined stop-loss amounts. Claims in excess of the stop-loss amounts are insured through commercial insurance carriers. The Hospital has reflected its estimate of the ultimate liability for known and incurred, but not reported, claims in the accompanying consolidated financial statements.

The claims liabilities at September 30, 2014 and 2013, are reported if information prior to the issuance of the consolidated financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. Changes in the Hospital's claims liability amount during the past two years are reflected below (in thousands).

	2014	2013
Claims liability, beginning of year	\$ 2,834	\$ 3,000
Current year claims and changes in estimates	17,167	13,374
Current year claims payments	(18,151)	(13,540)
Claims liability, end of year	<u>\$ 1,850</u>	<u>\$ 2,834</u>

Note 11. Leases and Other Commitments

The System is required by the State of Louisiana Department of Employment and Training, Office of Workers' Compensation, to maintain a cash reserve for the self-insured workers' compensation plan. The System acquired a standby letter of credit to satisfy this requirement with an available balance of \$2,500,000 at September 30, 2014 and 2013.

The System leases medical and office equipment and office buildings under several operating leases, which expire in various years through 2019. Rental expense under operating leases totaled approximately \$2,615,000 and \$2,111,000, for the years ended September 30, 2014 and 2013, respectively.

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 11. Leases and Other Commitments (Continued)

Future minimum payments under all non-cancelable operating leases with original or remaining terms of one year or more at September 30, 2014, are as follows (in thousands)

2015	\$	2,207
2016		2,158
2017		1,232
2018		317
2019		169
Thereafter		-
Total minimum rental commitments	\$	<u>6,083</u>

Note 12. Business and Credit Concentrations

Financial instruments which potentially subject the System to concentrations of credit risk consist principally of unsecured accounts receivable and interest-bearing depository accounts in excess of federally insured limits. The System has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

The System grants credit to patients, substantially all of whom are regional residents, and generally does not require collateral or other security in extending this credit, however, the System routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans, or policies (e.g., Medicare, Medicaid, and commercial insurance policies).

The mix of receivables due from patients and third-party payors at September 30, was as follows:

	2014	2013
Medicare	19 %	21 %
Medicaid	13	19
Commercial	66	57
Private pay	2	3
	<u>100 %</u>	<u>100 %</u>

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 13. Other Operating Revenue

Other operating revenue recognized during the years ended September 30, 2014 and 2013, consists of the following (in thousands)

	2014	2013
Management fees	\$ 19,303	\$ 13,984
Cafeteria	4,579	3,281
Contributions	2,750	2,727
Rent	4,977	3,631
Training	948	965
Purchase rebates	746	1,179
Cooperative Endeavor Agreement	-	900
EHR	-	2,744
Other	12,281	15,273
	<u>\$ 45,584</u>	<u>\$ 44,684</u>

Cooperative Endeavor Agreements

The Hospital and other health care providers have collaborated with the State and units of local government in Louisiana, to more fully fund the Medicaid program and ensure the availability of quality healthcare services for the low income and needy residents in the community population. The provision of this care directly to low income and needy patients will result in the alleviation of the expense of public funds the governmental entities previously expended on such care, thereby allowing the governmental entities to increase support for the state Medicaid program up to federal Medicaid Upper Payment Limits (UPL). At September 30, 2014, Medicaid UPL payments received by the Hospital were \$40,586,000 which is recorded in net patient service revenues on the consolidated statement of revenues, as the payments related directly to patient care. At September 30, 2013, Medicaid UPL payments received by the Hospital were \$8,272,000 which is recorded in net patient service revenues on the consolidated statement of revenues, as the payments related directly to patient care. Each State's UPL methodology must comply with its State plan and be approved by the Centers for Medicare & Medicaid Services (CMS). Federal matching funds are not available for Medicaid payments that exceed UPLs. As a member of the collaborative, the System has received payments of approximately \$900,000 as of September 30, 2013 which are recognized in other revenue on the consolidated statements of operations. For the fiscal year ended September 30, 2014, no such amounts were received.

Electronic Health Records (EHR) Incentive Payments

The American Recovery and Reinvestment Act of 2009 established incentive payments under the Medicare and Medicaid programs for certain professionals and hospitals that adopt and meaningful use certified EHR technology. These incentive payments are determined based on a formula, including inputs such as charity charges and total discharges. The revenue associated with EHR incentive payments is recognized by the System when received.

For the year ended September 30, 2014, the System recognized \$-0- of revenue related to Medicaid incentive payments for EHR.

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 13. Other Operating Revenue (Continued)

Electronic Health Records (EHR) Incentive Payments (Continued)

For the year ended September 30, 2013, the System recognized \$2,744,000 of revenue related to Medicaid incentive payments for EHR. This amount was recognized in full as of the date received and is included within other operating revenues on the consolidated statement of operations.

Note 14. Functional Expenses

The System provides general health care services to residents within its geographic location. Expenses related to providing these services were as follows:

	2014	2013
	<i>(In Thousands)</i>	
Health care services	\$ 269,738	\$ 259,637
General and administrative	152,661	135,738
	<u>\$ 422,399</u>	<u>\$ 395,375</u>

Note 15. Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors (in thousands):

	2014	2013
Property and Equipment	\$ 340	\$ 766
Supplies	185	33
Patient care	33	30
Education	30	82
Nursing	19	7
Scholarships	5	3
Total amounts released from restriction	<u>\$ 612</u>	<u>\$ 921</u>

Note 16. Transfer of Net Assets

During the year ended September 30, 2014, there was a transfer from unrestricted to temporarily restricted assets that was donor directed. This transfer is shown on the consolidated statement of operations and the consolidated statements of changes in net assets.

GENERAL HEALTH SYSTEM

Notes to Consolidated Financial Statements

Note 17. Accounting for Uncertainty in Taxes

The System follows the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASB ASC. The System recognizes a threshold and measurement process for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return. The interpretation also provides guidance on recognition, derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The System's tax filings are subject to audit by various taxing authorities. The System's open audit periods are 2011 through 2013. There are currently no returns under examination. Management evaluated the System's tax positions and considered that the System had taken no uncertain tax positions that require adjustments to the financial statements to comply with the provisions of this guidance.

Note 18. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 22, 2015, and determined that there were no items requires disclosure to or changes in the financial statements.

Supplemental Information

GENERAL HEALTH SYSTEM
Consolidating Balance Sheet
September 30, 2014
(in thousands)

ASSETS

Current assets

Cash and cash equivalents
Short-term investments
Patient accounts receivable, net
Assets whose use is limited
Inventories
Prepaid expenses and other assets

Total current assets

Assets whose use is limited, less current portion

Assets restricted by donors or grantors for specific purposes

Other assets

Property and equipment, net

Total assets

LIABILITIES AND NET ASSETS

Current liabilities

Trade accounts payable
Accrued expenses
Amounts due to contractual third-party payors
Current portion of self-insurance reserves
Current portion of long-term debt

Total current liabilities

Self-insurance reserves, less current portion

Long-term debt, less current portion

Other non-current liabilities

Intercompany accounts

Total liabilities

Net Assets

Unrestricted
Temporarily restricted
Permanently restricted

Total net assets

Total liabilities and net assets

General Health System	Baton Rouge General Medical Center		Medical Diagnostic Services, Inc	General Health System Foundation		Verity Healthnet Accounts Management Services, Inc		Baton Rouge General Physicians, Inc		Gulf South Health Plans, Inc		Behavioral Health, Inc , HMS, Inc & GLC, Inc		General Health System Consolidated	
\$	11,171	\$ 6,311	\$ -	\$ 2,099	\$ -	\$ 213	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,794	\$ 19,794
	55,293	36,021	-	-	-	-	-	-	-	-	-	-	-	91,314	91,314
	-	49,446	-	-	-	94	-	-	-	-	-	(70)	-	49,470	49,470
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	7,158	-	-	-	139	-	-	-	-	-	-	-	7,297	7,297
	7,435	2,494	-	6	-	288	-	-	-	-	-	50	-	10,273	10,273
	73,899	101,430	-	2,105	-	734	-	-	-	-	-	(20)	-	178,148	178,148
	2,411	17,064	-	-	-	-	-	-	-	-	-	-	-	19,475	19,475
	-	-	-	4,026	-	-	-	-	-	-	-	-	-	4,026	4,026
	81,613	2,420	-	-	(3)	-	-	-	8,645	-	-	(80,464)	-	12,211	12,211
	79,008	146,982	88	-	-	453	-	-	-	-	-	-	-	226,531	226,531
	236,931	267,896	88	6,131	(3)	1,187	-	-	8,625	-	-	(80,464)	-	440,391	440,391
\$	18,381	\$ 9,218	\$ 9	\$ -	\$ 61	\$ 237	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ -	27,907	27,907
	2,398	9,751	-	10	-	1,158	113	-	459	-	-	-	-	13,889	13,889
	-	2,968	-	-	-	-	-	-	-	-	-	-	-	2,968	2,968
	8,000	-	-	-	-	1	-	-	-	-	-	-	-	8,001	8,001
	3,398	6,303	-	-	-	-	-	-	-	-	-	-	-	9,701	9,701
	32,177	28,240	9	10	61	1,396	113	-	460	-	-	-	-	62,466	62,466
	3,672	-	-	-	-	-	-	-	-	-	-	-	-	3,672	3,672
	46,171	158,114	-	-	-	-	-	-	-	-	-	-	-	204,285	204,285
	6,985	-	-	26	-	-	-	-	-	-	-	-	-	7,011	7,011
	(15,030)	(8,219)	8,804	-	(1,403)	26,084	(13)	(10,223)	-	-	-	-	-	-	-
	73,975	178,135	8,813	36	(1,342)	27,480	100	(9,763)	-	-	-	-	-	277,434	277,434
162,956	89,761	(8,725)	2,070	1,339	(26,293)	(100)	18,388	(80,464)	158,932						
	-	-	3,818	-	-	-	-	-	3,818						
	-	-	207	-	-	-	-	-	207						
	162,956	89,761	(8,725)	6,095	1,339	(26,293)	(100)	18,388	(80,464)	162,957					
\$	236,931	267,896	88	6,131	(3)	1,187	-	-	8,625	-	-	(80,464)	-	440,391	440,391

See Independent Auditor's Report

GENERAL HEALTH SYSTEM
Consolidating Balance Sheet
September 30, 2013
(in thousands)

ASSETS

Current assets

Cash and cash equivalents
Short term investments
Patient accounts receivable, net
Assets whose use is limited
Inventories
Prepaid expenses and other assets

Total current assets

Assets whose use is limited, less current portion

Assets restricted by donors or grantors for specific purpose

Other assets

Property and equipment, net

Total assets

LIABILITIES AND NET ASSETS

Current liabilities

Trade accounts payable
Accrued expenses
Amounts due to contractual third-party payors
Current portion of self-insurance reserves
Current portion of long-term debt

Total current liabilities

Self-insurance reserves, less current portion

Long-term debt, less current portion

Other non-current liabilities

Intercompany accounts

Total liabilities

Net Assets

Unrestricted
Temporarily restricted
Permanently restricted

Total net assets

Total liabilities and net assets

	General Health System	Baton Rouge General Medical Center	Medical Diagnostic Services, Inc	General Health System Foundation	Verity Healthnet Accounts Management Services, Inc	Baton Rouge General Physicians, Inc	Gulf South Health Plans, Inc	Behavioral Health, Inc , HMS, Inc & GLC, Inc	Eliminations	General Health System Consolidated
\$	49,633	\$ 35,930	\$ -	\$ 1,715	\$ -	\$ 433	\$ -	\$ -	\$ -	\$ 87,711
	19,452	20,842	-	-	-	-	-	-	-	40,294
	-	38,465	-	-	-	(94)	-	(76)	-	38,295
	-	-	-	-	-	-	-	-	-	-
	-	6,540	-	-	-	130	-	-	-	6,670
	7,225	2,752	-	14	-	555	-	44	-	10,590
	76,310	104,529	-	1,729	-	1,024	-	(32)	-	183,560
Assets whose use is limited, less current portion	14,918	14,820	-	-	-	-	-	-	-	29,738
Assets restricted by donors or grantors for specific purpose	-	-	-	3,637	-	-	-	-	-	3,637
Other assets	66,565	2,725	-	-	(39)	-	-	7,969	(65,475)	11,745
Property and equipment, net	65,510	141,827	88	-	-	431	-	-	-	207,856
	\$ 223,303	\$ 263,901	\$ 88	\$ 5,366	\$ (39)	\$ 1,455	\$ -	\$ 7,937	\$ (65,475)	\$ 436,536
LIABILITIES AND NET ASSETS										
Current liabilities										
Trade accounts payable	\$ 11,230	\$ 15,988	\$ 10	\$ 10	\$ -	\$ 433	\$ -	\$ 9	\$ -	\$ 27,660
Accrued expenses	2,065	9,863	-	100	-	1,449	113	708	-	14,298
Amounts due to contractual third-party payors	-	2,758	-	-	-	-	-	-	-	2,758
Current portion of self-insurance reserves	9,127	-	-	-	-	-	-	-	-	9,127
Current portion of long-term debt	4,987	7,085	-	-	-	-	-	-	-	12,072
	27,409	35,674	10	110	-	1,882	113	717	-	65,915
Self-insurance reserves, less current portion	3,967	-	-	-	-	-	-	-	-	3,967
Long-term debt, less current portion	49,628	164,417	-	-	-	-	-	-	-	214,045
Other non-current liabilities	6,854	-	-	51	-	-	-	-	-	6,905
Intercompany accounts	(10,259)	(7,797)	8,803	-	(577)	19,766	(13)	(9,923)	-	-
	77,599	192,294	8,813	161	(577)	21,648	100	(9,206)	-	290,832
Net Assets										
Unrestricted	145,704	71,607	(8,725)	1,568	538	(20,193)	(100)	17,143	(65,475)	142,067
Temporarily restricted	-	-	-	3,431	-	-	-	-	-	3,431
Permanently restricted	-	-	-	206	-	-	-	-	-	206
	145,704	71,607	(8,725)	5,205	538	(20,193)	(100)	17,143	(65,475)	145,704
Total liabilities and net assets	\$ 223,303	\$ 263,901	\$ 88	\$ 5,366	\$ (39)	\$ 1,455	\$ -	\$ 7,937	\$ (65,475)	\$ 436,536

See Independent Auditor's Report

(in thousands)

(in thousands)

45

Baton Rouge General Medical Center

See Independent Auditor's Report

**Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Independent Auditor's Report

To the Board of Trustees
General Health System

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of General Health System (a nonprofit organization) (the System) which comprise the consolidated balance sheet as of September 30, 2014, and the related consolidated statements of operations, changes in net assets, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated January 22, 2015

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the System's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether General Health System's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Board of Trustees, management, Louisiana Department of Health and Human Services, the Legislative Auditor of the State of Louisiana and federal awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaPorte".

A Professional Accounting Corporation

Metairie, LA
January 22, 2015



LaPorte, APAC,
111 Veterans Blvd Suite 600
Metairie, LA 70005
504.835.5522 | Fax 504.835.5535
LaPorte.com

**Report on Compliance for Each Major Federal Program and
Report on Internal Control over Compliance
Required by OMB Circular A-133 and the
Consolidated Audit Guide for Audits of HUD Programs**

Independent Auditor's Report

To the Board of Trustees
General Health System

Report on Compliance for Each Major Federal Program

We have audited General Health System's (the System) compliance with the types of compliance requirements described in *OMB Circular A-133 Compliance Supplement and the Consolidated Audit Guide for Audits of HUD Programs* that could have a direct and material effect on each of the System's major federal programs for the year ended September 30, 2014. The System's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the System's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the *Consolidated Audit Guide for Audits of HUD Programs* (the Guide), issued by the U.S. Department of Housing and Urban Development Office of the Inspector General. Those standards and OMB Circular A-133 and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the System's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the System's compliance.

Opinion on Each Major Federal Program

In our opinion, the System complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

Report on Internal Control Over Compliance

Management of the System is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the System's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the System's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of the Board of Trustees, management, Louisiana Department of Health and Human Services, the Legislative Auditor of the State of Louisiana and federal awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script, reading "LaPorte".

A Professional Accounting Corporation

Metairie, LA
January 22, 2015

GENERAL HEALTH SYSTEM
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2014

Grantor/Program Title/ Pass-Through Grantor's Number	Federal CFDA Number	Contract Period	Federal Expenditures
U.S. Department of Housing and Urban Development:			
Mortgage Insurance-Hospitals	14 128	10/01/13-09/30/14	\$ 164,417,092
U.S. Department of Education (Note 2):			
Student Financial Aid Cluster			
Federal Pell Grant Program	84 063	07/01/13-06/30/14	\$ 51,619
		07/01/14-12/31/14	113,975
Federal Direct Student Loans	84 268	07/01/13-06/30/14	275,424
		07/01/14-12/31/14	425,907
			<u>\$ 866,925</u>
Passed through U.S. Department of Health and Human Services:			
Louisiana Hospital Association			
Hospital Preparedness Program (HPP) and Public Health Preparedness (PHEP) Aligned Cooperative Agreements	93 074	07/01/13-06/30/14	\$ 54,809
U.S. Department of Homeland Security:			
Louisiana Governor's Office of Homeland Security and Emergency Preparedness			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97 036	10/01/13-09/30/14	\$ 50,862
Passed through U.S. Department of Health and Human Services:			
Louisiana Healthcare Quality Forum:			
Health Information Technology Regional Extension Centers Program	93 718	04/06/13 - 04/05/14	<u>\$ 11,824</u>
Total Expenditure of Federal Awards			<u><u>\$ 165,401,512</u></u>

GENERAL HEALTH SYSTEM
Notes to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2014

Note 1. Basis of Accounting

The Schedule of Expenditures of Federal Awards is prepared using the accrual basis of accounting

Complete Catalog of Federal Domestic Assistance (CFDA) numbers are presented for those programs for which such numbers were available CFDA prefixes and other identifying numbers are presented for programs for which a complete CFDA number is not available

Note 2. Disbursements Outstanding

The System participates in student loan programs guaranteed by an agency of the U S government The System is involved in determining eligibility, while a financial institution is responsible for funding the loan

All disbursements outstanding (approved but not paid) during the audit period have been included in expenditures on the Schedule of Expenditures of Federal Awards Disbursements outstanding for the Federal Pell Grant Program were \$165,594 and for the William D Ford Federal Direct Loan Program were \$701,331 at September 30, 2014

Note 3. Mortgage Insurance

The System participates in the Section 242 Program which is a loan guarantee by the Department of Housing and Urban Development (HUD) The objective of the program is to facilitate affordable financing of hospitals for the care and treatment of persons who are acutely ill or who otherwise require medical care and related services of the kind customarily furnished by hospitals HUD insures lenders against a loss on mortgages The loans may be used to finance construction, modernization, equipment, or refinancing of acute care hospitals (See Note 4 for the use of bond proceeds)

Note 4. Insured Mortgage

On December 8, 2004, the Louisiana Public Facilities Authority (the Authority) issued the Series 2004 Bonds, for which Baton Rouge General Medical Center, the mortgaged entity, is obligated The mortgaged entity's financial statements have been presented in the Consolidating Balance Sheet and Statement of Operation as Baton Rouge General Medical Center

GENERAL HEALTH SYSTEM
Notes to Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2014

Note 4. Insured Mortgage (Continued)

Concurrently with the issuance of the Bonds, the Authority entered into a Loan Agreement related to the Bonds dated as of November 1, 2004, with Baton Rouge General Medical Center. Pursuant to this Loan Agreement, the Authority lent the proceeds of the Bonds to the mortgaged entity for the purpose of providing funds, together with other available funds for (a) refunding a \$98.1 million capital expansion of the Bluebonnet Campus including capitalized interest during the construction period, (b) funding a debt service reserve fund, (c) retiring previously issued bonds, and (d) pay certain costs incurred in connection with the issuance of the Bonds. To provide a source of repayment of such loan, the mortgage entity executed a Mortgage Note and Mortgage. Payments on the Series 2004 Note and the Mortgage, together with other available funds, will be required to be sufficient to pay the principal of, premium, if any, and interest on the Bonds as they become due. HUD, acting by and through FHA, insures the advances of funds secured by the Mortgage pursuant to Section 242 of Title II of the National Housing Act.

On December 4, 2012, the Louisiana Public Facilities Authority, ("Series 2004 Bonds"), were defeased and new Government National Mortgage Association ("GNMA") taxable bonds were issued. The proceeds of the bonds were used for the purpose of advance refunding and defeasance of the nontaxable Series 2004 bonds. The Mortgage was attached to the 2012 bonds at the defeasance of the 2004 bonds.

The related bonds as of September 30, 2014 are summarized as follows (in thousands)

	2014	2013
Note payable to Bank, original principal of \$175,983,168 with interest rate of 2.98% per annum, matures on January 1, 2033. Loan was issued to refinance 2004 series bonds	\$ 164,417	\$ 171,100
	<u>\$ 164,417</u>	<u>\$ 171,100</u>

As mentioned above, proceeds from the Series 2004 Bonds were used to refund previous bond issuances that were obligations of the Hospital. Approximately, \$96,894,000 of the proceeds of the Bonds, together with other monies of the Hospital, was used to currently refund the Series 1989A Bonds, Series 1989B Bonds, Series 1992 Bonds and Series 1994 Bonds (the "Currently Refunded Bonds"), which were redeemed within ninety (90) days after the delivery of the Bonds.

A Mortgage Reserve Fund was established as a trust fund with a trustee. As of September 30, 2014, the fund had a balance of \$16,913,930, which is presented as a component of Assets Whose Use is Limited on the consolidated balance sheet.

GENERAL HEALTH SYSTEM
Schedule of Findings and Questioned Costs
Year Ended September 30, 2014

Part I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weakness(es) identified?	None Reported
Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards Section

Internal control over major programs	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with <i>Circular A -133</i> (section 510(a))?	No

Identification of Major Programs

14 128 Mortgage Insurance - Hospitals
84 063 Federal Pell Grant Program/E-P063P42691-91
84 268 William D Ford Federal Direct Loan Program

Dollar threshold used to determine Type A programs	\$300,000
Auditee qualified as low-risk auditee?	Yes

GENERAL HEALTH SYSTEM
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2014

Part II - Financial Statement Findings Section

None

Part III - Federal Award Findings and Questioned Costs Section

None