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Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations) ▶ Do not enter Social Security numbers on this form as it may be made public. By law, the IRS generally cannot redact the information on the form. ▶ Information about Form 990 and its instructions is at www.irs.gov/form990	OMB No 1545-0047 <div>2013</div> <div>Open to Public Inspection</div>

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




B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization MEMORIAL HEALTH SYSTEM GROUP		D Employer identification number 90-0756744	
	Doing Business As			
	Number and street (or P O box if mail is not delivered to street address) 701 NORTH FIRST STREET	Room/suite	E Telephone number (217) 788-3000	
	City or town, state or province, country, and ZIP or foreign postal code SPRINGFIELD, IL 62781		G Gross receipts \$ 1,440,643,060	
F Name and address of principal officer EDGAR J CURTIS 701 NORTH FIRST STREET SPRINGFIELD, IL 62781		H(a) Is this a group return for subordinates? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "No," attach a list (see instructions)		
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(c) Group exemption number 5670		
J Website: WWW.MHSIL.COM				
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		L Year of formation	M State of legal domicile	

Part I	Summary
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Activities & Governance	1 Briefly describe the organization's mission or most significant activities TO IMPROVE THE HEALTH OF THE PEOPLE AND COMMUNITIES WE SERVE		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	108
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	71
	5 Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	6,135
	6 Total number of volunteers (estimate if necessary)	6	1,697
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	9,062,387
7b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	7,950,268	6,258,308
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	728,089,507	762,563,035
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	14,183,840	20,836,975
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	19,811,394	22,922,825
		770,035,009	812,581,143
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,908,273	3,400,496
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	307,706,432	312,273,517
	16a Professional fundraising fees (Part IX, column (A), line 11e)	5,400	5,400
	b Total fundraising expenses (Part IX, column (D), line 25) <u>293,730</u>		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	407,797,159	428,284,069
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	717,417,264	743,963,482
	19 Revenue less expenses Subtract line 18 from line 12	52,617,745	68,617,661
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	935,250,593	1,045,885,419
	21 Total liabilities (Part X, line 26)	364,278,584	445,636,499
	22 Net assets or fund balances Subtract line 21 from line 20	570,972,009	600,248,920

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

Sign Here	Signature of officer				2015-08-07	
	ROBERT W KAY SR VICE PRESIDENT & CFO Type or print name and title				Date	
Paid Preparer Use Only	Print/Type preparer's name ZACHARY A FORTSCH		Preparer's signature		Date	
	Check <input type="checkbox"/> if self-employed		PTIN P00052725			
	Firm's name  MCGLADREY LLP				Firm's EIN  41-1944416	
	Firm's address  1 SOUTH WACKER SUITE 600 CHICAGO, IL 60606				Phone no (312) 634-3400	

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

Part III

Statement of Program Service Accomplishments

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

☐ ☒

1

Briefly describe the organization's mission

TO IMPROVE THE HEALTH OF THE PEOPLE AND COMMUNITIES WE SERVE

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 \$ 77,954,850 including grants of \$) (Revenue \$ 96,289,510)
	CARDIOVASCULARTHE PROGRAMS OF MEMORIAL MEDICAL CENTER'S HEART & VASCULAR SERVICES FOCUS ON REDUCING THE INCIDENCE OF CARDIAC AND VASCULAR DISEASE THROUGH PREVENTION PROGRAMS AND THE LATEST DIAGNOSTIC AND TREATMENT PROCEDURES, ITS GOAL IS TO WORK WITH PATIENTS TO ACHIEVE GREAT PATIENT OUTCOMES AND OPTIMUM LONG-TERM HEALTH IN FISCAL YEAR 2014, MEMORIALMEDICAL CENTER'S CARDIAC CATH LAB PERFORMED 3,198 HEART CATHS, 1,547 CORONARY INTERVENTIONS, 1,165 ELECTROPHYSIOLOGY (EP) PROCEDURES, AND 1,096 VASCULAR CASES RECOGNIZED AS A LEADER AND INNOVATOR IN HEART AND VASCULAR TECHNOLOGY, THE MEMORIAL HEART & VASCULAR SERVICES TEAM ALSO PERFORMED 325 CORONARY BYPASS AND VALVE SURGERIES OTHER SERVICES INCLUDE NON-INVASIVE CARDIAC AND VASCULAR TESTING, CARDIAC AND PULMONARY REHABILITATION, HEART FAILURE CLINIC, NUTRITION COUNSELING, AND SUPPORT GROUPS ONCE A PATIENT IS DIAGNOSED AND TREATED, CARDIAC AND PULMONARY REHABILITATION CARE CONTINUES UTILIZING A TEAM OF REGISTERED NURSES, EXERCISE PHYSIOLOGISTS AND SUPPORT STAFF, THREE PHASES OF REHABILITATION ARE OFFERED PHASE I OCCURS WITHIN 24 HOURS OF SURGERY, HELPING PATIENTS TO BECOME AMBULATORY AND PREPARE TO GO HOME PHASE II TAKES PLACE IN THE HOSPITAL'S EXERCISE AREA, WHERE REHABILITATION EFFORTS ARE PRESCRIBED AND CLOSELY MONITORED BY THERAPISTS, PHYSIOLOGISTS, AND OTHER TEAM MEMBERS, PHASE III HAPPENS AT THE GUS AND FLORA KERASOTES YMCA, WHERE SESSIONS ARE SUPERVISED BY A REGISTERED NURSE AND INCLUDE AEROBIC CLASSES, RECUMBENT BICYCLES, TREADMILLS, STAIR MACHINES AND WHIRLPOOLS FY14 VISITS FOR CARDIAC AND PULMONARY REHAB FOR PHASE I WERE 23,487, PHASE II WERE 10,743, PHASE III WERE 11,841 TELESCALES HOME MONITORING SYSTEM PROVIDES A TWO-WAY COMMUNICATION BETWEEN HEART FAILURE PATIENTS AND THEIR HEALTH CARE PROVIDERS AT MEMORIAL HEART AND VASCULAR SERVICES THIS SYSTEM HAS BEEN ESPECIALLY BENEFICIAL FOR OUR PATIENTS IN OUTLYING AREAS TO REDUCE THE NUMBER OF TRIPS THAT ARE MADE TO THE HOSPITAL FY14 PATIENTS MONITORED USING TELESCALES WERE 60 MEMORIAL MEDICAL CENTER'S COMMUNITY HEALTH NEEDS ASSESSMENT IDENTIFIED AND ADOPTED CARDIOVASCULAR DISEASE AS ONE OF THE AREAS OF FOCUS IN MEETING THE NEEDS OF THE COMMUNITY -BETTER BREATHERS CLUB - 240 PARTICIPANTS, \$1,088 COMMUNITYBENEFIT-COMMUNITY HEALTH EVENTS - 1,215 PARTICIPANTS, \$19,463 COMMUNITYBENEFIT CELEBRATE THE HEART OF THE WOMAN, BE AWARE WOMEN'S FAIR, CHOLESTEROL / BLOOD PRESSURE SCREENING PROVIDED AT COMMUNITY, HEALTH FAIRS-AMERICAN HEART ASSOCIATION HEART WALK EVENT PLANNING ESTIMATED 400 PARTICIPANTS, \$3,001 COMMUNITY BENEFIT -HEALTH JAM (PARTNERSHIP WITH U OF I 4-H EXTENSION, SIU, YMCA, ANDMMC) - 180 PARTICIPANTS, \$2,515 COMMUNITY BENEFIT-KIDS HEART ADVANTAGE - 464 PARTICIPANTS, \$8,330 COMMUNITY BENEFIT-HEAD PRO EDUCATION - \$453 COMMUNITY BENEFIT-HEART SMARTS EDUCATION GROUP - 122 PARTICIPANTS, \$5,459 COMMUNITYBENEFIT-LVRS REUNION - 36 PARTICIPANTS-EXPLORER POSTS - 143 PARTICIPANTS, \$2,337 COMMUNITY BENEFIT
4b	(Code) (Expenses \$ 74,602,578 including grants of \$) (Revenue \$ 80,054,481)
	MEDICALMEDICAL SERVICES ENCOMPASS A WIDE VARIETY OF HEALTH CARE SERVICES PROVIDED TO INPATIENTS, OUTPATIENTS AND EMERGENCY SERVICES PROVIDED IN URGENT CARE CENTERS AND THE EMERGENCY DEPARTMENT A TOTAL OF 133,011 ENCOUNTERS WERE PROVIDED BY MEMORIAL MEDICAL CENTER IN FY14 OF THESE, 4,493 WERE INPATIENT STAYS WITH THE REMAINDER, 128,518 CLASSIFIED ASOUTPATIENT ENCOUNTERS THE MAJOR DISEASE CLASSES FOR MEDICAL SERVICES INCLUDE DIABETES, OBESITY, BACTERIAL AND VIRAL INFECTIONS OF ALL SOURCES INCLUDING SEPSIS, MALIGNANCIES OF THE SKIN INCLUDING BASAL AND SQUAMOUS CELL CARCINOMAS AND MELANOMA, A VARIETY OF BLOOD DISORDERS INCLUDING ANEMIA (LOW RED BLOOD CELL COUNT), INFECTIONS OF THE CENTRAL NERVOUS SYSTEM INCLUDING MENINGITIS, ENDOCRINE DISORDERS, SLEEP DISORDERS, STOMACH ULCERS AND GASTROINTESTINAL UPSET, HERNIAS, MEDICAL COMPLICATIONS OF THE MOTHER DURING PREGNANCY, SKIN DISORDERS AND DISEASES OF THE CONNECTIVE TISSUE, INFLAMMATORY DISEASES INCLUDING RHEUMATOID ARTHRITIS, VENEREAL DISEASES, OPEN WOUNDS AND CLOSED FRACTURES OF BONES ACROSS ALL AREAS OF THE BODY, POISONING BY DRUGS, PHYSICAL ABUSE IN CHILDREN AND ADULTS, GENETIC SUSCEPTILITY TO HEREDITARY DISEASE, AND NEED FOR SCREENING AND PREVENTION ACTIVITIES FOR A VARIETY OF ACUTE AND CHRONIC DISEASES MANY PATIENTS USING MEDICAL SERVICES ACCESS EMERGENCY DEPARTMENT SERVICES AND OUTPATIENT LABORATORY AND IMAGING STUDIES FOR DIAGNOSIS AND TREATMENT OF ACUTE AND CHRONIC ILLNESSES THAT ARE NOT UNDER THE MANAGEMENT OF A PRIMARY CARE PHYSICIAN THESE PATIENTS RELY ON URGENT AND EMERGENCY CARE FOR THEIR UNDERMANAGED SYMPTOMS AND DISEASES THAT FLARE UP OR BECOME UNMANAGEABLE IN THE HOME SETTING 63 7% OF SERVICES WERE DELIVERED TO PATIENTS WITH MEDICARE AND MEDICAID, AND AN ADDITIONAL 3 4% OF ENCOUNTERS WERE FOR PATIENTS WITH SELF-PAY STATUS THE PERCENTAGE OF SELF-PAY PATIENTS DECREASED IN FY14 AS A RESULT OF THE FEDERALLY RUN INSURANCE EXCHANGE OPERATING IN THE STATE OF ILLINOIS AND PATIENTS' ACCESS TO MEDICAID MEDICAID AND SELF-PAY PATIENTS ARE MEDICALLY VULNERABLE AND OFTEN REQUIRE HOSPITAL SERVICES AS A SUBSTITUTE FOR PRIMARY HEALTH CARE SERVICES BECAUSE OF DELAYS IN CARE AND DISEASES THAT ARE ADVANCED OR NOT IN CONTROL AT DIAGNOSIS AN IMPORTANT PART OF THEIR HOSPITAL VISIT IS CONCENTRATED TEACHING ABOUT THEIR ILLNESS AND THE REQUIRED SELF-CARE AND FOLLOW-UP \$8 MILLION IN CHARITY CARE WAS PROVIDED TO THIS POPULATION AND THE HOSPITAL WROTE OFF AN ADDITIONAL \$2 2 MILLION IN BAD DEBT FOR CARE PROVIDED
4c	(Code) (Expenses \$ 63,780,298 including grants of \$) (Revenue \$ 71,771,060)
	ORTHOPEDICSMEMORIAL MEDICAL CENTER'S ORTHOPEDICS SERVICE OFFERS STATE-OF-THE-ART INTERDISCIPLINARY CARE FOR BONE AND JOINT DISORDERS WORKING WITH COMMUNITY ORTHOPEDIC SURGEONS, MMC'S TEAM OF HEALTHCARE PROFESSIONALS PROVIDES COMPREHENSIVE PATIENT EDUCATION, DIAGNOSTIC, SURGICAL AND REHABILITATION SERVICES FOR PATIENTS OF ALL AGES THESE SERVICES ARE PROVIDED IN THE PREMIER TREATMENT FACILITIES IN THE REGION MEMORIAL'S INNOVATIVE JOINTWORKS PROGRAM IS PART OF ORTHOPEDIC SERVICES THROUGH JOINTWORKS, OVER 1,200 PATIENTS UNDERGO HIP AND KNEE REPLACEMENTS AT MEMORIAL MEDICAL CENTER ANNUALLY AN EXPERIENCED TEAM OF ORTHOPEDIC SURGEONS, ANESTHESIOLOGISTS, NURSES, THERAPISTS, AND SOCIAL WORKERS GUIDE PATIENTS FROM PRE-SURGERY EDUCATION THROUGH POST-SURGERY REHABILITATION PRIOR TO JOINT REPLACEMENT SURGERY, MEMORIAL'S ORTHOPEDIC SERVICES OFFERED 134 FREE PATIENT AND FAMILY EDUCATION CLASSES IN FY14 AND PHYSICAL THERAPISTS AND ORTHOPEDIC SURGEONS PARTNERED TO PROVIDE 12 FREE PRE-OPERATIVE PREPARATION CLASSES DESIGNED TO BETTER PREPARE ALL ELECTIVE ORTHOPEDIC SURGICAL PATIENTS DURING FY 14, MEMORIAL MEDICAL CENTER'S ORTHOPEDICS SERVICES COMPLETED 5,483 INPATIENT AND OUTPATIENT ORTHOPEDIC PROCEDURES THE JOINTWORKS PROGRAM SERVED 830 KNEE REPLACEMENT PATIENTS AND 416 HIP REPLACEMENT PATIENTS OTHER ORTHOPEDIC SERVICES INCLUDED 189 CERVICAL FUSION PROCEDURES, 365 FEMUR FRACTURE SURGICAL REPAIRS, AND 359 LUMBAR FUSION PROCEDURES IN ADDITION, MORE THAN 400 FREE BONE DENSITY SCREENINGS WERE PROVIDED AT VARIOUS HEALTH FAIRS WITHIN THE COMMUNITY AND COLLABORATION WITH AREA PHYSICIANS RESULTED IN FOUR COMMUNITY EVENTS IN WHICH THEY SHARED THEIR EXPERTISE ON A VARIETY OF TOPICS WITHIN THE FIELD OF ORTHOPEDICS THE JOINTWORKS PATIENT AND FAMILY ADVISORY PANEL CONVENED SEVEN TIMES THROUGHOUT FY14 AND CONTRIBUTED TO SEVERAL PROCESS IMPROVEMENTS FOR OUR PATIENTS
	(Code) (Expenses \$ 412,570,208 including grants of \$ 3,400,496) (Revenue \$ 522,031,783)
4d	Other program services (Describe in Schedule O)
	(Expenses \$ 412,570,208 including grants of \$ 3,400,496) (Revenue \$ 522,031,783)
4e	Total program service expenses ▶ 628,907,934

Part IV

Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4 Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III 	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10 Yes	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b	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	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	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 Yes	
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	Yes	
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		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <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	Yes	
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	Yes	
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	Yes	
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	Yes	
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	Yes	
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.	320	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
1c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		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.	6,135	
2b 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).		Yes	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?		Yes	
3b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.		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)?			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?			No
5b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			No
5c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?			
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?		Yes	
6b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		Yes	
7 Organizations that may receive deductible contributions under section 170(c).			
7a 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?		Yes	
7b If "Yes," did the organization notify the donor of the value of the goods or services provided?		Yes	
7c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			No
d If "Yes," indicate the number of Forms 8282 filed during the year.		7d	
7e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			
7f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			
7g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			
7h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			
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?			No
9 Sponsoring organizations maintaining donor advised funds.			
9a Did the organization make any taxable distributions under section 4966?			
9b Did the organization make a distribution to a donor, donor advisor, or related person?			
10 Section 501(c)(7) organizations. Enter			
10a Initiation fees and capital contributions included on Part VIII, line 12.			
10b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.			
11 Section 501(c)(12) organizations. Enter			
11a Gross income from members or shareholders.			
11b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).			
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?			
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.			
13a 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.			
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?			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		
	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		
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	Yes
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filedIL
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 ROBERT WKAY SVP & CFO 701 NORTH FIRST STREET SPRINGFIELD,IL 62781 (217) 788-3198

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

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

Form **990** (2013)

Part VII

1b	Sub-Total	▼			
c	Total from continuation sheets to Part VII, Section A	▼			
d	Total (add lines 1b and 1c)	▼	7,851,335	6,379,348	4,343,355

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. 283

		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	No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <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
HAROLD O'SHEA BUILDERS INC 3401 CONSTITUTION DR SPRINGFIELD IL 62711	CONSTRUCTION	75,149,370
SIU SCHOOL OF MEDICINE PO BOX 19607 SPRINGFIELD IL 627949607	PHYSICIAN SERVICES	25,666,432
MID-AMERICA EMERGENCY PHYSICIANS INC KERBER ECK BRAECKEL LLP 1000 MY SPRINGFIELD IL 62701	ER STAFFING	7,645,318
SPRINGFIELD CLINIC PO BOX 19260 SPRINGFIELD IL 627049260	PHYSICIAN SERVICES	6,324,144
SIEMENS MEDICAL SOLUTIONS DEPT CH 14195 PALATINE IL 600554195	PREVENTIVE MAINTENANCE	2,939,930

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 ▶126

Part VIII

Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a	8,231		
	b	Membership dues	1b			
	c	Fundraising events	1c	295,486		
	d	Related organizations	1d	527,140		
	e	Government grants (contributions)	1e	4,314,824		
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	1,112,627		
	g	Noncash contributions included in lines 1a-1f \$		11,874		
	h	Total. Add lines 1a-1f		6,258,308		
Program Service Revenue	2a	PATIENT SERVICE REV	Business Code			
			900099	686,541,476	686,541,476	
	b	PROGRAM RELATED REV	900099	53,906,386	53,906,386	
	c	HOSPICE SERVICES	621610	7,222,178	7,222,178	
	d	HOME HEALTH SERVICES	621610	6,943,920	6,943,920	
	e	PROGRAM RELATED RENT	621110	6,191,618	6,191,618	
	f	All other program service revenue		1,757,457	1,757,457	
	g	Total. Add lines 2a-2f		762,563,035		
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		6,573,352		6,573,352
	4	Income from investment of tax-exempt bond proceeds		6,054		6,054
	5	Royalties				
	6a	Gross rents	(i) Real			
			(ii) Personal			
			3,153,351			
			1,680,107			
	b	Less rental expenses				
	c	Rental income or (loss)				
	d	Net rental income or (loss)		1,473,244	182,446	27,805
	7a	Gross amount from sales of assets other than inventory	(i) Securities			
			(ii) Other			
			640,302,115	33,702		
			625,916,210	162,038		
	b	Less cost or other basis and sales expenses				
	c	Gain or (loss)				
	d	Net gain or (loss)		14,257,569		14,257,569
	8a	Gross income from fundraising events (not including \$ 295,486 of contributions reported on line 1c) See Part IV, line 18				
			a	403,871		
	b	Less direct expenses	b	303,562		
	c	Net income or (loss) from fundraising events		100,309		100,309
	9a	Gross income from gaming activities See Part IV, line 19				
			a			
	b	Less direct expenses	b			
	c	Net income or (loss) from gaming activities				
	10a	Gross sales of inventory, less returns and allowances				
			a			
	b	Less cost of goods sold	b			
	c	Net income or (loss) from sales of inventory				
	Miscellaneous Revenue		Business Code			
	11a	REFERENCE LAB REVENUE	621500	7,940,542	7,940,542	
	b	CAFETERIA REVENUE	722320	4,590,274	114,205	4,476,069
	c	EMPLOYMENT SERVICES	561300	438,055	438,055	
	d	All other revenue		8,380,401	7,401,353	541,780
	e	Total. Add lines 11a-11d		21,349,272		
	12	Total revenue. See Instructions		812,581,143	770,146,834	9,062,387
						27,113,614

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.	2,439,240	2,439,240		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	961,256	961,256		
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.	6,263,619	3,651,954	2,500,164	111,501
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	44,173	44,173		
7	Other salaries and wages.	235,219,702	213,304,735	21,799,522	115,445
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	13,206,401	11,968,351	1,238,050	
9	Other employee benefits.	40,798,254	37,466,467	3,304,263	27,524
10	Payroll taxes.	16,741,368	15,134,661	1,595,787	10,920
11	Fees for services (non-employees):				
a	Management.				
b	Legal.	2,406,763		2,406,763	
c	Accounting.	51,092		51,092	
d	Lobbying.	99,413		99,413	
e	Professional fundraising services. See Part IV, line 17.	5,400			5,400
f	Investment management fees.	1,698,981		1,698,981	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	87,250,130	80,879,265	6,370,865	
12	Advertising and promotion.	1,124,573	97,555	1,027,018	
13	Office expenses.	15,313,139	12,818,956	2,485,977	8,206
14	Information technology.	11,920,583	10,681,322	1,237,978	1,283
15	Royalties.				
16	Occupancy.	16,888,498	15,279,014	1,609,484	
17	Travel.	1,219,568	1,041,151	178,417	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	538,776	328,333	210,443	
20	Interest.	8,997,957	8,997,957		
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	38,086,254	29,922,134	8,164,120	
23	Insurance.	4,465,029	16,419	4,448,610	
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	PATIENT SERV. SUPPLIES	81,998,396	81,997,923	473	
b	MANAGEMENT FEE	49,834,980		49,834,980	
c	PURCHASED MEDICAL SERVI	37,524,173	36,154,394	1,369,779	
d	DRUGS	23,144,794	23,144,794		
e	All other expenses	45,720,970	42,577,880	3,129,639	13,451
25	Total functional expenses. Add lines 1 through 24e.	743,963,482	628,907,934	114,761,818	293,730
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		5,925,416	1	6,668,671
	2	Savings and temporary cash investments		120,857,687	2	139,804,921
	3	Pledges and grants receivable, net		164,509	3	132,819
	4	Accounts receivable, net		136,368,918	4	138,826,597
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L.			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L.			6	
	7	Notes and loans receivable, net		347,551	7	146,824
	8	Inventories for sale or use		11,556,539	8	11,005,051
	9	Prepaid expenses and deferred charges		7,564,362	9	6,962,458
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.	10a641,549,168			
	b	Less: accumulated depreciation	10b329,018,396	261,336,485	10c	312,530,772
	11	Investments—publicly traded securities		318,828,682	11	351,845,824
	12	Investments—other securities. See Part IV, line 11.		19,018,420	12	20,545,994
	13	Investments—program-related. See Part IV, line 11.		6,291,601	13	7,368,302
	14	Intangible assets			14	
	15	Other assets. See Part IV, line 11.		46,990,423	15	50,047,186
	16	Total assets. Add lines 1 through 15 (must equal line 34).		935,250,593	16	1,045,885,419
Liabilities	17	Accounts payable and accrued expenses		80,694,222	17	91,112,697
	18	Grants payable		316,825	18	417,574
	19	Deferred revenue		280,620	19	614,110
	20	Tax-exempt bond liabilities		167,170,427	20	222,363,316
	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		11,070,000	23	8,645,000
	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.		104,746,490	25	122,483,802
	26	Total liabilities. Add lines 17 through 25.		364,278,584	26	445,636,499
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		505,468,281	27	528,259,711
	28	Temporarily restricted net assets		60,342,576	28	66,809,793
	29	Permanently restricted net assets		5,161,152	29	5,179,416
	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		570,972,009	33	600,248,920
	34	Total liabilities and net assets/fund balances		935,250,593	34	1,045,885,419

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	812,581,143
2	Total expenses (must equal Part IX, column (A), line 25)	2	743,963,482
3	Revenue less expenses Subtract line 2 from line 1	3	68,617,661
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	570,972,009
5	Net unrealized gains (losses) on investments	5	8,354,063
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	-47,694,813
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	600,248,920

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 type="checkbox"/> Consolidated basis <input checked="" 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: 90-0756744
Name: MEMORIAL HEALTH SYSTEM GROUP

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			
MARY ROSE MOREHEAD BOARD MEMBER ALMH	70	X						0	0	0
A PATRICK DOOLIN CHAIR ELECT (THRU DEC 13)/CHAIR ALMH	70	X		X				0	0	0
BRADLEY NEAL BOARD MEMBER ALMH	70	X						0	0	0
DENNIS CARROLL MD BOARD MEMBER ALMH	70	X						0	0	0
NATALIE FULK-MARQUEZ TREAS ALMH (THRU DEC 13)/SEC ALMH	70	X		X				0	0	0
TRACY MIZEUR MD BOARD MEMBER ALMH	50 00	X						304,598	0	56,731
MARY CONRADY BOARD MEMBER ALMH	70	X						0	0	0
RONALD SCHILLING SEC ALMH (THRU DEC 13)/CHAIR ELECT	70	X		X				0	0	0
RICHARD BIVIN BOARD MEMBER ALMH (FROM JAN 14)	70	X						0	0	0
BILL BATES BOARD MEMBER ALMH	70	X						0	0	0
DAVID CAMPBELL BOARD MEMBER ALMH	70	X						0	0	0
GREG EIMER BOARD MEMBER ALMH	70	X						0	0	0
DERON POWELL MEMBER ALMH (THRU DEC 13)/TREAS ALMH	70	X		X				0	0	0
BRADLEY NIKLES CHAIR ALMH (THRU DEC 13)	70	X		X				0	0	0
CAROL HANSEN POSEGATE SECRETARY MMC	80	X		X				0	0	0
SUSAN KOCH EDD BOARD MEMBER MMC	70	X						0	0	0
DALE BECKER TREASURER MMC	1 50	X		X				0	0	0
DEAN ROBERT JR BOARD MEMBER MMC	70	X						0	0	0
DIANE RUTLEDGE PHD 2ND VICE CHAIR MMC (FROM JAN 14)/MEM	1 00	X		X				0	0	0
LYNNE BARKMEIER MD BOARD MEMBER MMC (FROM JAN 14)	70	X						0	0	0
JAMES BRUNER CHAIR MMC (THRU DEC 13)	1 70	X		X				0	0	0
JOHN BLACKBURN 1ST V CHR MMC (THRU DEC 13)/CHR MMC	1 70	X		X				0	0	0
JOSEPH HURWITZ BOARD MEMBER MMC	2 00	X						0	0	0
MARK FERGUSON BOARD MEMBER MMC	1 60	X						0	0	0
MICHAEL PICK MD BOARD MEMBER MMC (THRU DEC 13)	80	X						0	0	0

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

[illegible]

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

[illegible]

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			
SCOTT MCCLURE BOARD MEMBER TMHF	70	X						0	0	0
PENNY BLIER BOARD MEMBER TMHF	70	X						0	0	0
RICHARD SHAW BOARD MEMBER TMHF	70	X						0	0	0
GREGG FUERSTENAU MD BOARD MEMBER TMHF	70	X						0	0	0
MARY MCNEELY BOARD MEMBER TMHF	70	X						0	0	0
DAVID HIXENBAUGH MEM TMHF (THRU DEC 13)/V CHAIR TMHF	70	X		X				0	0	0
JERRY GARDNER DDS BOARD MEMBER TMHF	70	X						0	0	0
JOYCE LANGEN BOARD MEMBER TMHF	70	X						0	0	0
DENNIS KENNEDY BOARD MEMBER TMHF	70	X						0	0	0
LEIGH STEINER BOARD MEMBER SRS	70	X						0	0	0
JANET STOVER VICE CHAIR SRS	70	X		X				0	0	0
JANICE GAMBACH PRESIDENT SRS	70 49 30	X		X				0	184,411	35,119
JENNIFER MORRISON SECRETARY SRS	70	X		X				0	0	0
JOHN MILHISER BOARD MEMBER SRS	70	X						0	0	0
REG MILLS BOARD MEMBER SRS	70	X						0	0	0
MICHAEL MCGLOSSON BOARD MEMBER SRS (THRU FEB 14)	70	X						0	0	0
MICHAEL O'SHEA TREASURER SRS	70	X		X				0	0	0
WANDA LEE ROHLFS BOARD MEMBER SRS (FROM MARCH 14)	70	X						0	0	0
EVAN DAVIS BOARD MEMBER MHV (THRU DEC 13)	50 00	X						177,434	0	14,639
J TRAVIS DOWELL PRESIDENT MPS	50 00	X		X				0	311,432	100,702
R SCOTT KIRIAKOS VP CLIN INT MMC/MEM MHV MHSVC	50 00	X						337,093	0	87,948
DOLAN DALPOAS PRESIDENT ALMH/MEMBER MHSVC	50 00	X		X				0	290,078	44,985
DANIEL RAAB PRESIDENT TMH/TMHF/MEMBER MHSVC	50 00	X		X				0	260,536	48,367
DOUGLAS RAHN DBA EVP COO MMC/CHR MHV 13 MHSVC/MEM MPS	25 00 25 00	X		X				544,472	0	364,074
EDGAR CURTIS PRES & CEO MHS/PRES MMC/MEM MPS	25 00 25 00	X		X				0	1,096,598	1,058,445

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

[illegible]

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 MEMORIAL HEALTH SYSTEM GROUP	Employer identification number 90-0756744
---	---

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) | | |
| 11g(ii) | | |
| 11g(iii) | | |
- | (i) Name of supported organization | (ii) EIN | (iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions)) | (iv) Is the organization in col (i) listed in your governing document? | | (v) Did you notify the organization in col (i) of your support? | | (vi) Is the organization in col (i) organized in the U S ? | | (vii) Amount of monetary support |
|------------------------------------|----------|--|--|----|---|----|--|----|----------------------------------|
| | | | Yes | No | Yes | No | Yes | No | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Total | | | | | | | | | |
- 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
SCHEDULE A, PART I	MEMBERS OF THE GROUP REASON FOR PUBLIC CHARITY STATUS BELOW ABRAHAM LINCOLN MEMORIAL HOSPITAL PART I LINE 3 HOSPITALS OR COOPERATIVE HOSPITAL SERVICE ORGANIZATION DESCRIBED IN SECTION 170(B)(1)(A)(III) MEMORIAL MEDICAL CENTER PART I LINE 3 HOSPITALS OR COOPERATIVE HOSPITAL SERVICE ORGANIZATION DESCRIBED IN SECTION 170(B)(1)(A)(III) TAYLORVILLE MEMORIAL HOSPITAL PART I LINE 3 HOSPITALS OR COOPERATIVE HOSPITAL SERVICE ORGANIZATION DESCRIBED IN SECTION 170(B)(1)(A)(III) MEMORIAL MEDICAL CENTER FOUNDATION PART I LINE 7 IS 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) MEMORIAL HOME SERVICES PART I LINE 7 IS 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) SPRINGFIELD RESIDENTIAL SERVICES PART I LINE 7 IS 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) MEMORIAL HEALTH VENTURES PART I LINE 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) B TYPE II LINE 11E NO, 11F NO, 11G (I) (II) (III) NO, 11H (I) SUPPORTS MMC (II) 37-0661220 (III) 3 (IV) YES, (V) YES (VI) YES (VII) \$0 MEMORIAL PHYSICIAN SERVICES PART I LINE 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) B TYPE II LINE 11E NO, 11F NO, 11G (I) (II) (III) NO, 11H (I) SUPPORTS MMC (II) 37-0661220 (III) 3 (IV) NO, (V) YES (VI) YES (VII) \$0 TAYLORVILLE MEMORIAL HOSPITAL FOUNDATION PART I LINE 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) B TYPE III LINE 11E NO, 11F NO, 11G (I) (II) (III) NO, 11H (I) SUPPORTS TMH (II) 37-0661250 (III) 3 (IV) YES, (V) YES (VI) YES (VII) \$0 THE SOFTWARE USED TO PREPARE THE MHS GROUP RETURN DOES NOT ALLOW FOR MULTIPLE PUBLIC CHARITY STATUS ACCORDINGLY, THE ABOVE ORGANIZATIONS HAVE SEPARATELY DOCUMENTED THEIR PUBLIC SUPPORT PERCENTAGES AGGREGATED AS FOLLOWS PUBLIC SUPPORT PERCENTAGE FOR 2013 48.7% PUBLIC SUPPORT PERCENTAGE FOR 2012 43.7%

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 MEMORIAL HEALTH SYSTEM GROUP	Employer identification number 90-0756744
--	--

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?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		99,413
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?		No	
j	Total. Add lines 1c through 1i.			99,413
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	MEMORIAL MEDICAL CENTER ENGAGES LOBBYISTS TO ASSIST IT IN SECURING FEDERAL GRANTS AND MONITORING STATE REGULATIONS IN SUPPORT OF FURTHERING THE MEMORIAL MEDICAL CENTER MISSION, WHICH IS "TO IMPROVE THE HEALTH OF THE PEOPLE AND COMMUNITIES WE SERVE" THIS INCLUDES ASSISTING MEMORIAL MEDICAL CENTER IN DEVELOPING PRESENTATIONS TO THE ILLINOIS CONGRESSIONAL DELEGATION REQUESTING APPROPRIATIONS FOR PRIORITY PROJECTS INVOLVING LOCAL PATIENT SAFETY, QUALITY IMPROVEMENT AND IMPROVED LOCAL ACCESS TO MEDICAL CARE THE LOBBYISTS ALSO ASSIST MEMORIAL IN COMMUNICATING THE IMPORTANCE OF ADEQUATE MEDICAID FUNDING IN SUPPORT OF THE SUBSTANTIAL SERVICES MEMORIAL'S AFFILIATES PROVIDE TO THOSE IN POVERTY AND IN MONITORING LEGISLATIVE AND REGULATORY DEVELOPMENTS THAT WOULD AFFECT MEMORIAL MEDICAL CENTER'S ABILITY TO CONTINUE DELIVERING ITS ALREADY SUBSTANTIAL COMMUNITY BENEFIT THE FOLLOWING ORGANIZATIONS PAID FUNDS TO HEALTHCARE ASSOCIATIONS TO AID AND ASSIST HOSPITALS AND HEALTHCARE ENTITIES REGARDING LEGISLATIVE CHANGES THESE COSTS INCLUDE AMOUNTS PAID DIRECTLY TO LOBBYISTS FROM THE VARIOUS ENTITIES AND ALSO INCLUDE AMOUNTS PAID INDIRECTLY TO LOBBYISTS THROUGH ASSOCIATION DUES MEMORIAL MEDICAL CENTER \$52,854 ABRAHAM LINCOLN MEMORIAL HOSPITAL \$21,021 MEMORIAL HOME SERVICES \$3,119 TAYLORVILLE MEMORIAL HOSPITAL \$22,419

[illegible]

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization MEMORIAL HEALTH SYSTEM GROUP	Employer identification number 90-0756744
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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

	Amount
c Beginning balance	
d Additions during the year	
e Distributions during the year	
f Ending balance	
- 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	8,666,004	8,179,460	7,271,242	7,410,408	5,942,467
b Contributions	27,768	211,378	22,786	48,483	1,050,046
c Net investment earnings, gains, and losses	1,052,498	723,768	1,148,366	-47,525	599,812
d Grants or scholarships	123,660		-31,300		35,500
e Other expenditures for facilities and programs	304,976	374,978	-170,435	-42,758	107,317
f Administrative expenses	80,062	73,624	-61,199	-97,366	39,101
g End of year balance	9,237,572	8,666,004	8,179,460	7,271,242	7,410,407

- 2

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

Board designated or quasi-endowment

13 800 %
- b

Permanent endowment

55 600 %
- c

Temporarily restricted endowment

30 600 %
- The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a

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

	Yes	No
(i) unrelated organizations	3a(i)	No
(ii) related organizations	3a(ii)	Yes
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	Yes
- 4

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

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

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	971,929	6,661,559		7,633,488
b Buildings	2,808,690	292,464,431	162,576,115	132,697,006
c Leasehold improvements		11,545,908	4,396,895	7,149,013
d Equipment	4,978	204,972,538	147,339,730	57,637,786
e Other		122,119,135	14,705,656	107,413,479
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				312,530,772

Part XI

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

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

Part XII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

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

Part XIII

Supplemental Information

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

Return Reference	Explanation
PART V, LINE 4	MEMORIAL HOME SERVICES HAS ONE PERMANENTLY RESTRICTED ENDOWMENT FUND WITH INCOME TO BE USED FOR OPERATING EXPENSES. MEMORIAL MEDICAL CENTER FOUNDATION'S ENDOWMENT CONSISTS OF 36 INDIVIDUAL DONOR-RESTRICTED FUNDS ESTABLISHED FOR A VARIETY OF PURPOSES. THE FOUNDATION HAS A POLICY OF APPROPRIATING FOR DISTRIBUTION EACH YEAR 5% OF ITS ENDOWMENT FUND'S MOVING AVERAGE FAIR VALUE OVER THE PRIOR 36 MONTHS AS OF SEPTEMBER 30 OF THE PRECEDING FISCAL YEAR IN WHICH THE DISTRIBUTION IS PLANNED. IN ESTABLISHING THIS POLICY, THE FOUNDATION CONSIDERED THE LONG-TERM EXPECTED RETURN ON ITS ENDOWMENTS. ACCORDINGLY, OVER THE LONG TERM, THE FOUNDATION EXPECTS THE CURRENT SPENDING POLICY TO ALLOW ITS ENDOWMENT TO GROW AT AN AVERAGE OF THE LONG-TERM RATE OF INFLATION. TAYLORVILLE MEMORIAL HOSPITAL FOUNDATION PROVIDES EDUCATION SCHOLARSHIPS TO STUDENTS SEEKING A CAREER IN HEALTHCARE.
PART X, LINE 2	THE AUTHORITATIVE GUIDANCE IN ASC 740, INCOME TAXES, CREATES A SINGLE MODEL TO ADDRESS UNCERTAINTY IN TAX POSITIONS AND CLARIFIES THE ACCOUNTING FOR INCOME TAXES BY PRESCRIBING THE MINIMUM RECOGNITION THRESHOLD. A TAX POSITION IS REQUIRED TO MEET BEFORE BEING RECOGNIZED IN THE FINANCIAL STATEMENTS. UNDER THE REQUIREMENTS OF THIS GUIDANCE, TAX-EXEMPT ORGANIZATIONS COULD BE REQUIRED TO RECORD AN OBLIGATION AS THE RESULT OF A TAX POSITION THEY HAVE HISTORICALLY TAKEN ON VARIOUS TAX EXPOSURE ITEMS. EACH OF MHS'S SUBSIDIARIES, EXCLUDING THOSE DESCRIBED IN THE FOLLOWING PARAGRAPH, IS A SEPARATELY INCORPORATED NOT-FOR-PROFIT CORPORATION AS DESCRIBED UNDER SECTION 501(C)(3) OF THE CODE AND IS TAX-EXEMPT FROM FEDERAL INCOME TAXES ON RELATED INCOME PURSUANT TO SECTION 501(A) OF THE CODE. THEY DO, HOWEVER, OPERATE CERTAIN PROGRAMS THAT MAY RESULT IN UNRELATED BUSINESS INCOME. UPON REVIEW AS REQUIRED BY ASC 740, INCOME TAX NO TAX PROVISION WAS RECORDED FOR THE YEARS ENDED SEPTEMBER 30, 2014 OR 2013. MP AND MHP ARE CONSIDERED DISREGARDED ENTITIES FOR TAX PURPOSES AND ARE EXEMPT FROM INCOME TAX. MHSCI IS A TAXABLE FOR-PROFIT CORPORATION AND PPA IS A TAXABLE NOT-FOR-PROFIT CORPORATION. BOTH ARE SUBJECT TO FEDERAL AND STATE INCOME TAXES.

[illegible]

Additional Data

Software ID:

Software Version:

EIN: 90-0756744

Name: MEMORIAL HEALTH SYSTEM GROUP

Form 990, Schedule D, Part X, - Other Liabilities

1	(a) Description of Liability	(b) Book Value
	DEFERRED COMPENSATION	13,481,455
	ESTIMATED THIRD PARTY PAYOR SETTLEMENTS	33,022,795
	MINIMUM PENSION LIABILITY	37,177,778
	RESERVE FOR POST EMPLOYMENT BENEFITS	10,251,394
	SWAP LIABILITY	2,567,998
	WORKERS' COMPENSATION AND PROFESSIONAL LIABILITY	20,571,857
	ENVIRONMENTAL HAZARDS LIABILITY	2,803,849
	DUE TO AFFILIATES	2,495,954
	CHARITABLE GIFT ANNUITY PAYABLE	105,140
	TENANT SECURITY DEPOSITS	3,246
	OTHER PAYABLES	2,336

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding
Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

▶ Information about Schedule G (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 MEMORIAL HEALTH SYSTEM GROUP	Employer identification number 90-0756744
--	--

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.
Form 990-EZ filers are not required to complete this part.

- 1

Indicate whether the organization raised funds through any of the following activities. Check all that apply.
- a

☐ Mail solicitations
- e

☐ Solicitation of non-government grants
- b

☐ Internet and email solicitations
- f

☐ Solicitation of government grants
- c

☐ Phone solicitations
- g

☐ Special fundraising events
- d

☐ In-person solicitations
- 2a

Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☐ Yes

☐ No
- b

If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total ▶						

- 3

List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.
-
-

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
		FESTIVAL OF TREES (MMCF) (event type)	SHARING WISHES HOSPICE GALA (event type)	7 (total number)	(add col (a) through col (c))
Revenue	1	Gross receipts	510,425	65,833	123,099
	2	Less Contributions . . .	173,164	52,898	69,424
	3	Gross income (line 1 minus line 2)	337,261	12,935	53,675
Direct Expenses	4	Cash prizes	0	0	255
	5	Noncash prizes . . .	52,291	0	23,693
	6	Rent/facility costs . . .	12,458	5,247	4,511
	7	Food and beverages .	48,881	11,645	6,248
	8	Entertainment	650	8,660	9,466
	9	Other direct expenses .	94,710	5,769	19,078
	10	Direct expense summary Add lines 4 through 9 in column (d) ▶			
	11	Net income summary Subtract line 10 from line 3, column (d) ▶			

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
Revenue	1	Gross revenue			
Direct Expenses	2	Cash prizes			
	3	Non-cash prizes			
	4	Rent/facility costs			
	5	Other direct expenses . . .			
	6	Volunteer labor	Yes % No	Yes % No	Yes % No
	7	Direct expense summary Add lines 2 through 5 in column (d) ▶			
	8	Net gaming income summary Subtract line 7 from line 1, column (d) ▶			

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain _____

Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No

12

Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

☐ Yes ☐ No

13

Indicate the percentage of gaming activity operated in

a	The organization's facility	13a	%
b	An outside facility	13b	%

14

Enter the name and address of the person who prepares the organization's gaming/special events books and records

Name

Address

15a

Does the organization have a contract with a third party from whom the organization receives gaming revenue?

☐ Yes ☐ No

b

If "Yes," enter the amount of gaming revenue received by the organization \$ and the amount of gaming revenue retained by the third party \$

c

If "Yes," enter name and address of the third party

Name

Address

16

Gaming manager information

Name

Gaming manager compensation \$

Description of services provided

☐ Director/officer ☐ Employee ☐ Independent contractor

17

Mandatory distributions

a

Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

☐ Yes ☐ No

b

Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year \$

Part IV

Supplemental Information. Provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Return Reference	Explanation
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SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

► Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
► Attach to Form 990. ► See separate instructions.
► Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MEMORIAL HEALTH SYSTEM GROUP

Employer identification number
90-0756744

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 type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input checked="" 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 type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>30000 0000000000 %</u> 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 type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>30100 0000000000 %</u> 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"?	3a Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	3b Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	4 Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5a Yes	
6a	Did the organization prepare a community benefit report during the tax year?	5b	No
b	If "Yes," did the organization make it available to the public?	5c	
Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H		6a Yes	
		6b Yes	

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)	4	9,182	13,229,799	0	13,229,799	2 050 %
b Medicaid (from Worksheet 3, column a)	1	83,442	97,178,847	75,421,788	21,757,059	3 370 %
c Costs of other means-tested government programs (from Worksheet 3, column b)	3	430	302,360	924,181	-621,821	0 %
d Total Financial Assistance and Means-Tested Government Programs	8	93,054	110,711,006	76,345,969	34,365,037	5 420 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	45	15,446	1,118,383	0	1,118,383	0 170 %
f Health professions education (from Worksheet 5)	25	2,016	11,265,281	4,551,741	6,713,540	1 040 %
g Subsidized health services (from Worksheet 6)	1	102	6,679	0	6,679	0 %
h Research (from Worksheet 7)	4	163	314,044	4,393	309,651	0 050 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)	46	1,861	25,978,535	0	25,978,535	4 030 %
j Total Other Benefits	121	19,588	38,682,922	4,556,134	34,126,788	5 290 %
k Total . Add lines 7d and 7j	129	112,642	149,393,928	80,902,103	68,491,825	10 710 %

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
1Physical improvements and housing	2		3,605		3,605	0 %
2Economic development	5		3,528		3,528	0 %
3Community support	16		34,888		34,888	0 010 %
4Environmental improvements	1		907		907	0 %
5Leadership development and training for community members	7		5,205		5,205	0 %
6Coalition building	4		1,355		1,355	0 %
7Community health improvement advocacy	5	18	5,910		5,910	0 %
8Workforce development	5	583	118,596		118,596	0 020 %
9Other	17	375	150,121		150,121	0 020 %
10Total	62	976	324,115		324,115	0 050 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?

1Yes

No

2Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

23,278,276

3Enter 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

4Provide 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

5Enter total revenue received from Medicare (including DSH and IME).

5202,190,594

6Enter Medicare allowable costs of care relating to payments on line 5.

6207,276,780

7Subtract line 6 from line 5. This is the surplus (or shortfall).

7-5,086,186

8Describe 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

9aDid the organization have a written debt collection policy during the tax year?

9aYes

No

bIf "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.

9bYes

No

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				

Section A. Hospital Facilities

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

Schedule H (Form 990) 2013

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)
MEMORIAL MEDICAL CENTER

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)1

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 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 checked="" 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>11</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) <u>HTTPS //WWW.MEMORIALMEDICAL.COM/</u>		
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 type="checkbox"/> Participation in the development of a community-wide plan		
d <input type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input checked="" 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 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 <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>300 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		10	Yes		
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u> </u> % 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 checked="" type="checkbox"/> State regulation					
h <input checked="" 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 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 checked="" 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?				17	No
If "Yes," check all actions in which the hospital facility or a third party engaged					
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	Yes	
<div>a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions</div> <div>b <input type="checkbox"/> The hospital facility's policy was not in writing</div> <div>c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)</div> <div>d <input type="checkbox"/> Other (describe in Part VI)</div>		

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		
<div>a <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged</div> <div>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</div> <div>c <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged</div> <div>d <input checked="" type="checkbox"/> Other (describe in Part VI)</div>		
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		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		No

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)

ABRAHAM LINCOLN MEMORIAL HOSPITAL

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)

2

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 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 checked="" 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>11</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) <u>HTTPS //WWW.ALMH.ORG/</u>		
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 type="checkbox"/> Participation in the development of a community-wide plan		
d <input type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input checked="" 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 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 <u>300 00000000000000</u> % 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 <u> </u> % 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 checked="" 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 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 checked="" 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?			17	No
If "Yes," check all actions in which the hospital facility or a third party engaged					
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?	Yes	
If "No," indicate why		
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?	21	No
If "Yes," explain in Part VI		
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	22	No
If "Yes," explain in Part VI		

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

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) 3

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 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 checked="" 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>11</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) <u>HTTPS //WWW.TAYLORVILLEMEMORIAL.ORG/</u>		
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 type="checkbox"/> Participation in the development of a community-wide plan		
d <input type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input checked="" 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 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 300 000000000000% 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 % 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 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 checked="" 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 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 type="checkbox"/> The policy was posted in the hospital facility's admissions offices			
e <input checked="" 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?	Yes	
If "No," indicate why		
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?	21	No
If "Yes," explain in Part VI		
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	22	No
If "Yes," explain in Part VI		

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? **17**

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

Part VI

Supplemental Information

Provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Form and Line Reference	Explanation
PART I, LINE 3C	MEMORIAL HEALTH SYSTEM USES AN AMOUNT IN EXCESS OF 300% OF THE FPG AS A FACTOR IN DETERMINING ELIGIBILITY FOR PROVIDING DISCOUNTED CARE THE VALUE OF 301% WAS ENTERED TO SATISFY A MANDATORY FIELD ENTRY REQUIREMENT TO QUALIFY FOR ELECTRONIC FILING

Form and Line Reference	Explanation
PART I, LINE 6A	MEMORIAL HEALTH SYSTEM (EIN 37-1110690) PREPARED A COMMUNITY BENEFIT ANNUAL REPORT FOR THE ENTIRE HEALTH SYSTEM A LINK TO THE REPORT IS AVAILABLE ONLINE FROM ALL THREE HOSPITAL WEBSITES AS WELL AS THE WEBSITES OF OTHER MHS AFFILIATES HTTP //WWW.MEMORIALMEDICAL.COM/PORTALS/0/MASTER-DOCUMENTS/ABOUT-MEMORIAL/COMMUNITY-BENEFIT-ANNUAL-REPORT.PDF A PDF VERSION IS AVAILABLE TO ANYONE UPON REQUEST THE COMMUNITY BENEFIT ANNUAL REPORT IS ALSO INCLUDED WITHIN MEMORIAL HEALTH SYSTEM'S COMPLETE ANNUAL REPORT, WHICH IS DISTRIBUTED IN PRINT TO MEMBERS OF THE COMMUNITY AT LARGE

Form and Line Reference	Explanation
PART I, LINE 7	FOR MEMORIAL MEDICAL CENTER, THE COSTING METHODOLOGY FOR CHARITY CARE, MEDICAID, AND OTHER MEANS TESTED PROGRAMS WAS DERIVED FROM MEMORIAL MEDICAL CENTER'S COST ACCOUNTING SYSTEM. THIS SYSTEM HAS THE ABILITY TO COMPUTE THE ACTUAL COST OF ALL MEDICAL PROCEDURES AT THE PATIENT-ACCOUNT LEVEL REGARDLESS OF PAYOR TYPE OR WHETHER THE PATIENT WAS INPATIENT OR OUTPATIENT. ABRAHAM LINCOLN MEMORIAL HOSPITAL AND TAYLORVILLE MEMORIAL HOSPITAL UTILIZED MEDICARE COSTING DATA FROM THE FISCAL YEAR ENDED 9/30/2014 MEDICARE COST REPORT AS FILED. THE ONLY CATEGORY BY WHICH MEMORIAL MEDICAL CENTER USED A COST TO CHARGE RATIO FOR SCHEDULE H IS FOR THE DETERMINATION OF BAD DEBT EXPENSE AT COST IN PART III, SECTION A, LINE 2.

Form and Line Reference	Explanation
PART I, LN 7 COL(F)	ABRAHAM LINCOLN MEMORIAL HOSPITAL, MEMORIAL MEDICAL CENTER, AND TAYLORVILLE MEMORIAL HOSPITAL TOTAL EXPENSE FROM FORM 990, PART IX, LINE 25, COLUMN (A) WAS \$656,873,698 THE BAD DEBT EXPENSE INCLUDED IN PART IX, LINE 25, COLUMN (A) WAS \$11,681,909 TOTAL EXPENSE LESS BAD DEBT EXPENSE TOTALED \$645,191,789 FOR PURPOSES OF CALCULATING LINE 7, COLUMN (F)

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	<p>MEMORIAL MEDICAL CENTER (MMC) PARTICIPATES IN NUMEROUS COMMUNITY BUILDING ACTIVITIES THAT ARE NOT ACCOUNTED FOR ELSEWHERE ON SCHEDULE H MMC SUPPORTED PHYSICAL IMPROVEMENTS AND HOUSING WITH DONATIONS TO A NEIGHBORHOOD ASSOCIATION THAT IS ADDRESSING CRIME AND BLIGHTED PROPERTIES ECONOMIC DEVELOPMENT WAS SUPPORTED THROUGH VOLUNTEER LEADERSHIP INVOLVEMENT IN THE GREATER SPRINGFIELD CHAMBER OF COMMERCE, MID-ILLINOIS MEDICAL DISTRICT AND OTHER ORGANIZATIONS COMMUNITY SUPPORT IS PROVIDED BY LEADERSHIP ON THE BOARDS OF THE UNITED WAY OF CENTRAL ILLINOIS, ILLINOIS BOARD OF HIGHER EDUCATION, CENTRAL ILLINOIS FOOD BANK, AND OTHER ORGANIZATIONS COALITION BUILDING WAS DONE LAST YEAR THROUGH MEMBERSHIP ON THE BOARD OF THE STAFF INVOLVEMENT IN THE YMCA OF SPRINGFIELD TO IMPROVE COMMUNITY ACCESS TO HEALTHY ACTIVITIES COMMUNITY HEALTH IMPROVEMENT ADVOCACY IS SUPPORTED THROUGH LEADERSHIP INVOLVEMENT IN THE ILLINOIS HOSPITAL ASSOCIATION, VHA MID-AMERICA, SOUTHERN ILLINOIS UNIVERSITY SCHOOL OF MEDICINE AND THE HELPING HANDS HOMELESS SHELTER AS THE LARGEST LOCAL EMPLOYER OUTSIDE OF STATE GOVERNMENT, MMC IS AN IMPORTANT ECONOMIC LINK THAT PROVIDES EMPLOYMENT AND BENEFITS FOR THOUSANDS OF FAMILIES WORKFORCE DEVELOPMENT IS A KEY AREA OF COMMUNITY BUILDING MMC SUPPORTS ECONOMIC DEVELOPMENT THROUGH THE FINANCIAL SUPPORT OF SPRINGFIELD CHAMBER OF COMMERCE'S QUANTUM GROWTH PARTNERSHIP, A COLLABORATIVE COMMUNITY INITIATIVE WORKING TOWARD LONG-TERM IMPROVEMENT OF WORK AND EDUCATIONAL OPPORTUNITIES THROUGHOUT THE COMMUNITY MMC WORKS WITH OTHER ORGANIZATIONS TO EXPAND OPPORTUNITIES TO TRAIN AND RECRUIT HEALTHCARE PROFESSIONALS TO INCREASE ACCESS TO CARE IN RURAL AREAS MMC ALSO COLLABORATES WITH LOCAL SCHOOLS TO OFFER MULTIPLE OPPORTUNITIES FOR STUDENTS TO EXPLORE HEALTHCARE CAREER OPTIONS THROUGH MEMORIAL EXPLORER POST, TEENS EXPERIENCING NURSING SUMMER CAMP AND JOB SHADOWING OPPORTUNITIES FOR STUDENTS AS ONE OF THE LARGEST EMPLOYERS IN LOGAN COUNTY, ABRAHAM LINCOLN MEMORIAL HOSPITAL (ALMH) IS AN IMPORTANT ECONOMIC LINK THAT PROVIDES EMPLOYMENT AND BENEFITS FOR 320 FAMILIES ALMH PROVIDES DONATIONS TO THE LINCOLN/LOGAN COUNTY FOOD PANTRY SUPPORT IS ALSO PROVIDED FOR THE LOCAL MULTIPLE SCLEROSIS WALK, UNITED WAY AND THE AMERICAN CANCER SOCIETY'S RELAY FOR LIFE ALMH IS A MEMBER OF THE LINCOLN/LOGAN COUNTY CHAMBER OF COMMERCE WHICH IS ACTIVELY WORKING TO IMPROVE THE ECONOMIC VITALITY OF LOGAN COUNTY ALMH ALSO PROVIDES IN-KIND SUPPORT IN THE FORM OF MEETING SPACE FOR THE CHAMBER OF COMMERCE AND VARIOUS COMMUNITY GROUPS THE CHAMBER OF COMMERCE LEADERSHIP ACADEMY WHICH IS AN EIGHT-WEEK PROGRAM THAT PREPARES COMMUNITY MEMBERS FOR COMMUNITY LEADERSHIP ROLES ABRAHAM LINCOLN MEMORIAL HOSPITAL'S COMMUNITY BUILDING ACTIVITIES INCLUDE STAFF WHO VOLUNTEERS FOR LEADERSHIP ON LOCAL NONPROFIT BOARDS FOR ORGANIZATIONS THAT IMPACT THE HEALTH AND QUALITY OF LIFE FOR OUR COMMUNITY AMONG THESE ARE THE LINCOLN/LOGAN COUNTY CHAMBER OF COMMERCE, LINCOLN ROTARY CLUB, LOGAN COUNTY BOARD OF HEALTH, UNITED WAY OF LOGAN COUNTY, LINCOLN/LOGAN COUNTY FOOD PANTRY, LOCAL AMERICAN CANCER SOCIETY RELAY FOR LIFE, COMMUNITY/CHILDREN'S HEALTH FAIR PLANNING COMMITTEE, ILLINOIS COMMUNITY ACTION DEVELOPMENT CORPORATION, APEX AT CITY CENTER TASK FORCE, COMMUNITY ACTION PARTNERSHIP OF CENTRAL ILLINOIS' HEALTH ADVISORY COMMITTEE, PROFESSIONAL CONSULTATION COMMITTEE FOR CLINICAL PASTORAL EDUCATION AND THE LOCAL EMERGENCY PLANNING COMMITTEE TAYLORVILLE MEMORIAL HOSPITAL (TMH) IS ONE OF THE LARGEST EMPLOYERS IN CHRISTIAN COUNTY AND PROVIDES EMPLOYMENT AND BENEFITS FOR APPROXIMATELY 380 FAMILIES TMH IS A MEMBER OF THE GREATER TAYLORVILLE CHAMBER OF COMMERCE AND THE CHRISTIAN COUNTY ECONOMIC DEVELOPMENT CORPORATION, WHICH ARE WORKING TO IMPROVE THE ECONOMIC VITALITY OF CHRISTIAN COUNTY COMMUNITY SUPPORT IS PROVIDED BY LEADERSHIP ON THE BOARDS OF THE UNITED WAY OF CHRISTIAN COUNTY, TAYLORVILLE DEVELOPMENT ASSOCIATION, AND TAYLORVILLE SERTOMA CLUB THE TMH CEO SERVES AS CHAIRMAN FOR SERTOMA CLUB'S FIRST DAY SCHOOL SUPPLY PROGRAM AND SERVES AS CO-CHAIR FOR SERTOMA CLUB'S WARM WINTER PROJECT TMH ACTIVELY PROMOTES AND SUPPORTS THE UNITED WAY OF CHRISTIAN COUNTY BY HOSTING THE ANNUAL UNITED WAY OF CHRISTIAN COUNTY KICK-OFF EVENT TMH ALSO OFFERS INCENTIVES TO EMPLOYEES WHO MAKE CONTRIBUTIONS TO UNITED WAY COALITION BUILDING WAS DONE THROUGH MEMBERSHIP IN THE CHRISTIAN COUNTY PREVENTION COALITION, WHICH IS DEDICATED TO STOPPING DRUG AND ALCOHOL ABUSE, ESPECIALLY ON THE PART OF YOUNG PEOPLE COMMUNITY HEALTH IMPROVEMENT ADVOCACY IS SUPPORTED THROUGH LEADERSHIP INVOLVEMENT IN THE ILLINOIS HOSPITAL SMALL AND RURAL CONSTITUENCY SECTION THIS SECTION OF THE ILLINOIS HOSPITAL ASSOCIATION SUPPORTS SMALL AND RURAL HOSPITALS AS THEY STRIVE TO PROVIDE NEEDED HEALTHCARE SERVICES TO THE COMMUNITIES THEY SERVE LEADERS AND EMPLOYEES OF TMH SERVE ON SEVERAL OTHER COMMITTEES AND BOARDS, SUCH AS ILLINOIS RESPIRATORY CARE BOARD, RELAY FOR LIFE, LOCAL EMERGENCY PLANNING COMMITTEE OF CHRISTIA</p>

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	N COUNTY, AND CHRISTIAN COUNTY ECONOMIC DEVELOPMENT CORPORATION IN ADDITION, THE TMH CEO SERVES AS THE INFORMATION TECHNOLOGY COMMITTEE CHAIR FOR THE ILLINOIS CRITICAL ACCESS HOSP ITAL NETWORK

Form and Line Reference	Explanation
PART III, LINE 4	MEMORIAL HEALTH SYSTEM'S THREE HOSPITALS' (MEMORIAL MEDICAL CENTER, ABRAHAM LINCOLN MEMORIAL HOSPITAL AND TAYLORVILLE MEMORIAL HOSPITAL) ACCOUNTING POLICY FOR BAD DEBT EXPENSE IS DESCRIBED ON PAGES 13, 14, AND 15 OF THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS IN THE MEMORIAL HEALTH SYSTEM'S CONSOLIDATED FINANCIAL STATEMENTS

Form and Line Reference	Explanation
PART III, LINE 8	<p>THE COSTING METHODOLOGY UTILIZED FOR THE DETERMINATION OF MEMORIAL MEDICAL CENTER'S MEDICARE ALLOWABLE COST (SCHEDULE H, PART III, LINE 6) WAS CALCULATED AS FOLLOWS MEMORIAL MEDICAL CENTER, ABRAHAM LINCOLN MEMORIAL HOSPITAL, AND TAYLORVILLE MEMORIAL HOSPITAL UTILIZED MEDICARE COSTING DATA FROM THE FISCAL YEAR ENDED 9/30/2014 MEDICARE COST REPORT AS FILED MEMORIAL MEDICAL CENTER WAS ABLE TO CAPTURE THE MEDICARE COSTING FOR INPATIENT MEDICAL SURGICAL, INPATIENT PSYCHIATRIC, INPATIENT REHABILITATION, AND OUTPATIENT MEDICAL SURGICAL SERVICES DURING THAT FISCAL PERIOD THIS COSTING DATA EXCLUDED THE DIRECT MEDICAL EDUCATION COST FOR THE RESIDENCY PROGRAM ASSOCIATED WITH THE SOUTHERN ILLINOIS UNIVERSITY SCHOOL OF MEDICINE THIS COST WAS INCLUDED IN THE HEALTH PROFESSIONS EDUCATION SECTION OF PART I, LINE 7 (F) OF SCHEDULE H OTHER SECTIONS OF MEDICARE COSTS THAT WOULD NORMALLY BE EXCLUDED FROM THE MEDICARE COST REPORT BUT SHOULD BE INCLUDED FOR PURPOSES OF THIS SCHEDULE ARE THE FOLLOWING 1 MEMORIAL MEDICAL CENTER'S ESRD PROGRAM - THIS PROGRAM IS RELATED TO THE END-STAGE RENAL DIALYSIS PROGRAM THE PROGRAM IS REFLECTED ON THE W/S I OF THE COST REPORT BUT DOES NOT HAVE A SETTLEMENT 2 MEMORIAL MEDICAL CENTER'S OUTPATIENT CLINICAL LAB CHARGES - THESE MEDICARE OUTPATIENT CHARGES ARE PAID ON A FEE-FOR-SERVICE BASIS AND ARE NOT REFLECTED ON THE AS FILED MEDICARE COST REPORT 3 MEMORIAL MEDICAL CENTER'S OUTPATIENT THERAPY SERVICES - THESE MEDICARE OUTPATIENT CHARGES RELATED TO THERAPEUTIC SERVICES, SUCH AS PHYSICAL THERAPY, OCCUPATIONAL THERAPY, AND SPEECH THERAPY SERVICES, ARE SUBJECT TO A FEE-FOR-SERVICE PAYMENT METHOD AND NOT FILED ON THE MEDICARE COST REPORT 4 PART B PROFESSIONAL FEES - MEMORIAL MEDICAL CENTER HAS ITS PART B MEDICARE PROFESSIONAL FEES BILLED THROUGH A SEPARATE CORPORATION OF MEMORIAL HEALTH SYSTEM THE BILLING SERVICE IS CALLED PHYSICIAN BILLING SERVICE IT BILLS FOR THE PROFESSIONAL FEES ON BEHALF OF MEMORIAL MEDICAL CENTER AND SWEEPS THE MEDICARE PAYMENTS BACK TO IT SOME OF THE PROFESSIONAL FEES BILLED BY PHYSICIAN BILLING SERVICE ARE CRNA, HEARING CENTER, SPINWORKS CLINIC, HEART FAILURE CLINIC, CLINICAL PSYCHOLOGISTS, DIETARY CONSULTING, BARIATRIC SURGERY AND EKG INTERPRETATIONS THESE SERVICES ARE TYPICALLY EXCLUDED FROM THE MEDICARE COST REPORT BUT SHOULD BE INCLUDED FOR PURPOSE OF SCHEDULE H THE MEDICARE CHARGES ASSOCIATED WITH BULLET POINTS 1 THROUGH 4 ABOVE WERE APPLIED TO THE CALCULATED COST TO CHARGE RATIOS FROM THE MEDICARE COST REPORT TO DETERMINE ITS COST THIS COST DATA, ALONG WITH THE COST DATA ALREADY COMPILED FROM THE AS FILED MEDICARE COST REPORT WAS THE BASIS FOR THE ALLOWABLE MEDICARE COST OF \$207,276,780 THE TOTAL SHORTFALL REPORTED ON SCHEDULE H, PART III, LINE 7 WAS \$5,086,186 THE ENTIRE SHORTFALL SHOULD BE CONSIDERED A COMMUNITY BENEFIT FOR MEMORIAL MEDICAL CENTER, ABRAHAM LINCOLN MEMORIAL HOSPITAL, AND TAYLORVILLE MEMORIAL HOSPITAL THIS SHORTFALL REFLECTS THE EXCESS COSTS INCURRED BY MEMORIAL MEDICAL CENTER THAT CURRENT FEE-FOR-SERVICE PAYMENTS PRESENTLY DO NOT COVER THESE ARE VITAL SERVICES TO THE COMMUNITY THESE THREE HOSPITALS SERVE THAT CURRENT MEDICARE PAYMENTS DO NOT COVER IN THE COMMUNITY THAT MEMORIAL MEDICAL CENTER, ABRAHAM LINCOLN MEMORIAL HOSPITAL, AND TAYLORVILLE MEMORIAL HOSPITAL SERVE, MEDICARE IS AN IMPORTANT PAYOR ACCORDINGLY, ALL THREE HOSPITALS ACCEPT MEDICARE PATIENTS REGARDLESS OF WHETHER THEIR TREATMENTS WILL RESULT IN A SURPLUS OR DEFICIT TO THE HOSPITAL BY PROVIDING THESE SERVICES TO MEDICARE PATIENTS, THE MHS HOSPITALS PROMOTE ACCESS TO HEALTH CARE AND PROVIDE A COMMUNITY BENEFIT ADDITIONALLY, THE ELDERLY ARE OFTEN AN UNDERSERVED POPULATION WHO EXPERIENCE ISSUES WITH ACCESS TO HEALTHCARE SERVICES WITHOUT TAX-EXEMPT HOSPITALS PROVIDING MEDICARE SERVICES, CMS AND THE U S GOVERNMENT WOULD BEAR THE BURDEN OF DIRECTLY PROVIDING SERVICES TO THE ELDERLY ACCORDINGLY, MEMORIAL MEDICAL CENTER, ABRAHAM LINCOLN MEMORIAL HOSPITAL, AND TAYLORVILLE MEMORIAL HOSPITAL HAVE LESSENED THE BURDENS OF GOVERNMENT BY PROVIDING SERVICES TO THIS AT-RISK POPULATION</p>

Form and Line Reference	Explanation
PART III, LINE 9B	MEMORIAL MEDICAL CENTER, ABRAHAM LINCOLN MEMORIAL HOSPITAL, AND TAYLORVILLE MEMORIAL HOSPITAL WILL NOT PURSUE COLLECTION ACTION IN COURT AGAINST A FINANCIALLY QUALIFIED CHARITY CARE PATIENT WHO HAS CLEARLY DEMONSTRATED THAT HE OR SHE DOES NOT HAVE SUFFICIENT INCOME OR ASSETS TO MEET ANY PART OF THEIR FINANCIAL OBLIGATION TO THE APPLICABLE HOSPITAL IF AN UNINSURED PATIENT HAS REQUESTED CHARITY ASSISTANCE AND/OR APPLIED FOR OTHER COVERAGE AND IS COOPERATING WITH THE HOSPITAL, THE HOSPITAL WILL NOT PURSUE COLLECTION ACTION UNTIL A DECISION HAS BEEN MADE THAT THERE IS NO LONGER A REASONABLE BASIS TO BELIEVE PATIENT MAY QUALIFY FOR CHARITY ASSISTANCE OR OTHER COVERAGE IF AN UNINSURED PATIENT COMPLIES WITH A PAYMENT PLAN THAT HAS BEEN AGREED UPON BY THE HOSPITAL, THE HOSPITAL WILL NOT PURSUE COLLECTION ACTION IF THE HOSPITAL HAS GIVEN THE PATIENT THE OPPORTUNITY TO ASSESS THE ACCURACY OF THE BILL AND HAS SUFFICIENT REASON TO BELIEVE THAT THE PATIENT DOES NOT QUALIFY FOR ADDITIONAL CHARITY CARE ASSISTANCE UNDER ALL TERMS OF THIS POLICY REGARDING HIS OR HER PARTIAL OBLIGATION, AND THE PATIENT CONTINUES WITH NON-PAYMENT, COLLECTION ACTION MAY BE TAKEN BY THE HOSPITAL TO ENFORCE THE TERMS OF ANY PAYMENT PLAN ONCE CHARITY CARE STATUS IS DETERMINED, IT WILL BE APPLIED TO ALL OPEN ACCOUNTS AND WILL BE VALID FOR A PERIOD OF 6 MONTHS FROM DATE OF DETERMINATION AND 6 MONTHS RETROACTIVELY

Form and Line Reference	Explanation
PART III, LINE 2	MEMORIAL MEDICAL CENTER'S BAD DEBT EXPENSE AT COST WAS DETERMINED BY COMPUTING A COST TO CHARGE RATIO AND APPLYING THIS RATIO AGAINST BAD DEBT EXPENSE AS REPORTED ON THE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED 9/30/2014 THE COST TO CHARGE RATIO WAS CALCULATED AS FOLLOWS TOTAL OPERATING EXPENSES PER AUDITED FINANCIAL STMTS \$568,963,397LESS OTHER OPERATING REVENUE (BEFORE CAPITATION ADJ) (17,018,914)CAPITATION RISK SETTLEMENT (1,036,384)PURCHASED MEDICAL SERVICES CAPITATION (33,454,549) HOSPITAL PROVIDER ASSESSMENT (15,700,633)ADJUSTED OPERATING EXPENSES \$503,825,685GROSS PATIENT SERVICE REVENUE (BEFORE CAPITATION) \$1,871,175,652RATIO OF COST TO CHARGES FOR BAD DEBT COSTING 26.9%ABRAHAM LINCOLN MEMORIAL HOSPITAL AND TAYLORVILLE MEMORIAL HOSPITAL USED THE METHOD PRESCRIBED IN WORKSHEET 2 IN THE SCHEDULE H INSTRUCTIONS MEMORIAL HEALTH SYSTEM'S THREE HOSPITALS (MEMORIAL MEDICAL CENTER, ABRAHAM LINCOLN MEMORIAL HOSPITAL AND TAYLORVILLE MEMORIAL HOSPITAL) DO NOT INCLUDE BAD DEBT AMOUNTS IN COMMUNITY BENEFIT

Form and Line Reference	Explanation
PART VI, LINE 2	<p>IN ADDITION TO THE COMMUNITY HEALTH NEED ASSESSMENT PROCESS DESCRIBED IN PART V, SECTION B, MEMORIAL HEALTH SYSTEM HAS ALWAYS REVIEWED A VARIETY OF INFORMATION TO IDENTIFY COMMUNITY NEEDS THESE INCLUDE HOSPITAL ADMISSIONS AND DISCHARGES, LEADING CAUSES OF MORTALITY AND MORBIDITY IN EACH COUNTY AS REPORTED BY THE ILLINOIS DEPARTMENT OF PUBLIC HEALTH, AND THE U S DEPARTMENT OF HEALTH AND HUMAN SERVICES HEALTHY PEOPLE 2020 ADDITIONAL INFORMATION IS GLEANED FROM CONSUMER SURVEYS, PATIENT SURVEYS, MEDICAL STAFF SURVEYS, EVALUATIONS FROM COMMUNITY EDUCATION EVENTS, SUPPORT GROUP FEEDBACK, WEBMASTER QUESTIONS AND FEEDBACK, VOLUNTEER BOARD MEMBER AND COMMUNITY BENEFIT COMMITTEE FEEDBACK, REQUESTS FROM THE COMMUNITY AND GRANT APPLICATIONS TO THE MEMORIAL MEDICAL CENTER FOUNDATION INFORMATION FROM ALL THESE SOURCES HELPED PRIORITIZE MHS'S COMMUNITY BENEFIT INITIATIVES IN TY13/FY14, AND TO ASSURE THAT THOSE INITIATIVES ARE ALIGNED WITH MHS'S MISSION, STATEMENT OF VALUES, STRATEGIC PLAN AND BUDGET PRIORITIES ARE ESTABLISHED BASED ON OVERALL NEED, LEADING CAUSES OF DEATH, IMPACT ON HEALTH STATUS, ORGANIZATIONAL CORE COMPETENCIES, AND RESOURCES AND WHEREWITHAL TO MEANINGFULLY ADDRESS THE NEED EACH MEMORIAL AFFILIATE HAS THE FLEXIBILITY TO DEVELOP SPECIFIC COMMUNITY BENEFIT PROGRAMS AND INITIATIVES THAT ARE DESIGNED TO RESPOND TO THE NEEDS OF ITS PARTICULAR COMMUNITY MEMORIAL HEALTH SYSTEM UNDERSTANDS THAT COLLABORATION WITH OTHER COMMUNITY ORGANIZATIONS IS AN IMPORTANT COMPONENT OF COMMUNITY HEALTH IMPROVEMENT EFFORTS AND RESPONDS TO DIRECT COMMUNITY REQUESTS FOR PROGRAMS AND ASSISTANCE</p>

Form and Line Reference	Explanation
PART VI, LINE 3	<p>MEMORIAL MEDICAL CENTER, ABRAHAM LINCOLN MEMORIAL HOSPITAL AND TAYLORVILLE MEMORIAL HOSPITAL PROACTIVELY INFORM PATIENTS OF THEIR CHARITY CARE AND UNINSURED DISCOUNT ASSISTANCE AND THE ELIGIBILITY CRITERIA, IN ACCORDANCE WITH SUCH POLICIES. A FINANCIAL ASSISTANCE/BILLING LINK ON EACH HOSPITAL WEBSITE GOES TO BILLING INFORMATION WHICH INCLUDES A LINK TO THE CHARITY CARE AND UNINSURED DISCOUNT PROGRAM INFORMATION AND APPLICATION. THE APPLICATION FORM IS AVAILABLE IN SPANISH AS WELL AS ENGLISH. FOREIGN LANGUAGE TRANSLATION ASSISTANCE IS AVAILABLE UPON REQUEST. INFORMATION ON THE AVAILABILITY OF CHARITY CARE AND UNINSURED DISCOUNT ASSISTANCE IS POSTED AT PRIMARY REGISTRATION SITES, INCLUDING THE EMERGENCY DEPARTMENT. THE "PEACE OF MIND REGARDING PAYMENT" BROCHURE IS AVAILABLE TO EVERY PATIENT AT EVERY VISIT AND IS AVAILABLE IN SPANISH. EMPLOYEES IN PATIENT REGISTRATION, PATIENT FINANCIAL SERVICES AND SOCIAL SERVICES ARE TRAINED TO UNDERSTAND THE CHARITY CARE POLICY AND KNOW HOW TO DIRECT QUESTIONS TO THE APPROPRIATE HOSPITAL REPRESENTATIVE. HOSPITAL STAFF WHO REGULARLY INTERACT WITH PATIENTS ARE TRAINED AND KNOWLEDGEABLE ABOUT THE CHARITY CARE POLICY. IF NECESSARY, THEY ARE ABLE TO DIRECT PATIENT QUESTIONS REGARDING THE POLICY TO A KNOWLEDGEABLE HOSPITAL REPRESENTATIVE WHO IS ALSO ABLE TO DISCUSS WITH THE PATIENT THE AVAILABILITY OF VARIOUS GOVERNMENT PROGRAMS, SUCH AS MEDICAID OR OTHER STATE PROGRAMS, AND ASSIST THE PATIENT WITH QUALIFICATION FOR SUCH PROGRAMS, WHERE APPLICABLE. EACH HOSPITAL EMPLOYS PATIENT FINANCIAL COUNSELORS WHOSE PRIMARY GOAL IS TO VISIT ALL INPATIENTS WHO ARE IDENTIFIED AS SELF-PAY WITHIN 24 HOURS OF ADMISSION. THE FINANCIAL COUNSELORS PROVIDE INFORMATION ON CHARITY CARE AND UNINSURED DISCOUNTS AND, IF THE PATIENT HAS APPROPRIATE INFORMATION, COMPLETE THE CHARITY CARE APPLICATION ON THE SPOT. ANY SELF-PAY INPATIENT WHO MAY HAVE BEEN DISCHARGED WITHOUT A VISIT FROM THE FINANCIAL COUNSELOR RECEIVES A FOLLOW-UP PHONE CALL OR CHARITY CARE APPLICATION PACKET IN THE MAIL. IF INPATIENTS ARE IDENTIFIED AS BEING ELIGIBLE FOR MEDICAID OR OTHER GOVERNMENT BENEFITS, THIS APPLICATION PROCESS IS ALSO IMMEDIATELY STARTED WHILE THEY ARE PATIENTS. MEMORIAL MEDICAL CENTER EMPLOYS A FULL-TIME MEDICAID COORDINATOR(S) WHO CONTINUES TO WORK WITH PATIENTS POST-DISCHARGE TO WALK THEM THROUGH THE ENTIRE APPLICATION PROCESS. EVERY HOSPITAL BILLING STATEMENT INCLUDES FINANCIAL ASSISTANCE INFORMATION WITH A PHONE NUMBER TO CALL FOR INFORMATION. PATIENTS ARE ENCOURAGED TO INQUIRE ABOUT FINANCIAL ASSISTANCE AT ANY STAGE OF THE BILLING PROCESS. THE MHS HOSPITALS STRIVE TO HAVE A CONSISTENT AND COURTEOUS APPROACH TO COLLECTIONS. MEMORIAL MEDICAL CENTER, ABRAHAM LINCOLN MEMORIAL HOSPITAL AND TAYLORVILLE MEMORIAL HOSPITAL OFFER FINANCIAL COUNSELING AND SCREENING TO PATIENTS TO ENSURE THAT ANY OTHER POTENTIAL THIRD PARTY COVERAGE UNDER OTHER GOVERNMENT PROGRAMS SUCH AS MEDICAID CAN BE IDENTIFIED. MEMORIAL MEDICAL CENTER WILL NOT REFER ACCOUNTS TO A COLLECTION AGENCY, FILE ANY LAWSUIT, OR GARNISH WAGES AGAINST ANY PARTICULAR PATIENT TO COLLECT MEDICAL DEBT UNTIL MMC VERIFIES THE FOLLOWING: REASONABLE BASIS FOR BELIEVING PATIENT OWES THE DEBT, MMC WILL MAKE ALL REASONABLE ATTEMPTS TO BILL THIRD PARTY PAYERS AND CONFIRM ANY REMAINING AMOUNTS ARE TRULY THE FINANCIAL RESPONSIBILITY OF THE PATIENT, WHEN THE PATIENT HAS INDICATED AN INABILITY TO PAY, MMC WILL ATTEMPT TO VALIDATE THE INABILITY TO PAY AND MMC WILL OFFER A REASONABLE PAYMENT PLAN AND, THE PATIENT HAS BEEN GIVEN A REASONABLE OPPORTUNITY TO SUBMIT AN APPLICATION FOR CHARITY CARE. ALL HOSPITALS HAVE A CODE OF CONDUCT POLICY THAT SETS FORTH CERTAIN PRINCIPLES TO WHICH AGENCIES, REPRESENTATIVES AND COLLECTORS ARE EXPECTED TO ADHERE. THE AGENCIES ARE REQUIRED TO COMPLY WITH ALL OF THE RELEVANT TERMS OF THE ILLINOIS FAIR PATIENT BILLING ACT, AND, IN PARTICULAR, SECTION 30(C) WHICH ENUMERATES CERTAIN PREREQUISITE CONDITIONS WHICH MUST BE SATISFIED BEFORE AN AGENCY CAN INITIATE ANY LEGAL ACTION AGAINST A PATIENT WHICH IS RELATED TO A FAILURE BY THAT PATIENT TO PAY A HOSPITAL BILL. THE AGENCIES ARE ALSO REQUIRED TO COMPLY WITH ALL OF THE RELEVANT TERMS OF THE ACA INTERNATIONAL CODE OF ETHICS AND PROFESSIONAL RESPONSIBILITY. ONCE A CHARITY CARE DETERMINATION IS MADE, ALL COLLECTION EFFORTS CEASE. IF AN ACCOUNT IS AT A COLLECTION AGENCY, THE ACCOUNT IS RETURNED BACK TO THE HOSPITAL FOR CHARITY PROCESSING. ALL PATIENT COMPLAINTS REGARDING DISSATISFACTION WITH SERVICES RENDERED OR BILLING ISSUES ARE HANDLED PROMPTLY AND IN A COURTEOUS MANNER TO ENSURE THAT CUSTOMER SERVICE REMAINS THE FOCUS OF ANY PATIENT CONCERN. ALL COMPLAINTS ARE CONSIDERED VALID AND PATIENT FEEDBACK IS WELCOME WITH RESPECT TO DISPUTED MATTERS.</p>

Form and Line Reference	Explanation
PART VI, LINE 4	<p>MEMORIAL MEDICAL CENTER (MMC), A NONPROFIT TERTIARY CARE HOSPITAL WITH 500 LICENSED BEDS, IS LOCATED IN THE STATE CAPITOL OF SPRINGFIELD, ILL MMC IS ONE OF TWO PRIMARY TEACHING HOSPITALS FOR SOUTHERN ILLINOIS UNIVERSITY SCHOOL OF MEDICINE, WHICH IS ADJACENT TO THE MMC CAMPUS MMC IS A LEVEL 1 TRAUMA CENTER AND MAJOR REGIONAL HEALTHCARE PROVIDER FOR CENTRAL AND SOUTHERN ILLINOIS, WHICH IS LARGELY RURAL ITS PRIMARY SERVICE AREA INCLUDES SANGAMON COUNTY (POP 199,145) AND SEVEN ADJACENT RURAL AGRICULTURAL COUNTIES WHOSE COMBINED POPULATIONS TOTAL 203,000 (LOGAN, CHRISTIAN, CASS, MACOUPIN, MENARD, MONTGOMERY AND MORGAN COUNTIES) THERE ARE 10 OTHER HOSPITALS IN THIS PRIMARY SERVICE AREA INCLUDING, IN SPRINGFIELD, ST JOHN'S HOSPITAL (431 BEDS) AND VIBRA HOSPITAL (A 50-BED, LONG-TERM ACUTE-CARE FACILITY) THE OTHER EIGHT HOSPITALS ARE LOCATED IN RURAL COMMUNITIES ONE RURAL HOSPITAL HAS 93 BEDS, THE OTHER SEVEN HOSPITALS EACH HAVE FEWER THAN 50 BEDS THERE ARE A TOTAL OF 29 MUAS (FEDERALLY DESIGNATED MEDICALLY UNDERSERVED AREAS) IN THE EIGHT COUNTIES THAT COMPRISE MMC'S PRIMARY SERVICE AREA SANGAMON COUNTY, WHERE MMC IS LOCATED, HAS EIGHT OF THESE MUAS THE POPULATION OF SANGAMON COUNTY IS 83 4% WHITE, 12 2% BLACK AND 4 4% OTHER THE MEDIAN HOUSEHOLD INCOME IS \$55,449 PERSONS AGE 65 AND OLDER MAKE UP 15% OF SANGAMON COUNTY'S POPULATION, WHICH IS HIGHER THAN THE STATE AVERAGE OF 13 5% A TOTAL OF 14 2% OF ALL COUNTY RESIDENTS LIVE BELOW THE FEDERAL POVERTY LEVEL, INCLUDING 21 8% OF ALL CHILDREN AND 6 3% OF SENIORS IN TY2013, 1 8% OF THE PATIENTS SERVED AT MMC RECEIVED UNINSURED/UNDERINSURED CHARITY CARE ASSISTANCE, 16 4% OF PATIENTS WERE ON MEDICAID, AND 29 9% WERE COVERED BY MEDICARE MMC QUALIFIES FOR MEDICARE DISPROPORTIONATE SHARE REIMBURSEMENT CARDIOVASCULAR DISEASES AND CANCER ARE THE LEADING CAUSES OF DEATH IN THE COUNTY ABRAHAM LINCOLN MEMORIAL HOSPITAL (ALMH) IS A 25-BED RURAL CRITICAL ACCESS HOSPITAL LOCATED IN LINCOLN, ILL , APPROXIMATELY 30 MILES NORTHEAST OF THE STATE CAPITOL OF SPRINGFIELD ALMH SERVES THE PEOPLE AND COMMUNITIES OF LOGAN AND EASTERN MASON COUNTIES, A LARGELY RURAL, AGRICULTURAL AREA ALMH IS THE ONLY HOSPITAL IN THE PRIMARY SERVICE AREA OF LOGAN COUNTY (POP 30,013) RACE/ETHNICITY INCLUDES 89 7% WHITE, 7 9% BLACK AND 2 4% OTHER BACKGROUNDS THE MEDIAN HOUSEHOLD INCOME IS \$46,647 PERSONS AGE 65 AND OLDER MAKE UP 16 4% OF LOGAN COUNTY'S POPULATION 13 2% OF ALL RESIDENTS LIVE BELOW THE FEDERAL POVERTY LEVEL, INCLUDING 17 8% OF ALL CHILDREN AND 5 6% OF SENIORS THERE IS ONE MUA IN LOGAN COUNTY IN TY2013, 5 0% OF THE PATIENTS SERVED AT ALMH RECEIVED UNINSURED/UNDERINSURED CHARITY CARE ASSISTANCE, 21 9% OF THE PATIENTS WERE ON MEDICAID, AND 43 3% WERE COVERED BY MEDICARE CARDIOVASCULAR DISEASES AND CANCER ARE THE LEADING CAUSES OF DEATH IN THE COUNTY TAYLORVILLE MEMORIAL HOSPITAL (TMH) IS A 25-BED RURAL CRITICAL ACCESS HOSPITAL LOCATED IN TAYLORVILLE, ILL , APPROXIMATELY 27 MILES SOUTHEAST OF THE STATE CAPITOL OF SPRINGFIELD TMH IS ONE OF TWO HOSPITALS IN THE PRIMARY SERVICE AREA OF CHRISTIAN COUNTY (POP 34,298) THE OTHER, PANA COMMUNITY HOSPITAL, IS A CRITICAL ACCESS FACILITY IN THE SOUTHEAST CORNER OF THE COUNTY CHRISTIAN COUNTY'S RACE/ETHNICITY INCLUDES 96 5% WHITE, 1 6% BLACK, AND 1 9% OTHER THE MEDIAN HOUSEHOLD INCOME IS \$45,145 PERSONS AGE 65 AND OLDER MAKE UP 18 2% OF CHRISTIAN COUNTY'S POPULATION 14 9% OF ALL PEOPLE LIVE BELOW THE FEDERAL POVERTY LEVEL, INCLUDING 24 8% OF CHILDREN AND 7 9% OF SENIORS CHRISTIAN COUNTY HAS NINE MUAS IN TY2013, 3 8% OF THE PATIENTS SERVED AT TMH RECEIVED UNINSURED/UNDERINSURED CHARITY CARE ASSISTANCE, 18 1% OF THE PATIENTS WERE ON MEDICAID AND 54 9% WERE COVERED BY MEDICARE CARDIOVASCULAR DISEASES AND CANCER ARE THE LEADING CAUSES OF DEATH IN THE COUNTY</p>

Form and Line Reference	Explanation
PART VI, LINE 5	<p>EACH MHS HOSPITAL (MEMORIAL MEDICAL CENTER, ABRAHAM LINCOLN MEMORIAL HOSPITAL AND TAYLORVILLE MEMORIAL HOSPITAL) HAS A BOARD OF DIRECTORS MADE UP OF MEDICAL, BUSINESS AND COMMUNITY LEADERS WHO RESIDE IN THAT HOSPITAL'S PRIMARY SERVICE AREA. THESE VOLUNTEERS DONATE NUMEROUS HOURS OF SERVICE IN THEIR OVERSIGHT ROLE AND ARE INVOLVED IN THE COMMUNITY NEEDS ASSESSMENT PROCESS, FUNDRAISING, AND GENERAL STEWARDSHIP. MORE THAN 500 PEOPLE VOLUNTEER AT THE THREE HOSPITALS AS ESCORTS, WAITING ROOM HOSTS AND HOSTESSES AND A WIDE RANGE OF OTHER VOLUNTEER ROLES. ALL MHS HOSPITALS HAVE OPEN MEDICAL STAFFS THAT ALLOW MEMBERSHIP TO ANYONE WHO MEETS CREDENTIALING REQUIREMENTS. ALL THREE HOSPITALS PARTICIPATE IN MEDICARE, MEDICAID, CHAMPUS, TRICARE AND OTHER GOVERNMENT PROGRAMS AND ARE DISPROPORTIONATE SHARE MEDICAID HOSPITALS THAT PROVIDE FINANCIAL ASSISTANCE AND SLIDING SCALE DISCOUNTS ACCORDING TO BOARD-APPROVED CHARITY CARE POLICIES. ALL THREE HOSPITALS ALSO PROVIDE 24/7 EMERGENCY DEPARTMENTS PROVIDING SERVICE TO ALL PERSONS, REGARDLESS OF ABILITY TO PAY. MEMORIAL HEALTH SYSTEM UTILIZES SURPLUS FUNDS TO IMPROVE PATIENT CARE, MEDICAL EDUCATION AND RESEARCH. MEMORIAL MEDICAL CENTER SERVES AS THE REGIONAL BURN CENTER, SERVING ACUTELY BURNED PATIENTS FROM CENTRAL AND SOUTHERN ILLINOIS AND IS THE REGIONAL REHABILITATION PROVIDER FOR SPINAL CORD INJURIES, CLOSED HEAD INJURIES, STROKES AND COMPREHENSIVE INPATIENT AND OUTPATIENT REHABILITATION. MMC'S REGIONAL CANCER CENTER APPLIES ITS RESOURCES AND RESEARCH TO OFFER THE VERY LATEST IN CANCER EDUCATION, DETECTION, TREATMENT AND RESEARCH TO PATIENTS THROUGHOUT CENTRAL AND SOUTHERN ILLINOIS. MMC'S TRANSPLANT SERVICES HAS COMPLETED MORE THAN 800 KIDNEY AND COMBINED KIDNEY/PANCREAS TRANSPLANTS. MMC MAINTAINS A 24-HOUR EMERGENCY DEPARTMENT THAT IS A LEVEL 1 TRAUMA CENTER. THE EMERGENCY DEPARTMENT HAS TRADITIONALLY SERVED AS A SAFETY NET HEALTHCARE PROVIDER FOR THE UNINSURED AND UNDERINSURED WHO DO NOT HAVE PRIMARY CARE PHYSICIANS. IT PROVIDES SERVICES TO ALL PEOPLE REGARDLESS OF ABILITY TO PAY TO HELP MEET COMMUNITY NEED AND ALLEVIATE USE OF THE EMERGENCY DEPARTMENT FOR NON-EMERGENT CARE. MHS OPERATES THREE EXPRESSCARE WALK-IN FACILITIES. THESE PROMPT-CARE SITES USE THE SAME CRITERIA FOR PATIENTS AS THE EMERGENCY DEPARTMENT. THE UNINSURED AND THOSE ON PUBLIC INSURANCE PROGRAMS RECEIVE THE SAME LEVEL OF CARE AND TREATMENT AS ANY OTHER PATIENTS. CHARITY CARE IS PROVIDED AS NEEDED. MEMORIAL MEDICAL CENTER COLLABORATES WITH COMMUNITY PROVIDERS TO SERVE LOW INCOME AND UNINSURED POPULATIONS. MMC SUPPORTS PATIENTS FROM TWO FEDERALLY QUALIFIED HEALTH CENTERS IN SANGAMON COUNTY: CENTRAL COUNTIES HEALTH CENTER AND SOUTHERN ILLINOIS UNIVERSITY SCHOOL OF MEDICINE'S CENTER FOR FAMILY MEDICINE. MMC PROVIDES INPATIENT AND OUTPATIENT SERVICES TO ALL REFERRED FQHC PATIENTS, REGARDLESS OF ABILITY TO PAY. MMC ASSISTS THESE PATIENTS IN APPLYING FOR ANY HEALTH REIMBURSEMENT PROGRAM FOR WHICH THEY MAY BE ELIGIBLE AND ACCEPTS THE FQHC RECOMMENDED SLIDING SCALE FEE OR, IF THE PATIENT IS NOT ABLE TO PAY HIS/HER PORTION OF THE BILL, THE AMOUNT IS FORGIVEN UNDER THE HOSPITAL'S CHARITY CARE PROGRAM. IN PARTNERSHIP WITH ST JOHN'S HOSPITAL, MMC ALSO PROVIDED OPERATING EXPENSES FOR COORDINATED ACCESS TO COMMUNITY HEALTH (CATCH), A PROGRAM THAT IS INCREASING ACCESS TO CARE, PARTICULARLY PHYSICIAN SPECIALISTS, FOR UNINSURED ADULTS IN SANGAMON COUNTY. MMC PROVIDES FREE INPATIENT, OUTPATIENT AND DIAGNOSTIC SERVICES FOR CATCH PATIENTS, WHICH IS A PORTION OF OUR CHARITY CARE. MMC ALSO PROVIDES FREE TEMPORARY SUPPLIES OF PHARMACEUTICALS PRESCRIBED FOR INDIGENT PATIENTS WHO ARE DISCHARGED FROM OUR EMERGENCY ROOM AND INPATIENT HOSPITAL. IN ADDITION WE FUND FREE PHARMACEUTICALS FOR LOW-INCOME AND HOMELESS PERSONS SERVED BY THE KUMLER OUTREACH MINISTRIES, A PROGRAM OF KUMLER METHODIST CHURCH. MMC ALSO COVERS THE COSTS FOR AMBULANCES AND MEDICARS THAT TRANSFER DISCHARGED MEDICARE PATIENTS AND THE INDIGENT FROM THE HOSPITAL TO NURSING HOMES OR TO THEIR OWN HOMES IN THE COMMUNITY. MMC IS COMMITTED TO HEALTH PROFESSIONS EDUCATION. MHS PROVIDES SIGNIFICANT FINANCIAL SUPPORT FOR SOUTHERN ILLINOIS UNIVERSITY SCHOOL OF MEDICINE, A STATE UNIVERSITY THAT DOES NOT RECEIVE SUFFICIENT OPERATING SUPPORT FROM THE STATE OF ILLINOIS. MMC SERVES AS A MAJOR TEACHING HOSPITAL FOR SOUTHERN ILLINOIS UNIVERSITY SCHOOL OF MEDICINE, WHICH HAS ABOUT 300 MEDICAL STUDENTS STUDYING IN SPRINGFIELD DURING THEIR SECOND THROUGH FOURTH YEARS OF MEDICAL SCHOOL, AND MORE THAN 300 RESIDENTS AND FELLOWS PARTICIPATING IN 23 DIFFERENT SPECIALTY PROGRAMS. DURING FY13, MMC COLLABORATED WITH SIU SCHOOL OF MEDICINE TO CREATE A NEW HAND TRANSPLANT PROGRAM. IN FY2013, MMC COLLABORATED WITH THE UNIVERSITY OF ILLINOIS SPRINGFIELD AND UNIVERSITY OF ILLINOIS CHICAGO TO BRING NEW BACHELOR OF SCIENCE AND MASTERS IN NURSING PROGRAMS TO THE SPRINGFIELD CAMPUS TO HELP INCREASE THE AVAILABILITY OF REGISTERED NURSES AND ADVANCED PRACTICE NURSES IN CENTRAL AND SOUTHERN ILLINOIS. MMC A</p>

Form and Line Reference	Explanation
PART VI, LINE 5	<p>LSO OFFERS CLINICAL TRAINING SITES FOR MULTIPLE OTHER NURSING SCHOOLS, PROVIDING CLINICAL EXPERIENCES TO HUNDREDS OF UNDERGRADUATE RN AND LPN STUDENTS ANNUALLY. CLINICAL EXPERIENCES ARE OFFERED TO STUDENTS FROM NUMEROUS OTHER UNIVERSITY AND COLLEGE HEALTH PROFESSIONAL TRAINING PROGRAMS IN THE REGION. THESE INCLUDE RADIOLOGY, PHARMACY, CERTIFIED REGISTERED NURSE ANESTHESISTS, CLINICAL LABORATORY SCIENTISTS, SPEECH PATHOLOGISTS, PHYSICAL AND OCCUPATIONAL THERAPISTS AND OTHERS. MMC SUPPORTS CLINICAL RESEARCH AND OFFERS NUMEROUS CANCER TRIALS THROUGH THE CENTRAL ILLINOIS COMMUNITY CLINICAL ONCOLOGY PROGRAM, WHICH RECEIVES SUPPORT FROM THE NATIONAL CANCER INSTITUTE. IN ADDITION, MMC PROVIDES FUNDING AND SUPPORT FOR THE SPRINGFIELD COMMITTEE ON RESEARCH IN HUMAN SUBJECTS, THE LOCAL INSTITUTIONAL REVIEW BOARD FOR CLINICAL RESEARCH TRIALS IN SPRINGFIELD. MORE THAN 450 RESEARCH PROJECTS AND PROTOCOLS ARE OPEN AT ANY GIVEN TIME. MMC ALSO USES SURPLUS FUNDS TO PROVIDE SERVICES AND EXPANDED ACCESS POINTS OF CARE TO PATIENTS THROUGHOUT THE COMMUNITIES WE SERVE THROUGH EDUCATIONAL PROGRAMS THAT PROVIDE CLASSES AND INFORMATION ON A WIDE RANGE OF WELLNESS TOPICS. MMC CONDUCTS NUMEROUS FREE AND LOW-COST HEALTH SCREENINGS AND FREE SUPPORT GROUPS FOR COMMUNITY MEMBERS DEALING WITH BREAST CANCER, PROSTATE CANCER, DIABETES, KIDNEY/PANCREAS TRANSPLANT, STROKE/BRAIN INJURY, HEART FAILURE AND BARIATRIC WEIGHT LOSS. SURPLUS FUNDS ALSO IMPROVE PATIENT CARE BY ADDRESSING IMPORTANT IMPROVEMENTS TO THE MMC HOSPITAL INFRASTRUCTURE. DURING TY13/FY14, MMC CONTINUED WORK ON A MULTIPHASE EXPANSION PROJECT THAT WILL BE COMPLETED IN 2015 AND 2016. THE PROJECT INCLUDES CONSTRUCTION OF THREE NEW PATIENT FLOORS WITH 114 PRIVATE PATIENT ROOMS THAT WILL IMPROVE PATIENT SAFETY, PRIVACY AND COMFORT AND REDUCE THE RISK OF INFECTION. FOLLOWING CONSTRUCTION, EXISTING DOUBLE PATIENT ROOMS WILL BE CONVERTED TO PRIVATE ROOMS. THE NEW CONSTRUCTION ALSO INCLUDES EXPANDED SURGICAL CAPACITY WITH THE ADDITION OF SIX NEW OPERATING ROOMS. HEALTH PROFESSIONS EDUCATION WILL BE ENHANCED THROUGH A NEW FOUR-STORY CENTER FOR LEARNING AND INNOVATION FACILITY WHICH WILL OFFER NEW AND ADVANCED PROFESSIONAL EDUCATIONAL OPPORTUNITIES FOR MEMORIAL STAFF AS WELL AS SIU SCHOOL OF MEDICINE AND OTHER REGIONAL HEALTHCARE ACADEMIC PARTNERS. NEW CONFERENCE ROOM SPACE WILL ALSO ALLOW MEMORIAL TO OFFER ADDITIONAL PROFESSIONAL HEALTH EDUCATION EVENTS FOR THE COMMUNITY. DURING TY13/FY14, MMC ESTABLISHED A NEW CARE COORDINATION SERVICE TO HELP PATIENTS WITH COMPLEX MEDICAL NEEDS DEVELOP LONG-TERM HEALTHCARE GOALS AND ACCESS THE CARE THEY NEED. MMC IS ALSO A JOINT COMMISSION OF HEALTH CARE ORGANIZATION DESIGNATED PRIMARY STROKE CENTER AND MAINTAINS A TELESTROKE NETWORK WITH OTHER HOSPITALS IN THE REGION WHEREBY PATIENTS PRESENTING WITH STROKE SYMPTOMS CAN BE DIAGNOSED AND TRIAGED AT THEIR LOCAL HOSPITAL. ABRAHAM LINCOLN MEMORIAL HOSPITAL (ALMH) IS A RURAL CRITICAL ACCESS HOSPITAL WITH 25 STAFFED BEDS. SERVICES OFFERED INCLUDE 24-HOUR EMERGENCY MEDICINE, GENERAL ACUTE INPATIENT CARE, PAIN MANAGEMENT, ORTHOPEDICS, SURGERY AND FAMILY MATERNITY SUITES. ALMH ALSO OFFERS A FULL RANGE OF OUTPATIENT REHABILITATION AND THERAPY AS WELL AS DIAGNOSTIC TESTING. A FIXED MRI UNIT AND UPGRADED CT SCAN OFFER COMMUNITY MEMBERS LOCAL AND CONVENIENT ACCESS TO MANY DIAGNOSTIC TESTS. ALMH'S EMERGENCY DEPARTMENT HAS TRADITIONALLY SERVED AS A SAFETY NET HEALTHCARE PROVIDER FOR THE UNINSURED AND UNDERINSURED WHO DO NOT HAVE PRIMARY CARE PHYSICIANS. ALMH OFFERS MEMORIAL JOINTWORKS, WHICH EDUCATES PATIENTS AND THEIR FAMILIES ABOUT WHAT TO EXPECT BEFORE, DURING AND AFTER HIP OR KNEE REPLACEMENT SURGERY. THIS PERSONALIZED AND AGGRESSIVE THERAPY APPROACH HAS SUCCESSFULLY ASSISTED PATIENTS TO REDUCE THEIR PAIN AND MAXIMIZE THEIR FUNCTION AND MOBILITY AFTER SURGERY.</p>

Form and Line Reference	Explanation
PART VI, LINE 6	MEMORIAL HEALTH SYSTEM, A 501(C)(3) CORPORATION, IS THE SOLE CORPORATE MEMBER OF ABRAHAM LINCOLN MEMORIAL HOSPITAL, A RURAL CRITICAL ACCESS HOSPITAL, TAYLORVILLE MEMORIAL HOSPITAL, A RURAL CRITICAL ACCESS HOSPITAL, AND MEMORIAL MEDICAL CENTER, A 500-BED TERTIARY CARE HOSPITAL THAT OFFERS A FULL RANGE OF INPATIENT AND OUTPATIENT SERVICES OTHER AFFILIATES INCLUDE MEMORIAL PHYSICIAN SERVICES, A PRIMARY CARE PHYSICIAN NETWORK THAT INCLUDES SEVERAL CLINICS LOCATED IN MEDICALLY UNDERSERVED OR HEALTH MANPOWER SHORTAGE AREAS, MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS, A MULTI-COUNTY OUTPATIENT MENTAL HEALTH NETWORK THAT PROVIDES SERVICE BASED ON A SLIDING-SCALE FEE SCHEDULE AND FREE CARE TO A WIDE RANGE OF PATIENTS WITH PSYCHIATRIC DISORDERS, MEMORIAL HOME SERVICES, A MULTI-COUNTY HOME CARE AND HOSPICE PROGRAM, A CHILD CARE CENTER, AND THREE HOSPITAL FOUNDATIONS, ALL OF WHICH ARE 501(C)(3) ENTITIES DURING TY2013, PASSAVANT AREA HOSPITAL (PAH), A 93-BED NONPROFIT RURAL COMMUNITY HOSPITAL, AFFILIATED WITH MEMORIAL HEALTH SYSTEM (PAH FILES A SEPARATE FORM 990) MEMORIAL HEALTH SYSTEM'S AFFILIATES ENGAGE IN A WIDE RANGE OF PROGRAMS AND ACTIVITIES THAT PROMOTE COMMUNITY HEALTH HEALTH SYSTEM AFFILIATES INTEGRATE SERVICES TO PROVIDE IMPROVED ACCESS AND STREAMLINED TRANSITIONS BETWEEN THE DOCTORS' OFFICES, HOSPITAL, HOME HEALTH AGENCY, NURSING HOME AND MENTAL HEALTH CLINICS

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

Form and Line Reference	Explanation
PART VI, LINE 5	<p>ULTRASOUND GUIDED BIOPSIES AND A HEART FAILURE CLINIC ARE NOW OFFERED AT ALMH, OFFERING AN ADDITIONAL DIAGNOSTIC SERVICE TO THE COMMUNITY WE SERVE ALMH PROVIDES FREE COMMUNITY WEEKLY BLOOD PRESSURE SCREENINGS THROUGH THE ALMH VOLUNTEER PROGRAM AND A WEEKLY BREASTFEEDING SUPPORT GROUP TO NEW MOTHERS IN THE SERVICE AREA. A COMMUNITY WEIGHT LOSS PROGRAM, MOVING FORWARD, WAS ESTABLISHED AND IS SERVING THE COMMUNITY IN RESPONSE TO NEEDS FOUND ON THE COMMUNITY HEALTH NEEDS ASSESSMENT. OVER 40 INDIVIDUALS HAVE SUCCESSFULLY COMPLETED THE PROGRAM. TAYLORVILLE MEMORIAL HOSPITAL (TMH) IS A RURAL CRITICAL ACCESS HOSPITAL WITH OCCUPANCY FOR 25 STAFFED ACUTE AND SWING BEDS. SERVICES OFFERED INCLUDE OBSERVATION SERVICES, A 24-HOUR EMERGENCY DEPARTMENT, OUTPATIENT SURGERY, LABORATORY, REHABILITATION THERAPY, AND RADIOLOGY SERVICES WITH MRI, CT, DIGITAL MAMMOGRAPHY, ECHOCARDIOLOGY, ULTRASOUND/SONOGRAPHY AND NUCLEAR MEDICINE. TMH'S EMERGENCY DEPARTMENT CONTINUES TO SERVE AS A SAFETY NET HEALTHCARE PROVIDER FOR MANY OF THE COMMUNITY'S UNINSURED AND UNDERINSURED WHO DO NOT HAVE PRIMARY CARE PHYSICIANS. DURING FY13/14, TMH UTILIZED SURPLUS FUNDS TO IMPLEMENT A NEW SERVICE LINE CALLED SENIOR LIFE SOLUTIONS (SLS). SLS PROVIDES GERIATRIC PSYCHIATRIC GROUP THERAPY FOR PATIENTS SUFFERING FROM ANXIETY AND DEPRESSION. LOW-DOSE CT SCANNING TO SCREEN FOR LUNG CANCER WAS ALSO ADDED TO RADIOLOGY SERVICES, ALLOWING PATIENTS AT RISK FOR LUNG CANCER TO BE SCREENED WITH A LOWER DOSE OF RADIATION BEFORE SYMPTOMS ARE PRESENT. EARLY INTERVENTION THERAPY SERVICES WERE DEVELOPED TO PROVIDE OCCUPATIONAL AND SPEECH THERAPY FOR THE COMMUNITY'S PEDIATRIC POPULATION. ALSO ADDED TO THERAPY SERVICES IS A BALANCE CLINIC FOR PATIENTS WITH FALL RISKS, AND THE STAR THERAPY PROGRAM WHICH IS SPECIFIC TO THE CARE AND REHABILITATION OF ONCOLOGY PATIENTS. IN THE AREA OF EQUIPMENT, A NONINVASIVE VENTILATION MECHANISM FOR TRANSPORTATION OF PATIENTS TO TERTIARY FACILITIES WAS ACQUIRED, AS WELL AS ADDITIONAL EMERGENCY PREPAREDNESS SUPPLIES AND EQUIPMENT FOR THE TREATMENT OF PEDIATRIC PATIENTS AND PATIENTS PRESENTING WITH SYMPTOMS OF EBOLA.</p>

Form and Line Reference	Explanation
PART VI, LINE 6	<p>IN ADDITION TO THE HOSPITAL ACTIVITIES FOR MEMORIAL MEDICAL CENTER, ABRAHAM LINCOLN MEMORI AL HOSPITAL AND TAYLORVILLE MEMORIAL HOSPITAL MENTIONED ELSEWHERE ON SCHEDULE H FORM 990, THE OTHER MEMORIAL HEALTH SYSTEM AFFILIATES' CONTRIBUTIONS TO COMMUNITY BENEFITS FOLLOW M EMORIAL PHYSICIAN SERVICES (MPS) IS A PRIMARY CARE NETWORK OF 10 BRANCH CLINICS THAT SUPPO RT A VARIETY OF OUTPATIENT SERVICES THROUGHOUT CENTRAL ILLINOIS COMPRISED OF MORE THAN 95 PHYSICIANS, PHYSICIAN ASSISTANTS, NURSE PRACTITIONERS AND ADVANCED PRACTICE NURSES, IT EM PLOYS MORE THAN 300 PEOPLE AND PROVIDES 280,000+ PATIENT VISITS EACH YEAR PHYSICIAN OFFIC ES AND CLINICS ARE LOCATED IN SPRINGFIELD, JACKSONVILLE, LINCOLN, PETERSBURG AND CHATHAM ALL OF THE MPS PRIMARY CARE CLINICS ARE NCQA DESIGNATED LEVEL 3 PATIENT CENTERED MEDICAL H OMES FOR PATIENTS WITHOUT AN ESTABLISHED PRIMARY CARE RELATIONSHIP, MPS HAS PARTNERED WIT H MEMORIAL'S EXPRESSCARE URGENT CARE CLINICS TO FACILITATE PATIENTS' APPOINTMENTS AND THE ESTABLISHMENT OF MEDICAL HOME RELATIONSHIPS WITH THESE PATIENTS MPS PROVIDES COMMUNITY BE NEFITS BY MENTORING AND PROVIDING HEALTH PROFESSION EDUCATION OPPORTUNITIES FOR MEDICAL ST UDENTS, NURSE PRACTITIONERS, PHYSICIAN ASSISTANTS AND CERTIFIED MEDICAL ASSISTANTS THE MP S OFFICE IN CHATHAM HOSTS A HEART FAILURE SUPPORT GROUP IN CONJUNCTION WITH MEMORIAL MEDIC AL CENTER'S CARDIOVASCULAR SERVICES MPS PARTICIPATES IN A VARIETY OF COMMUNITY HEALTH FAI RS, OFFERING FREE SCREENINGS AND HEALTH EDUCATION DURING TY13, MPS AND MENTAL HEALTH CENT ERS OF CENTRAL ILLINOIS CONTINUED TO PARTNER ON AN INNOVATIVE APPROACH TO ADDRESS BEHAVIOR AL HEALTH CONCERNS IN PRIMARY CARE SETTINGS, CREATING AN INTEGRATED CARE TEAM BETWEEN PRIM ARY CARE PHYSICIANS, PATIENTS AND THERAPISTS TO MEET A SEVERE SHORTAGE OF PSYCHIATRISTS I N THE REGION, MPS ACQUIRED A STRUGGLING PSYCHIATRIC PRIVATE PRACTICE WITH 3 PSYCHIATRISTS AND RECRUITED AN ADDITIONAL 5 PSYCHIATRISTS TO BRING THE TOTAL COMPLEMENT TO 8 PHYSICIAN P SYCHIATRISTS PLUS 2 ADVANCED PRACTICE NURSES AS OF THE END OF FY14 TO IMPROVE ACCESS FOR ELDERLY RESIDENTS OF A LOCAL NURSING HOME, MPS ESTABLISHED AN ON-SITE CLINIC AT THE NURSIN G HOME THIS YEAR MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS (MHCCI) IS A PRIVATE, NOT-FOR- PROFIT ORGANIZATION PROVIDING HIGH-QUALITY, COMPREHENSIVE BEHAVIORAL HEALTH AND REHABILITA TION SERVICES IT IS ONE OF THE LARGEST PROVIDERS OF BEHAVIORAL HEALTH SERVICES IN CENTRAL ILLINOIS, SERVING MORE THAN 9,000 INDIVIDUALS EACH YEAR IN LOGAN, MASON, MENARD, MORGAN, SANGAMON AND SCOTT COUNTIES ESTABLISHED IN 1947, MHCCI CARES FOR CHILDREN, ADOLESCENTS, A ND ADULTS AND HAS SIX SITES OF CARE LOCATED IN SPRINGFIELD, LINCOLN, AND JACKSONVILLE BEH AVIORAL SERVICES INCLUDE CRISIS INTERVENTION, PSYCHIATRIC AND MEDICAL SERVICES, SCREENING AND ASSESSMENT, OUTPATIENT THERAPY, CASE MANAGEMENT, GROUP EDUCATION AND SUPPORT, AND EMPL OYMENT SERVICES, AS WELL AS RESIDENTIAL CARE MHCCI ALSO PROVIDES EVIDENCE-BASED TREATMENT TO CHILDREN AND ADOLESCENTS WITH ATTENTION DEFICIT HYPERACTIVITY DISORDER ITS PSYCHIATRI C RESPONSE TEAM WORKS WITH FOUR AREA HOSPITAL EMERGENCY DEPARTMENTS REHABILITATION AND SU PPORT SERVICES FOR INDIVIDUALS WITH A DEVELOPMENTAL DISABILITY INCLUDE COMMUNITY AND ON-SI TE EMPLOYMENT, DEVELOPMENTAL TRAINING, COMMUNITY SUPPORT AND 24-HOUR SUPERVISED RESIDENTIA L CARE MHCCI ALSO PROVIDES PSYCHIATRIC CRISIS INTERVENTION WITH LOCAL SCHOOLS DEALING WIT H SUICIDE OR OTHER TRAUMATIC EVENTS, CRISIS INTERVENTION TRAINING FOR LOCAL LAW ENFORCEMEN T DEALING WITH MENTALLY ILL INDIVIDUALS, AND MENTALLY ILL HOMELESS PERSONS' ADVOCACY AND C OUNSELING MHCCI IS A MEMBER OF THE NATIONAL SUICIDE PREVENTION LIFELINE IT STAFFS A HOTL INE ANSWERING CALLS FROM INDIVIDUALS IN CRISIS 24/7, 365 DAYS A YEAR MHCCI ALSO SPONSORS PROFESSIONAL CONFERENCES ATTENDED BY PROVIDERS THROUGHOUT THE STATE MHCCI IS COLLABORATIN G WITH LOCAL PARTNERS ON THE MOSAIC PROJECT TO INCREASE CAPACITY TO PROVIDE COMMUNITY-BASE D MENTAL HEALTH SERVICES TO UNSERVED OR UNDER-SERVED CHILDREN IN SPRINGFIELD IN TY2013, M ORE THAN 8,000 CHILDREN RECEIVED MENTAL HEALTH SCREENINGS IN SCHOOLS AND PRIMARY CARE PHYS ICIAN OFFICES, AND MORE THAN 1,000 CHILDREN AND FAMILIES RECEIVED MENTAL HEALTH SERVICES I N COMMUNITY SETTINGS A PARENT SUPPORT GROUP IS OFFERED IN A TARGETED AT-RISK NEIGHBORHOOD MEMORIAL HOME SERVICES PROVIDES HOME HEALTH, HOME HOSPICE AND HOME MEDICAL EQUIPMENT SER VICES ACROSS AN 18-COUNTY REGION IN CENTRAL ILLINOIS HOME HEALTH OFFERS INDIVIDUALS ASSIS TANCE IN RECOVERING FROM INJURY, SURGERY OR ILLNESS IN THE COMFORT OF THEIR OWN HOME IT P ROVIDES HOME NURSING CARE, HOME THERAPY SERVICES, ADVANCED WOUND CARE AND MATERNAL CHILD N URSING, AS WELL AS TELEHEALTH HOME MONITORING MEMORIAL HOME SERVICES OFFERS HOME MEDICAL EQUIPMENT AND SUPPLIES, INCLUDING RESPIRATORY EQUIPMENT/SERVICES, WHEELCHAIR AND REHAB TEC HNOLOGY AND HOME INFUSION THERAPY MEMORIAL HOME SERVICES PROVIDES HOME HOSPICE CARE IN 14 ILLINOIS COUNTIES, ASSISTING PATIENTS AND FAMILIE</p>

Form and Line Reference	Explanation
PART VI, LINE 6	<p>S AT END-OF-LIFE, INCLUDING SKILLED NURSING, VOLUNTEER SERVICES, SPIRITUAL AND EMOTIONAL C ARE, AS WELL AS BEREAVEMENT SERVICES AFTER THE PASSING OF A LOVED ONE ONGOING GRIEF SUPPO RT GROUPS ARE OFFERED IN THREE COMMUNITIES MEMORIAL HOME SERVICES ALSO COMPLETED 82 FREE HEALTH SCREENING EVENTS IN TY13, OFFERING 1,743 FREE BLOOD PRESSURE AND 480 GLUCOSE SCREEN INGS IN A WIDE VARIETY OF COMMUNITY LOCATIONS MEMORIAL HOME SERVICES ALSO DONATES WHEELCH AIRS AND OXYGEN TANKS FOR LAND OF LINCOLN HONOR FLIGHTS, WHICH TAKE WORLD WAR II AND KOREA N WAR VETERANS ON FREE TOURS OF WAR MEMORIALS IN WASHINGTON, D C THE MEMORIAL MEDICAL CENT ER FOUNDATION (MMCF) PROVIDES GRANTS FOR PATIENT CARE, EDUCATION AND RESEARCH IN TY13, MM CF AWARDED MORE THAN \$435,000 IN 19 HEALTH-RELATED GRANTS FOR COMMUNITY AND HEALTH-SYSTEM INITIATIVES THESE GRANTS ADVANCE PATIENT CARE, EDUCATION AND CLINICAL RESEARCH THAT BENEF IT THE PEOPLE AND COMMUNITIES SERVED BY MEMORIAL, AND INCLUDED PURCHASE OF TWO LIFELIKE HU MAN SIMULATORS FOR THE SURGICAL SKILLS LAB OF SIU SCHOOL OF MEDICINE SIU SCHOOL OF MEDICI NE RECEIVED NINE ADDITIONAL GRANTS FOR RESEARCH IN CANCER, PAIN MANAGEMENT, CARING FOR BUR N PATIENTS, IN-HOME CASE WORKERS FOR EMERGENCY DEPARTMENT PATIENTS WITH PSYCHIATRIC COMPLA INTS, AND OTHER PROJECTS FUNDING ALSO WENT TO MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS T O EXPAND INTEGRATED DEPRESSION CARE IN PHYSICIAN PRIMARY CARE OFFICES, HEALTH PROFESSIONS EDUCATION CONFERENCES, IMPROVEMENT OF PATIENT NUTRITION, AND OTHER INITIATIVES THE FOUNDA TION ALSO ADMINISTERS A CANCER PATIENT ASSISTANCE FUND THAT ASSISTS PATIENTS WITH UTILITIE S, RENT AND OTHER BASIC EXPENSES WHILE UNDERGOING CANCER TREATMENT AND A TRANSPLANT PATIEN T ASSISTANCE FUND THAT HELPS KIDNEY/PANCREAS TRANSPLANT PATIENTS WITH THE COSTS OF ANTI-RE JECTION MEDICATIONS ANOTHER FUND, SHARING WISHES, PROVIDES FINAL WISHES FOR HOSPICE PATIE NTS IN TY13, MMCF SUPPORTED A COMMUNITY-WIDE WOMEN'S HEALTH FAIR TO PROVIDE A VARIETY OF HEALTH SCREENINGS AND TO EDUCATE WOMEN ABOUT A WIDE RANGE OF HEALTH ISSUES IT WAS ATTENDE D BY MORE THAN 1,200 COMMUNITY MEMBERS, PLUS 400 VOLUNTEERS AND EXHIBITORS MORE THAN 2,70 0 SCREENINGS AND 1,800 EDUCATIONAL CONTACTS WERE COMPLETED ABRAHAM LINCOLN HEALTHCARE FOU NDATION UNDERWRITES THE OPERATING EXPENSES OF THE HEALTHY COMMUNITIES PARTNERSHIP, WHICH WAS MORE THAN \$33,000 IN TY13 THE HEALTHY COMMUNITIES PARTNERSHIP (HCP) PROVIDES NETWORKIN G AND COLLABORATION AMONG A VARIETY OF COMMUNITY RESOURCES HCP TASK FORCES COLLABORATIVELY ADDRESS ALCOHOL AND DRUG USE, OBESITY, DOMESTIC ABUSE, SENIOR HEALTH ISSUES, AND EDUCATI ON ON THE LOCAL COMMUNITY LEVEL HCP ACTIVITIES ARE FUNDED BY THE FOUNDATION INCLUDING EVE NTS TO PROMOTE SUBSTANCE-FREE AND HEALTHY LIFESTYLES MORE THAN \$9,000 IN PHARMACEUTICAL A SSISTANCE WAS PROVIDED TO DISCHARGED PATIENTS WHO COULD NOT AFFORD TO FILL THEIR PRESCRIPT IONS ALHF ALSO SUPPORTS A LIFELINE PROGRAM, WHICH PLACES EMERGENCY CALL AND RESPONSE UNIT S IN THE HOMES OF SENIORS</p>

Additional Data

Software ID:
Software Version:
EIN: 90-0756744
Name: MEMORIAL HEALTH SYSTEM GROUP

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
MEMORIAL MEDICAL CENTER	<p>PART V, SECTION B, LINE 3 MEMORIAL MEDICAL CENTERMEMORIAL HEALTH SYSTEM'S THREE HOSPITALS (MEMORIAL MEDICAL CENTER IN SANGAMON COUNTY, ABRAHAM LINCOLN MEMORIAL HOSPITAL IN LOGAN COUNTY AND TAYLORVILLE MEMORIAL HOSPITAL IN CHRISTIAN COUNTY) COLLABORATED ON A JOINT COMMUNITY HEALTH NEED ASSESSMENT THAT WAS COMPLETED IN TY 2011 MHS APPOINTED A JOINT INTERNAL ADVISORY TEAM TO REVIEWSECONDARY HEALTH DATA SOURCES FOR CHRISTIAN, LOGAN AND SANGAMON COUNTIES EACH HOSPITAL THEN CONVENED LOCAL COMMUNITY REPRESENTATIVES TO SERVE ON AN EXTERNAL ADVISORY GROUP SPECIFIC TO THAT COMMUNITY THE TEAM CHARTER THE EXTERNAL COMMUNITY HEALTH NEED ASSESSMENT ADVISORY GROUP EXISTS TO HELP MEMORIAL HEALTH SYSTEM EVALUATE THE INITIAL PRIORITIES SELECTED BY THE MHS COMMUNITY HEALTH NEED ASSESSMENT ADVISORY TEAM THESE GROUPS, CONVENED BY EACH MHS HOSPITAL, WILL REVIEW EXISTING DATA AND OFFER INSIGHTS INTO COMMUNITY ISSUES AFFECTING THAT DATA THEY WILL HELP IDENTIFY LOCAL COMMUNITY ASSETS AND GAPS IN THE PRIORITY AREAS AND WILL OFFER ADVICE ON WHICH ISSUES ARE THE HIGHEST PRIORITY FOLLOWING ADOPTION OF THE PRIORITIES, EACH HOSPITAL HELD MEETINGS WITH COMMUNITY ORGANIZATIONS IN ITS COUNTY TO GAIN ADDITIONAL INPUT INTO THE IMPLEMENTATION PLAN FOLLOWING ARE THOSE THAT PARTICIPATED IN THE EXTERNAL ADVISORY GROUPS MEMORIAL MEDICAL CENTER CONVENED AN EXTERNAL ADVISORY COMMITTEE THAT INCLUDED THE FOLLOWING ORGANIZATIONS THIS GROUP MET AND REVIEWED PERTINENT HEALTH DATA AVAILABLE ON SANGAMON COUNTY FROM THE HEALTHY COMMUNITIES INSTITUTE, PROVIDED INPUT ON THE DATA AND IMPACTS ON LOW-INCOME AND VULNERABLE POPULATIONS, AND HELPED IDENTIFY COMMUNITY ASSETS AND GAPS IN SERVICES THEY RANKED THE FINAL PRIORITIES SANGAMON COUNTY DEPARTMENT OF PUBLIC HEALTH IS THE STATE'S TENTH LARGEST HEALTH DEPARTMENT SERVING A POPULATION OF MORE THAN 199,000 CENTRAL COUNTIES HEALTH CENTERS IS A FEDERALLY QUALIFIED HEALTH CENTER IN SPRINGFIELD, ILLINOIS, WHICH PROVIDES ACCESS TO PRIMARY MEDICAL AND DENTAL CARE FOR THE UNDERSERVED SOUTHERN ILLINOIS UNIVERSITY SCHOOL OF MEDICINE'S CENTER FOR FAMILY MEDICINE, A NEWLY ACCREDITED FEDERALLY QUALIFIED HEALTH CENTER IN SPRINGFIELD, ILLINOIS, PROVIDES A MEDICAL HOME TO A HIGH MEDICAID AND MEDICARE POPULATION ST JOHN'S HOSPITAL, A 431-BED CATHOLIC REGIONAL MEDICAL CENTER, OFFERS A COMPREHENSIVE ARRAY OF HEALTH CARE SERVICES TO PEOPLE IN CENTRAL AND SOUTHERN ILLINOIS ST JOHN'S CHILDREN'S HOSPITAL IS HOME TO A LEVEL III NEONATAL INTENSIVE CARE UNIT AND PEDIATRIC INTENSIVE CARE UNIT MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS IS A PRIVATE, NOT-FOR-PROFIT ORGANIZATION PROVIDING HIGH-QUALITY, COMPREHENSIVE BEHAVIORAL HEALTH AND REHABILITATION SERVICES AN AFFILIATE OF MEMORIAL HEALTH SYSTEM, MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS IS ONE OF THE LARGEST PROVIDERS OF BEHAVIORAL HEALTH SERVICES IN CENTRAL ILLINOIS, SERVING MORE THAN 9,000 INDIVIDUALS EACH YEAR SOUTHERN ILLINOIS UNIVERSITY SCHOOL OF MEDICINE IS A MEDICAL SCHOOL WHOSE MISSION IS TO ASSIST THE PEOPLE OF CENTRAL AND SOUTHERN ILLINOIS IN MEETING THEIR HEALTH CARE NEEDS THROUGH EDUCATION, RESEARCH, PATIENT CARE AND SERVICE TO THE PEOPLE UNITED WAY OF CENTRAL ILLINOIS IS A NOT-FOR-PROFIT ORGANIZATION WITH A MISSION TO MOBILIZE RESOURCES TO MEET COMMUNITY NEEDS UNITED WAY OF CENTRAL ILLINOIS IS THE LARGEST PRIVATE FUNDER OF HEALTH AND HUMAN SERVICE PROGRAMS IN SANGAMON COUNTY KUMLER OUTREACH MINISTRIES IS AN ARM OF KUMLER UNITED METHODIST CHURCH IN SPRINGFIELD, ILLINOIS KUMLER STRIVES TO HELP THE AT-RISK POPULATION OF THE GREATER SPRINGFIELD AREA OVERCOME THE SOCIAL, ECONOMIC AND SPIRITUAL CHALLENGES THEY FACE IT OPERATES A FOOD PANTRY, CLOTHING MINISTRY AND PRESCRIPTION MEDICINE PROGRAM SPRINGFIELD URBAN LEAGUE, INC , IS A NONPROFIT, NONPARTISAN, CIVIL RIGHTS AND COMMUNITY-BASED MOVEMENT THAT SERVES NEARLY 6,000 PEOPLE ANNUALLY, PROVIDING DIRECT SERVICES, RESEARCH AND POLICY ADVOCACY TO ASSIST INDIVIDUALS AND COMMUNITIES IN REACHING THEIR FULLEST POTENTIAL PRIMARILY WORKING WITH AFRICAN AMERICANS, HISPANICS, AND OTHER EMERGING ETHNIC COMMUNITIES, IT WORKS TO CLOSE EQUALITY GAPS FOR PEOPLE AT ALL ECONOMIC LEVELS AND STAGES OF LIFE AND GIVES CITIZENS A CHANCE TO GIVE BACK AS VOLUNTEERS SPRINGFIELD YMCA HELPS BUILD STRONG COMMUNITIES BY OFFERING SERVICES THAT REFLECT THE NEEDS AND INTERESTS OF ITS RESIDENTS ITS MISSION IS TO PUT CHRISTIAN PRINCIPLES INTO PRACTICE THROUGH PROGRAMS AND SERVICES THAT BUILD HEALTHY SPIRIT, MIND AND BODY FOR ALL THE VISION IS "PREPARING FAMILIES TO MEET THE CHALLENGES OF TODAY AND TOMORROW THROUGH PROGRAMS, AND HEALTH INITIATIVES THAT DEVELOP INDIVIDUALS, STRENGTHEN FAMILIES, AND BUILD SAFE, CARING COMMUNITIES "</p>

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
ABRAHAM LINCOLN MEMORIAL HOSPITAL	<p>PART V, SECTION B, LINE 3 MEMORIAL HEALTH SYSTEM'S THREE HOSPITALS (MEMORIAL MEDICAL CENTER IN SANGAMON COUNTY, ABRAHAM LINCOLN MEMORIAL HOSPITAL IN LOGAN COUNTY AND TAYLORVILLE MEMORIAL HOSPITAL IN CHRISTIAN COUNTY) COLLABORATED ON A JOINT COMMUNITY HEALTH NEED ASSESSMENT THAT WAS COMPLETED IN TY 2011 MHS APPOINTED A JOINT INTERNAL ADVISORY TEAM TO REVIEW SECONDARY HEALTH DATA SOURCES FOR CHRISTIAN, LOGAN AND SANGAMON COUNTIES EACH HOSPITAL THEN CONVENED LOCAL COMMUNITY REPRESENTATIVES TO SERVE ON AN EXTERNAL ADVISORY GROUP SPECIFIC TO THAT COMMUNITY THE TEAM CHARTER THE EXTERNAL COMMUNITY HEALTH NEED ASSESSMENT ADVISORY GROUP EXISTS TO HELP MEMORIAL HEALTH SYSTEM EVALUATE THE INITIAL PRIORITIES SELECTED BY THE MHS COMMUNITY HEALTH NEED ASSESSMENT ADVISORY TEAM THESE GROUPS, CONVENED BY EACH MHS HOSPITAL, WILL REVIEW EXISTING DATA AND OFFER INSIGHTS INTO COMMUNITY ISSUES AFFECTING THAT DATA THEY WILL HELP IDENTIFY LOCAL COMMUNITY ASSETS AND GAPS IN THE PRIORITY AREAS AND WILL OFFER ADVICE ON WHICH ISSUES ARE THE HIGHEST PRIORITY FOLLOWING ADOPTION OF THE PRIORITIES, EACH HOSPITAL HELD MEETINGS WITH COMMUNITY ORGANIZATIONS IN ITS COUNTY TO GAIN ADDITIONAL INPUT INTO THE IMPLEMENTATION PLAN FOLLOWING ARE THOSE THAT PARTICIPATED IN THE EXTERNAL ADVISORY GROUPS THE ABRAHAM LINCOLN MEMORIAL HOSPITAL EXTERNAL ADVISORY GROUP CONSISTS OF THE STEERING COMMITTEE FOR THE LOGAN COUNTY HEALTH COMMUNITIES PARTNERSHIP THE HEALTHY COMMUNITIES PARTNERSHIP IS A COUNTY-WIDE COLLABORATION CONNECTING 46 LOCAL ORGANIZATIONS AND 12 CHURCHES THAT WORKS TO IMPROVE THE QUALITY OF LIFE FOR PEOPLE IN LOGAN COUNTY ITS GOALS ARE TO INCREASE HEALTHY OUTCOMES, INCREASE HEALTHY BEHAVIORS AND INCREASE ACCESS TO QUALITY HEALTHCARE SERVICES THIS GROUP MET AND REVIEWED PERTINENT HEALTH DATA AVAILABLE ON LOGAN COUNTY FROM THE HEALTHY COMMUNITIES INSTITUTE LOGAN COUNTY DEPARTMENT OF PUBLIC HEALTH PROVIDES HEALTH EDUCATION, INFORMATION, HOME HEALTH CARE, AND PUBLIC HEALTH SERVICES TO THE NEARLY 30,000 RESIDENTS OF LOGAN COUNTY MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS IS A PRIVATE, NOT-FOR-PROFIT ORGANIZATION PROVIDING HIGH-QUALITY, COMPREHENSIVE BEHAVIORAL HEALTH AND REHABILITATION SERVICES AN AFFILIATE OF MEMORIAL HEALTH SYSTEM, MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS IS ONE OF THE LARGEST PROVIDERS OF BEHAVIORAL HEALTH SERVICES IN CENTRAL ILLINOIS, SERVING MORE THAN 9,000 INDIVIDUALS EACH YEAR MEMORIAL PHYSICIAN SERVICES FAMILY MEDICAL CENTER OF LINCOLN'S MISSION IS TO IMPROVE THE HEALTH OF THE PEOPLE AND COMMUNITIES WE SERVE MEMORIAL PHYSICIAN SERVICES IS DEDICATED TO PROVIDING HIGH-QUALITY, PATIENT-CENTERED CARE ABRAHAM LINCOLN HEALTHCARE FOUNDATION RAISES FUNDS TO SUPPORT THE ABRAHAM LINCOLN MEMORIAL HOSPITAL'S (ALMH) MISSION TO MAINTAIN, RESTORE AND IMPROVE THE HEALTH OF THE PEOPLE AND COMMUNITIES WE SERVE THE FOUNDATION PROVIDES ONGOING FUNDING INITIATIVES OF THE LOGAN COUNTY HEALTHY COMMUNITIES PARTNERSHIP</p>

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
TAYLORVILLE MEMORIAL HOSPITAL	<p>PART V, SECTION B, LINE 3 MEMORIAL HEALTH SYSTEM'S THREE HOSPITALS (MEMORIAL MEDICAL CENTER IN SANGAMON COUNTY, ABRAHAM LINCOLN MEMORIAL HOSPITAL IN LOGAN COUNTY AND TAYLORVILLE MEMORIAL HOSPITAL IN CHRISTIAN COUNTY) COLLABORATED ON A JOINT COMMUNITY HEALTH NEED ASSESSMENT THAT WAS COMPLETED IN TY 2011 MHS APPOINTED A JOINT INTERNAL ADVISORY TEAM TO REVIEW SECONDARY HEALTH DATA SOURCES FOR CHRISTIAN, LOGAN AND SANGAMON COUNTIES EACH HOSPITAL THEN CONVENED LOCAL COMMUNITY REPRESENTATIVES TO SERVE ON AN EXTERNAL ADVISORY GROUP SPECIFIC TO THAT COMMUNITY THE TEAM CHARTER THE EXTERNAL COMMUNITY HEALTH NEED ASSESSMENT ADVISORY GROUP EXISTS TO HELP MEMORIAL HEALTH SYSTEM EVALUATE THE INITIAL PRIORITIES SELECTED BY THE MHS COMMUNITY HEALTH NEED ASSESSMENT ADVISORY TEAM THESE GROUPS, CONVENED BY EACH MHS HOSPITAL, WILL REVIEW EXISTING DATA AND OFFER INSIGHTS INTO COMMUNITY ISSUES AFFECTING THAT DATA THEY WILL HELP IDENTIFY LOCAL COMMUNITY ASSETS AND GAPS IN THE PRIORITY AREAS AND WILL OFFER ADVICE ON WHICH ISSUES ARE THE HIGHEST PRIORITY FOLLOWING ADOPTION OF THE PRIORITIES, EACH HOSPITAL HELD MEETINGS WITH COMMUNITY ORGANIZATIONS IN ITS COUNTY TO GAIN ADDITIONAL INPUT INTO THE IMPLEMENTATION PLAN FOLLOWING ARE THOSE THAT PARTICIPATED IN THE EXTERNAL ADVISORY GROUPS THE TAYLORVILLE MEMORIAL HOSPITAL EXTERNAL ADVISORY COMMITTEE, MADE UP OF REPRESENTATIVES FROM THE AGENCIES BELOW, ATTENDED MEETINGS HELD AT TAYLORVILLE MEMORIAL HOSPITAL A DEMONSTRATION ON HOW TO NAVIGATE THE HEALTHY COMMUNITIES INSTITUTE WEBSITE WAS GIVEN SO MEMBERS COULD HAVE ACCESS TO THE DATA FOR FURTHER REVIEW THE EXTERNAL ADVISORY COMMITTEE REVIEWED THE TOP FIVE SELECTED PRIORITIES AN ONLINE SURVEY OF THE GROUP TO IDENTIFY EXISTING COMMUNITY ASSETS AS WELL AS GAPS IN SERVICES WAS ALSO DONE THE EXTERNAL ADVISORY GROUP RANKED THE FIVE HEALTH NEEDS IN ORDER OF PRIORITY IN CHRISTIAN COUNTY CHRISTIAN COUNTY HEALTH DEPARTMENT'S MISSION IS TO ENSURE A SAFE ENVIRONMENT, WATER AND FOOD SUPPLY, PREVENT INJURY, STOP OR CONTROL THE SPREAD OF COMMUNICABLE DISEASE AND INCREASE PERSONAL HEALTH THE CHRISTIAN COUNTY HEALTH DEPARTMENT SERVES A POPULATION OF 35,000 RESIDENTS UNITED WAY OF CHRISTIAN COUNTY IS A NON-PROFIT ORGANIZATION SERVING 23 LOCAL MEMBER AGENCIES ACROSS CHRISTIAN COUNTY THE MISSION AT UNITED WAY OF CHRISTIAN COUNTY IS TO IMPROVE THE ORGANIZED CAPACITY OF PEOPLE TO CARE FOR ONE ANOTHER SENIOR CITIZENS OF CHRISTIAN COUNTY HAS SERVED SENIORS FOR MORE THAN 30 YEARS THIS ORGANIZATION OFFERS A WIDE RANGE OF ASSISTANCE TO LOCAL SENIORS THAT HELP THEM ADDRESS HEALTH AND QUALITY OF LIFE ISSUES CHRISTIAN COUNTY YMCA IS A VALUES-BASED, NOT-FOR-PROFIT ORGANIZATION ITS MISSION IS TO PUT CHRISTIAN PRINCIPLES INTO PRACTICE THROUGH PROGRAMS THAT BUILD HEALTHY SPIRIT, MIND AND BODY FOR ALL PANA COMMUNITY HOSPITAL IS A CRITICAL ACCESS HOSPITAL SERVING PERSONS WHO RESIDE IN PORTIONS OF FOUR COUNTIES OF ILLINOIS INCLUDING CHRISTIAN, SHELBY, FAYETTE, AND MONTGOMERY THE HOSPITAL IS LOCATED IN THE FAR SOUTHEAST CORNER OF CHRISTIAN COUNTY FIRST PRESBYTERIAN CHURCH IN TAYLORVILLE HAS A LONG HISTORY OF LEADERSHIP ON HEALTH AND WELLNESS ISSUES IN THE COMMUNITY AND IS ACTIVE IN THE LOCAL MINISTERIAL ASSOCIATION</p>

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
MEMORIAL MEDICAL CENTER	PART V, SECTION B, LINE 4 IN TY 2011 THREE MEMORIAL HEALTH SYSTEM HOSPITALS (MEMORIAL MEDICAL CENTER IN SANGAMON COUNTY, ABRAHAM LINCOLN MEMORIAL HOSPITAL IN LOGAN COUNTY AND TAYLORVILLE MEMORIAL HOSPITAL IN CHRISTIAN COUNTY) COLLABORATED ON A JOINT COMMUNITY HEALTH NEED 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
ABRAHAM LINCOLN MEMORIAL HOSPITAL	PART V, SECTION B, LINE 4 IN TY 2011 THREE MEMORIAL HEALTH SYSTEM HOSPITALS (MEMORIAL MEDICAL CENTER IN SANGAMON COUNTY, ABRAHAM LINCOLN MEMORIAL HOSPITAL IN LOGAN COUNTY AND TAYLORVILLE MEMORIAL HOSPITAL IN CHRISTIAN COUNTY) COLLABORATED ON A JOINT COMMUNITY HEALTH NEED 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
TAYLORVILLE MEMORIAL HOSPITAL	PART V, SECTION B, LINE 4 IN TY 2011 THREE MEMORIAL HEALTH SYSTEM HOSPITALS (MEMORIAL MEDICAL CENTER IN SANGAMON COUNTY, ABRAHAM LINCOLN MEMORIAL HOSPITAL IN LOGAN COUNTY AND TAYLORVILLE MEMORIAL HOSPITAL IN CHRISTIAN COUNTY) COLLABORATED ON A JOINT COMMUNITY HEALTH NEED 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
MEMORIAL MEDICAL CENTER	<p>PART V, SECTION B, LINE 7 DURING ITS TY2011 COMMUNITY HEALTH NEED ASSESSMENT PROCESS, MEMORIAL HEALTH SYSTEM'S THREE HOSPITALS IDENTIFIED NINE PRIORITY HEALTH NEEDS 1 IMPROVING ACCESS TO CARE2 CARDIOVASCULAR DISEASE3 DIABETES4 OBESITY5 CANCER (MULTIPLE TYPES)6 ASTHMA7 MOTHER/BABY8 MENTAL HEALTH9 IMMUNIZATION, FLU/PNEUMONIAREASONS FIVE PRIORITIES WERE NOT SELECTED 1 ASTHMA WAS ELIMINATED FROM FURTHER CONSIDERATION BECAUSE IT DOES NOT HAVE AS GREAT AN OVERALL IMPACT ON POPULATION HEALTH AS SOME OF THE OTHER NEEDS 2 ALTHOUGH MATERNAL/INFANT HEALTH IS A GREAT NEED, ST JOHN'S HOSPITAL AND SIU FAMILY PRACTICE FEDERALLY QUALIFIED HEALTH CLINIC ALREADY HAD A STRONG COLLABORATION TO ADDRESS MOTHER/INFANT HEALTH AMONG LOW-INCOME POPULATIONS 3 MENTAL HEALTH ISSUES ARE A GREAT CONCERN FOR OUR COMMUNITIES, BUT AS HOSPITALS WE ARE NOT BEST EQUIPPED TO MEET THAT NEED HOWEVER, ONE OF THE MEMORIAL AFFILIATES, MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS, IS ACTIVELY ADDRESSING ACCESS TO MENTAL HEALTH SERVICES ON MULTIPLE FRONTS 4 IMMUNIZATIONS FOR FLU AND PNEUMONIA NEED TO INCREASE THE HOSPITALS ARE ALREADY PROACTIVELY ADDRESSING HOSPITAL-ACQUIRED FLU AND PNEUMONIA WITH OUR PATIENT POPULATION, BUT THEY ARE NOT WELL EQUIPPED TO ADDRESS COMMUNITY-ACQUIRED INFECTIOUS DISEASES 5 CANCER WAS NOT SELECTED AS A FINAL PRIORITY BECAUSE A NUMBER OF EXISTING CANCER INITIATIVES, BOTH FROM THE HOSPITALS AND OTHER ORGANIZATIONS, ARE ALREADY ACTIVE IN THE COMMUNITY</p>

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
ABRAHAM LINCOLN MEMORIAL HOSPITAL	PART V, SECTION B, LINE 7 DURING ITS TY2011 COMMUNITY HEALTH NEED ASSESSMENT PROCESS, MEMORIAL HEALTH SYSTEM'S THREE HOSPITALS IDENTIFIED NINE PRIORITY HEALTH NEEDS 1 IMPROVING ACCESS TO CARE2 CARDIOVASCULAR DISEASE3 DIABETES4 OBESITY5 CANCER (MULTIPLE TYPES)6 ASTHMA7 MOTHER/BABY8 MENTAL HEALTH9 IMMUNIZATION, FLU/PNEUMONIAREASONS FIVE PRIORITIES WERE NOT SELECTED 1 ASTHMA WAS ELIMINATED FROM FURTHER CONSIDERATION BECAUSE IT DOES NOT HAVE AS GREAT AN OVERALL IMPACT ON POPULATION HEALTH AS SOME OF THE OTHER NEEDS 2 ALTHOUGH MATERNAL/INFANT HEALTH IS A GREAT NEED, ST JOHN'S HOSPITAL AND SIU FAMILY PRACTICE FEDERALLY QUALIFIED HEALTH CLINIC ALREADY HAD A STRONG COLLABORATION TO ADDRESS MOTHER/INFANT HEALTH AMONG LOW-INCOME POPULATIONS 3 MENTAL HEALTH ISSUES ARE A GREAT CONCERN FOR OUR COMMUNITIES, BUT AS HOSPITALS WE ARE NOT BEST EQUIPPED TO MEET THAT NEED HOWEVER, ONE OF THE MEMORIAL AFFILIATES, MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS, IS ACTIVELY ADDRESSING ACCESS TO MENTAL HEALTH SERVICES ON MULTIPLE FRONTS 4 IMMUNIZATIONS FOR FLU AND PNEUMONIA NEED TO INCREASE THE HOSPITALS ARE ALREADY PROACTIVELY ADDRESSING HOSPITAL-ACQUIRED FLU AND PNEUMONIA WITH OUR PATIENT POPULATION, BUT THEY ARE NOT WELL EQUIPPED TO ADDRESS COMMUNITY-ACQUIRED INFECTIOUS DISEASES 5 CANCER WAS NOT SELECTED AS A FINAL PRIORITY BECAUSE A NUMBER OF EXISTING CANCER INITIATIVES, BOTH FROM THE HOSPITALS AND OTHER ORGANIZATIONS, ARE ALREADY ACTIVE IN THE COMMUNITY

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
TAYLORVILLE MEMORIAL HOSPITAL	PART V, SECTION B, LINE 7 DURING ITS TY2011 COMMUNITY HEALTH NEED ASSESSMENT PROCESS, MEMORIAL HEALTH SYSTEM'S THREE HOSPITALS IDENTIFIED NINE PRIORITY HEALTH NEEDS 1 IMPROVING ACCESS TO CARE2 CARDIOVASCULAR DISEASE3 DIABETES4 OBESITY5 CANCER (MULTIPLE TYPES)6 ASTHMA7 MOTHER/BABY8 MENTAL HEALTH9 IMMUNIZATION, FLU/PNEUMONIAREASONS FIVE PRIORITIES WERE NOT SELECTED 1 ASTHMA WAS ELIMINATED FROM FURTHER CONSIDERATION BECAUSE IT DOES NOT HAVE AS GREAT AN OVERALL IMPACT ON POPULATION HEALTH AS SOME OF THE OTHER NEEDS 2 ALTHOUGH MATERNAL/INFANT HEALTH IS A GREAT NEED, ST JOHN'S HOSPITAL AND SIU FAMILY PRACTICE FEDERALLY QUALIFIED HEALTH CLINIC ALREADY HAD A STRONG COLLABORATION TO ADDRESS MOTHER/INFANT HEALTH AMONG LOW-INCOME POPULATIONS 3 MENTAL HEALTH ISSUES ARE A GREAT CONCERN FOR OUR COMMUNITIES, BUT AS HOSPITALS WE ARE NOT BEST EQUIPPED TO MEET THAT NEED HOWEVER, ONE OF THE MEMORIAL AFFILIATES, MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS, IS ACTIVELY ADDRESSING ACCESS TO MENTAL HEALTH SERVICES ON MULTIPLE FRONTS 4 IMMUNIZATIONS FOR FLU AND PNEUMONIA NEED TO INCREASE THE HOSPITALS ARE ALREADY PROACTIVELY ADDRESSING HOSPITAL-ACQUIRED FLU AND PNEUMONIA WITH OUR PATIENT POPULATION, BUT THEY ARE NOT WELL EQUIPPED TO ADDRESS COMMUNITY-ACQUIRED INFECTIOUS DISEASES 5 CANCER WAS NOT SELECTED AS A FINAL PRIORITY BECAUSE A NUMBER OF EXISTING CANCER INITIATIVES, BOTH FROM THE HOSPITALS AND OTHER ORGANIZATIONS, ARE ALREADY ACTIVE IN THE COMMUNITY

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
MEMORIAL MEDICAL CENTER	PART V, SECTION B, LINE 11 MEMORIAL HEALTH SYSTEM USES AN AMOUNT OF EXCESS OF 300% OF THE FPG AS A FACTOR IN DETERMINING ELIGIBILITY FOR PROVIDING DISCOUNTED CARE

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
ABRAHAM LINCOLN MEMORIAL HOSPITAL	PART V, SECTION B, LINE 11 MEMORIAL HEALTH SYSTEM USES AN AMOUNT OF EXCESS OF 300% OF THE FPG AS A FACTOR IN DETERMINING ELIGIBILITY FOR PROVIDING DISCOUNTED CARE

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
TAYLORVILLE MEMORIAL HOSPITAL	PART V, SECTION B, LINE 11 MEMORIAL HEALTH SYSTEM USES AN AMOUNT OF EXCESS OF 300% OF THE FPG AS A FACTOR IN DETERMINING ELIGIBILITY FOR PROVIDING DISCOUNTED CARE

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
MEMORIAL MEDICAL CENTER	PART V, SECTION B, LINE 20D MMC, ALMH, AND TMH PROVIDE A SYSTEMATIC 70% CHARITY DISCOUNT FROM CHARGES TO ALL UNINSURED PATIENTS REGARDLESS OF INCOME OR COOPERATION FOR ALL MEDICALLY NECESSARY HEALTH CARE SERVICES PATIENT COOPERATION IS REQUIRED TO OBTAIN ADDITIONAL INCOME BASED DISCOUNTS AS DEFINED IN THE FAP

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
ABRAHAM LINCOLN MEMORIAL HOSPITAL	PART V, SECTION B, LINE 20D MMC, ALMH, AND TMH PROVIDE A SYSTEMATIC 70% CHARITY DISCOUNT FROM CHARGES TO ALL UNINSURED PATIENTS REGARDLESS OF INCOME OR COOPERATION FOR ALL MEDICALLY NECESSARY HEALTH CARE SERVICES. PATIENT COOPERATION IS REQUIRED TO OBTAIN ADDITIONAL INCOME BASED DISCOUNTS AS DEFINED IN THE FAP

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
TAYLORVILLE MEMORIAL HOSPITAL	PART V, SECTION B, LINE 20D MMC, ALMH, AND TMH PROVIDE A SYSTEMATIC 70% CHARITY DISCOUNT FROM CHARGES TO ALL UNINSURED PATIENTS REGARDLESS OF INCOME OR COOPERATION FOR ALL MEDICALLY NECESSARY HEALTH CARE SERVICES PATIENT COOPERATION IS REQUIRED TO OBTAIN ADDITIONAL INCOME BASED DISCOUNTS AS DEFINED IN THE FAP

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

Form and Line Reference	Explanation
PART V, SECTION B, LINE 5A	MHS FY14 COMMUNITY HEALTH NEED ASSESSMENT IMPLEMENTATION PLAN IS AVAILABLE ONLINE AT HTTP //WWW.CHOOSMEMORIAL.ORG/PORTALS/6/COMMUNITY%20BENEFIT/FY14-COMMUNITY-BENEFIT-GOALS-AND-MEASURES.PDF

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

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

Name and address	Type of Facility (describe)
SPINEWORKS PAIN CENTER 501 NORTH FIRST STREET SPRINGFIELD,IL 62702	OUTPATIENT SERVICES
MEMORIAL PHYSICIAN SERVICES-KOKE MILL 3132 OLD JACKSONVILLE RD SPRINGFIELD,IL 62704	OUTPATIENT SERVICES
MEMORIAL PHYSICIAN SERVICES-LINCOLN 515 NORTH COLLEGE STREET LINCOLN,IL 62526	OUTPATIENT SERVICES
MEMORIAL PHYS SVCS-WOMEN'S HEALTHCARE 747 NORTH RUTLEDGE SPRINGFIELD,IL 62701	OUTPATIENT SERVICES
WOUND HEALING CENTER 901 NORTH FIRST STREET SPRINGFIELD,IL 62702	OUTPATIENT SERVICES
MEMORIAL PHYSICIAN SERVICES-CHATHAM 101 EAST PLUMMER CHATHAM,IL 62629	OUTPATIENT SERVICES
MEMORIAL PHYS SVCS-CAPITAL HEALTHCARE 2603 SOUTH SIXTH SPRINGFIELD,IL 62703	OUTPATIENT SERVICES
MEMORIAL PHYSICIAN SERVICES-JACKSONVILLE 15 FOUNDERS LANE SUITE 100 JACKSONVILLE,IL 62650	OUTPATIENT SERVICES
MEMORIAL EXPRESSCARE AT SOUTH SIXTH 2950 SOUTH SIXTH STREET SPRINGFIELD,IL 62703	OUTPATIENT SERVICES
MEMORIAL INDUSTRIAL REHAB 775 ENGINEERING DRIVE SPRINGFIELD,IL 62703	OUTPATIENT SERVICES
MEMORIAL EXPRESSCARE AT KOKE MILL 3132 OLD JACKSONVILLE RD SPRINGFIELD,IL 62704	OUTPATIENT SERVICES
MEMORIAL EXPRESSCARE AT NORTH DIRKSEN 3220 ATLANTA STREET SPRINGFIELD,IL 62702	OUTPATIENT SERVICES
MEMORIAL PHYSICIAN SERVICES-PETERSBURG 1 CENTRE DRIVE PETERSBURG,IL 62675	OUTPATIENT SERVICES
MEMORIAL PHYSICIAN SVCS-NORTH DIRKSEN 3220 ATLANTA STREET SPRINGFIELD,IL 62707	OUTPATIENT SERVICES
MEMORIAL PHYSICIAN SERVICES-SOUTH SIXTH 2950 SOUTH SIXTH STREET SPRINGFIELD,IL 62703	OUTPATIENT SERVICES

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

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

Name and address	Type of Facility (describe)
MEMORIAL PHYSICIAN SERVICES-VINE STREET 3225 HEDLEY RD SPRINGFIELD,IL 62711	OUTPATIENT SERVICES
SPORTSCARE AT YMCA 4550 WEST ILES SPRINGFIELD,IL 62711	OUTPATIENT SERVICES

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

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

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

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

OMB No 1545-0047

2013

Open to Public
Inspection

Name of the organization
MEMORIAL HEALTH SYSTEM GROUP

Employer identification number
90-0756744

Part I

General Information on Grants and Assistance

1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No

2

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

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

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

2

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

11

3

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

2

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
See Additional Data Table					

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	MEMORIAL HEALTH SYSTEM (MHS) AFFILIATES PROVIDE GRANTS AND ASSISTANCE PRIMARILY TO LOCALLY MANAGED 501(C)(3) ORGANIZATIONS OR INDIVIDUALS WHO MEET THE CRITERIA FOR SUCH GRANTS AND/OR ASSISTANCE REQUESTS TO SUPPORT INITIATIVES IN LINE WITH MHS'S COMMUNITY HEALTH NEED ASSESSMENT PRIORITIES RECEIVE SPECIAL CONSIDERATION MHS AFFILIATES UTILIZE A COMBINATION OF METHODS TO ENSURE FUNDS ARE AWARDED TO ELIGIBLE APPLICANTS AND THE FUNDS ARE USED FOR ITS INTENDED PURPOSE THROUGH VARIOUS REPORTING AND MONITORING ACTIVITIES

Additional Data

Software ID:
Software Version:
EIN: 90-0756744
Name: MEMORIAL HEALTH SYSTEM GROUP

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SIU SCHOOL OF MEDICINE 801 NORTH RUTLEDGE SPRINGFIELD, IL 62702	37-6005961	501(C)(3)	25,000				SEE PART IV MEMORIAL MEDICAL CENTER IS AN ACUTE CARE, TEACHING HOSPITAL THAT IS A PRIMARY TEACHING HOSPITAL FOR THE SOUTHERN ILLINOIS UNIVERSITY SCHOOL OF MEDICINE MEMORIAL MEDICAL CENTER CONTRIBUTES TO THE SOUTHERN ILLINOIS UNIVERSITY FOUNDATION'S ANNUAL FUNDRAISER, DENIM & DIAMONDS, WHICH BENEFITS THE SIMMONS CANCER INSTITUTE LOCATED ON MEMORIAL MEDICAL CENTER'S CAMPUS

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MEMORIAL MEDICAL CENTER FOUNDATION 701 NORTH FIRST SPRINGFIELD,IL 62794	37-1110301	501(C)(3)	10,500				SEE PART IVAS A SPECIAL GIFT OF REMEMBRANCE, MEMORIAL MEDICAL CENTER MAKES A DONATION TO THE MEMORIAL MEDICAL CENTER FOUNDATION IN MEMORY OF EMPLOYEES AND CERTAIN EMPLOYEE FAMILY MEMBERS UPON THEIR DEATH

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SIU PHYSICIANS & SURGEONS INC DBA SIU PO BOX 19639 SPRINGFIELD,IL 62794	36-4143823	501(C)(3)	1,349,334				SEE PART IVMEMORIAL MEDICAL CENTER ENTERED INTO AN ELECTRONIC HEALTH RECORD DONATION AGREEMENT WITH SIU HEALTHCARE TO PROVIDE FUNDING TO ASSIST SIU HEALTHCARE WITH THE IMPLEMENATION OF THE ALLSCRIPTS TOUCHWORKS ELECTRONIC HEALTH RECORD SIU HEALTHCARE ELECTED TO TRANSITION TO THE ALLSCRIPTS ELECTRONIC HEALTH RECORD IN COLLABORATION WITH MEMORIAL PHYSICIAN SERVICES, AN AFFILIATE OF MEMORIAL HEALTH SYSTEM, AND THE SPRINGFIELD CLINIC, LLP UPON COMPLETION, THIS COLLABORATION AMONG THE MAJOR PHYSICIAN GROUPS IN THE COMMUNITY WILL IMPROVE THE COORDINATION OF CAREFOR ALL PATIENTS THROUGHOUT THE REGION

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SANGAMON COUNTY MEDICAL SOCIETY 2040 TIMBERBROOKE DRIVE SPRINGFIELD,IL 62702	37-6027693	501(C)(6)	20,833				SEE PART IVMEMORIAL MEDICAL CENTER CONTRIBUTED MONEY TO THE SANGAMON COUNTY MEDICAL SOCIETY TO FUND THE COORDINATED ACCESS TO COMMUNITY HEALTH (CATCH) PROGRAM, WHICH PROVIDES MEDICAL ASSISTANCE TO LOW INCOME INDIVIDUALS

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
KUMLER OUTREACH MINISTRIES 303 NORTH GRAND AVE EAST SPRINGFIELD, IL 62702	37-0695489	501(C)(3)	24,000				PHARMACEUTICAL ASSISTANCE

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SPARC FKA SPRINGFIELD ARC INC 1 SPARC CENTER PLAZA 232 BRUNS LANE LANE SPRINGFIELD,IL 62702	37-0717761	501(C)(3)	5,000				TENT SPONSOR AT THE "MAINE" EVENT LOBSTER BAKE

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
YOUNG MEN'S CHRISTIAN ASSOCIATION OF SPRINGFIELD 701 SOUTH 4TH STREET SPRINGFIELD,IL 62703	37-0661263	501(C)(3)	20,833				SEE PART I MEMORIAL MEDICAL CENTER CONTRIBUTED MONEY TO THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF SPRINGFIELD (YMCA) TO FUND THE SPRINGFIELD HEALTHIER COMMUNITIES INITIATIVE IN WHICH THE YMCA WORKS IN COLLABORATION WITH COMMUNITY LEADERS TO CHANGE POLICIES AND PHYSICAL SURROUNDINGS TO BRING HEALTHY LIVING WITHIN REACH OF ALL PEOPLE

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MIDWEST HEALTHCARE QUALITY ALLIANCE LLC 701 NORTH FIRST STREET SPRINGFIELD, IL 62781	46-4411631	501(C)(3)		98,908	FMV	CONTRIBUTION SERVICES	SEE PART IV MIDWEST HEALTHCARE QUALITY ALLIANCE, LLC (MHQA) IS A NOT-FOR-PROFIT LIMITED LIABILITY CORPORATION BETWEEN MEMORIAL HEALTH SYSTEM AND SOUTHERN ILLINOIS UNIVERSITY HEALTHCARE WITH A VISION "TO COLLECTIVELY ELEVATE OUR PATIENT CARE AND ORGANIZATIONAL OUTCOMES TO A NATIONAL LEVEL OF PERFORMANCE AND CREATE INNOVATIVE SOLUTIONS FOR THE FUTURE " THE MISSION OF MHQA IS "TO FOSTER HEALTHY POPULATIONS THROUGH INNOVATIVE RESEARCH, EDUCATION, AND PRACTICE " MEMORIAL MEDICAL CENTER CONTRIBUTES SERVICES (EMPLOYEE LABOR) TO MHQA AT FAIR MARKET VALUE TO ASSIST MHQA WITH ACHIEVING ITS ORGANIZATIONAL MISSION AND GOALS

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SIU SCHOOL OF MEDICINE 801 NORTH RUTLEDGE SPRINGFIELD,IL 62702	37-6005961	501(C)(3)	73,340				SIMULAB TRAUMA MAN

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SIU SCHOOL OF MEDICINE 801 NORTH RUTLEDGE SPRINGFIELD,IL 62702	37-6005961	501(C)(3)	16,740				PSYCHIATRIC PATIENT CENTERED OUTCOMES

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SIU SCHOOL OF MEDICINE 801 NORTH RUTLEDGE SPRINGFIELD,IL 62702	37-6005961	501(C)(3)	58,900				GENITOURINARY CANCER PATIENTS

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MEMORIAL MEDICAL CENTER 701 NORTH FIRST STREET SPRINGFIELD,IL 62702	37-0661220	501(C)(3)	7,500				SUMMIT FOR COORDINATED HEALTHCARE

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SIU SCHOOL OF MEDICINE 801 NORTH RUTLEDGE SPRINGFIELD,IL 62702	37-6005961	501(C)(3)	39,476				MOBILE APPLICATION FOR BURN PATIENTS

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SIU SCHOOL OF MEDICINE 801 NORTH RUTLEDGE SPRINGFIELD,IL 62702	37-6005961	501(C)(3)	30,685				ANTIVIRAL PROPHYLAXIS

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MEMORIAL MEDICAL CENTER 701 NORTH FIRST STREET SPRINGFIELD,IL 62781	37-0661220	501(C)(3)	21,840				DIGITAL WOUND PHOTOGRAPHY TO PREVENT INFECTIONS

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MEMORIAL MEDICAL CENTER 701 NORTH FIRST STREET SPRINGFIELD,IL 62781	37-0661220	501(C)(3)	17,699				NURSING CONFERENCES

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MEMORIAL MEDICAL CENTER 701 NORTH FIRST SPRINGFIELD,IL 62781	37-0661220	501(C)(3)	17,105				CENTER FOR LEARNING AND INNOVATION

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS 710 NORTH EIGHTH STREET SPRINGFIELD,IL 62702	37-0646367	501(C)(3)	70,780				IMPACT - INTEGRATED DEPRESSION CARE

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SIU SCHOOL OF MEDICINE 801 NORTH RUTLEDGE SPRINGFIELD,IL 62702	37-6005961	501(C)(3)	27,937				HUMAN HAIR REGENERATION

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SIU SCHOOL OF MEDICINE 801 NORTH RUTLEDGE SPRINGFIELD,IL 62702	37-6005961	501(C)(3)	15,367				TKA CALF PUMP

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SIU SCHOOL OF MEDICINE 801 NORTH RUTLEDGE SPRINGFIELD,IL 62702	37-6005961	501(C)(3)	16,762				PAIN MANAGEMENT AFTER CARPAL TUNNEL

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SIU SCHOOL OF MEDICINE 801 NORTH RUTLEDGE SPRINGFIELD,IL 62702	37-6005961	501(C)(3)	31,826				CHRONIC PAIN MANAGEMENT

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MEMORIAL MEDICAL CENTER 701 NORTH FIRST SPRINGFIELD,IL 62781	37-0661220	501(C)(3)	23,981				PROVIDE EQUIPMENT AND SUPPLIES

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MEMORIAL MEDICAL CENTER 701 NORTH FIRST STREET SPRINGFIELD,IL 62781	37-0661220	501(C)(3)	131,022				PROVIDE SUPPORT FOR EDUCATION

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MULTIPLE SCLERORIS-ONE STEP AT A TIME 3309 ROBBINS RD 206 SPRINGFIELD,IL 62702	47-1337237	501(C)(3)	20,009				PROVIDE GENERAL SUPPORT

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MEMORIAL HOME SERVICES 720 N BOND STREET SPRINGFIELD,IL 62702	37-0714225	501(C)(3)	15,001				PROVIDE GENERAL SUPPORT

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS 710 NORTH EIGHTH STREET SPRINGFIELD,IL 62702	37-0646367	501(C)(3)	12,879				PROVIDE GENERAL SUPPORT

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SIU SCHOOL OF MEDICINE 801 NORTH RUTLEDGE SPRINGFIELD,IL 62702	37-6005961	501(C)(3)	128,474				PROVIDE GENERAL SUPPORT

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MEMORIAL MEDICAL CENTER 701 NORTH FIRST SPRINGFIELD,IL 62781	37-0661220	501(C)(3)	7,233				PROVIDE GENERAL SUPPORT

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
TAYLORVILLE MEMORIAL HOSPITAL 201 EAST PLEASANT SPRINGFIELD,IL 62568	37-0661250	501(C)(3)	88,442				ASSIST WITH MEDICAL TECHNOLOGIES AND PATIENT SERVICES

Form 990, Schedule I, Part III, Grants and Other Assistance to Individuals in the United States

(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
EDUCATIONAL GRANTS - MEMORIAL MEDICAL CENTER'S EDUCATIONAL GRANT PROGRAM PROVIDES THE OPPORTUNITY FOR BOTH EMPLOYEES AND EXTERNAL CANDIDATES TO PURSUE ADDITIONAL EDUCATION IN EXCHANGE FOR A WORK COMMITMENT ONCE THE EDUCATION IS COMPLETED EDUCATIONAL GRANTS ARE AVAILABLE TO THOSE PURSUING HEALTH CARE CAREERS THAT ARE DEEMED CRITICAL TO THE ORGANIZATION'S PRESENT OR PROJECTED STAFFING NEEDS (I E , NURSING, RADIOLOGY, ETC) GRANT APPLICATIONS FOR ALL OTHER CAREERS WILL BE REVIEWED ON A CASE-BY-CASE BASIS WITH A FINAL DETERMINATION TO BE MADE BY THE CHIEF HUMAN RESOURCES OFFICER	211	481,484	0		
TUITION REIMBURSEMENT - FUNDING FOR THE EDUCATION OF MEMORIAL MEDICAL CENTER'S EMPLOYEES IS BASED UPON THE NEEDS OF THE ORGANIZATION AS WELL AS THE EMPLOYEE'S EDUCATIONAL GOALS EMPLOYEES WILL BE AWARDED TUITION REIMBURSEMENT BASED ON THE EMPLOYEE'S PRESENT JOB SKILL NEEDS OR TO PREPARE THE EMPLOYEE FOR FUTURE ADVANCEMENT WITHIN MEMORIAL HEALTH SYSTEM THE TUITION REIMBURSEMENT PROCESS REQUIRES EMPLOYEES TO RECEIVE PRIOR APPROVAL FROM THEIR MANAGERS FOR THE COURSEWORK	180	260,759	0		
PRESCRIPTION DRUGS FOR PATIENTS	42	3,478			
SHELTER AND UTILITY ASSISTANCE FOR PATIENTS	51	18,859			
DIRECT CASH TO ASSISTANCE TO PATIENTS	91	24,152			
EMPLOYEE ASSISTANCE WITH CATASTROPHIC EVENTS	20	17,246			
SCHOLARSHIPS FOR EMPLOYEES	25	129,131			
TRANSPORTATION ASSISTANCE FOR PATIENTS	92	24,147			

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
MEMORIAL HEALTH SYSTEM GROUP

Employer identification number
90-0756744

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 type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input 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 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>	1b	
<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>	2	
<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 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>	4a	Yes
<div><div>b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>	4b	Yes
<div><div>c</div><div>Participate in, or receive payment from, an equity-based compensation arrangement?</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></div>	4c	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>	5a	No
<div><div>b</div><div>Any related organization?</div><div>If "Yes," to line 5a or 5b, describe in Part III</div></div>	5b	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>	6a	No
<div><div>b</div><div>Any related organization?</div><div>If "Yes," to line 6a or 6b, describe in Part III</div></div>	6b	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>	7	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>	8	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>	9	

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

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

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

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

Part III Supplemental Information

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

Also complete this part for any additional information

Return Reference	Explanation
PART I, LINE 3	COMPENSATION AND BENEFITS RECEIVED BY EDGAR CURTIS, PRESIDENT AND CEO OF MEMORIAL HEALTH SYSTEM, WAS COMPRISED OF THE FOLLOWING COMPONENTS, BASE COMPENSATION, INCENTIVE COMPENSATION, OTHER COMPENSATION, RETIREMENT/DEFERRED COMPENSATION AND OTHER NONTAXABLE BENEFITS BASE COMPENSATION FOR MR CURTIS WAS DETERMINED BASED ON THE METHODS DESCRIBED IN PART I, LINE 3 CONDUCTED BY INDEPENDENT COMPENSATION CONSULTANTS BASE COMPENSATION LEVELS WERE SET BY THE MHS BOARD AT THE 50TH PERCENTILE OF THE RELEVANT COMPENSATION RANGE, AS DETERMINED BY THE INDEPENDENT COMPENSATION CONSULTANTS INCENTIVE COMPENSATION WAS CONTINGENT ON THE ACHIEVEMENT OF FOUR SPECIFIC PERFORMANCE METRICS OF MHS, AS DEFINED BY THE MHS BOARD OTHER COMPENSATION IS COMPRISED PRIMARILY OF DEFERRED COMPENSATION PAYOUTS MADE DURING THE YEAR FOR COMPENSATION PREVIOUSLY EARNED IN PRIOR YEARS RETIREMENT COMPENSATION REFLECTS AN INCREASE IN RETIREMENT BENEFITS OWED BY MHS UPON RETIREMENT OF MR CURTIS THIS INCREASE WAS DRAMATICALLY IMPACTED BY ACTUARIAL ASSUMPTIONS OF THE RETIREMENT PLAN, WHICH HAVE HISTORICALLY INCLUDED DRAMATIC CHANGES IN THE DISCOUNT RATE NORMAL RETIREMENT COMPENSATION FOR THE YEAR WAS \$155,527 IN 2013, MR CURTIS ELECTED TO DEFER HIS INCENTIVE COMPENSATION OF \$338,842 INTO HIS 457(F) PLAN LASTLY, NONTAXABLE BENEFITS REFLECT THE VALUE OF HEALTH (MEDICAL, DENTAL, LIFE INSURANCE) BENEFITS RECEIVED DURING THE YEAR AS WELL AS CHANGES IN ACTUARIAL VALUE OF THE POSTRETIREMENT HEALTH CARE INSURANCE REIMBURSEMENT PLAN
PART I, LINES 4A-B	DURING 2013, THE FOLLOWING LISTED INDIVIDUALS RECEIVED SEVERANCE OR SEPARATION PAYMENTS AFTER TERMINATION OF EMPLOYMENT, AND THESE AMOUNTS ARE INCLUDED IN THE AMOUNTS REPORTED ON SCHEDULE J FOR SUCH INDIVIDUALS ELAINE YOUNG, \$193,720, BRADLEY WARREN, \$183,609 CERTAIN INDIVIDUALS LISTED IN SCHEDULE J ARE OR MAY BE ELIGIBLE TO RECEIVE SEVERANCE PAY UPON CERTAIN TYPES OF EMPLOYMENT TERMINATIONS THESE ARRANGEMENTS ARE REVIEWED FROM TIME TO TIME TO ASSURE THAT THE POTENTIAL SEVERANCE PAY IS REASONABLE AND CONSISTENT WITH MARKET DATA FOR INDIVIDUALS IN SIMILAR POSITIONS AT SIMILAR ORGANIZATIONS EXECUTIVE SEVERANCE ARRANGEMENTS REQUIRE THE SATISFACTION OF CONDITIONS AND ONGOING RESTRICTIVE COVENANTS THAT PROTECT THE INTERESTS OF THE ORGANIZATION THE COMPENSATION REPORTED FOR THE LISTED INDIVIDUAL DAVID JOERGER INCLUDES AN INCENTIVE COMPENSATION PAYMENT OF \$26,206 WHICH WAS EARNED DURING ACTIVE EXECUTIVE EMPLOYMENT, AND WHICH WAS PAID IN ACCORDANCE WITH A VOLUNTARY SEPARATION AGREEMENT BETWEEN THE INDIVIDUAL AND THE ORGANIZATION THE ORGANIZATION, OR A RELATED ORGANIZATION, MEMORIAL HEALTH SYSTEM, PROVIDES CERTAIN SUPPLEMENTAL RETIREMENT BENEFITS TO THE FOLLOWING OFFICERS AND KEY EMPLOYEES AIMEE ALLBRITTON, PH D , \$32,187, CHARLES CALLAHAN, PH D , \$29,249, EDGAR CURTIS, \$1,034,929, DOLAN DALPOAS, \$22,240, J TRAVIS DOWELL, \$21,681, KEVIN ENGLAND, \$159,975, ANNA EVANS, J D , \$96,651, JAMES GILDNER, M D , \$65,173, RAJESH GOVINDAIAH, M D , \$181,291, DAVID GRAHAM, M D , \$72,911, MARSHALL HALE, M D , \$29,883, MARK HANSEN, M D , \$27,172, AMY HIGH, M D , \$32,006, MITCHELL JOHNSON, \$87,903, LINDA JONES, D N S , \$22,760, PAUL KASA, M D , \$13,282, ROBERT KAY, \$209,694, R SCOTT KIRIAKOS, \$43,099, STEVEN LILLPOP, M D , \$48,230, MELISSA MCGLASSON, \$20,666, TRACY MIZEUR, M D , \$29,996, MARSHA PRATER, PH D , \$291,883, DANIEL RAAB, \$19,809, DOUGLAS RAHN, D B A , \$325,737, FERDINAND SALVACION, M D , \$84,020, DAVID SANDERCOCK, M D , \$50,786, HARRY SCHMIDT, \$16,678, BRADLEY WARREN, \$702, AND ELAINE YOUNG, \$115 THESE BENEFITS ARE PROVIDED THROUGH A NONQUALIFIED DEFERRED COMPENSATION PLAN, UNDER WHICH THE BENEFITS BEING EARNED ARE SUBJECT TO A "SUBSTANTIAL RISK OF FORFEITURE " THE SUPPLEMENTAL RETIREMENT BENEFITS ARE STRUCTURED TO PROVIDE A RETENTION INCENTIVE THAT HAS BEEN DETERMINED BY THE LEADERSHIP COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS OF MEMORIAL HEALTH SYSTEM TO BE OF SUBSTANTIAL VALUE TO THE ORGANIZATION THE FOLLOWING CURRENT OR FORMER OFFICERS AND KEY EMPLOYEES RECEIVED DEFERRED COMPENSATION PAYOUTS IN THE CALENDAR YEAR FROM THE ORGANIZATION OR A RELATED ORGANIZATION, MEMORIAL HEALTH SYSTEM EDGAR CURTIS, \$340,089, J TRAVIS DOWELL, \$33,414, KEVIN ENGLAND, \$30,902, JAMES GILDNER, M D , \$66,077, MARSHALL HALE, M D , \$25,708, MARK HANSEN, M D , \$39,118, STEVEN LILLPOP, M D , \$64,136, TRACY MIZEUR, M D , \$39,670, MARSHA PRATER, PH D , \$232,634, DANIEL RAAB, \$3,408, FERDINAND SALVACION, M D , \$102,405, DAVID SANDERCOCK, M D , \$38,557, BRADLEY WARREN, \$72,012, AND ELAINE YOUNG, \$295,113 TO BECOME ENTITLED TO THE BENEFITS PROVIDED, EACH COVERED EMPLOYEE MUST MEET SUBSTANTIAL REQUIREMENTS RELATING TO FURTHER EMPLOYMENT UNTIL THOSE REQUIREMENTS ARE SATISFIED, IF EVER, THE EMPLOYEE IS NOT ENTITLED TO THESE AMOUNTS IF THE EMPLOYEE WERE TO HAVE TERMINATED EMPLOYMENT VOLUNTARILY IN THE YEAR TO WHICH THIS RETURN APPLIES AND NOT MET THESE SUBSTANTIAL REQUIREMENTS, THESE SUPPLEMENTAL RETIREMENT BENEFITS WOULD HAVE BEEN FORFEITED THESE SUPPLEMENTAL RETIREMENT BENEFITS ARE PART OF A RETIREMENT PROGRAM THAT PROVIDES RETIREMENT INCOME FOR ALL YEARS OF SERVICE THAT THE EMPLOYEE PROVIDES TO THE ORGANIZATION ACCORDINGLY, ANY RETIREMENT BENEFITS SHOULD BE VIEWED AS APPLYING TO THE ENTIRE LENGTH OF THE EMPLOYEE'S SERVICE THE LEADERSHIP COMPENSATION COMMITTEE OF THE MHS BOARD APPROVES ALL RETIREMENT BENEFITS, TOGETHER WITH ALL OTHER FORMS OF COMPENSATION AND BENEFITS FOR THESE AND OTHER SENIOR LEADERS, IN A MANNER INTENDED TO QUALIFY FOR THE "REBUTTABLE PRESUMPTION OF REASONABLENESS" UNDER FEDERAL INCOME TAX LAW
PART I, LINE 7	MEMBERS OF SENIOR MANAGEMENT RECEIVE INCENTIVE COMPENSATION UNDER THE ANNUAL INCENTIVE COMPENSATION PLANS SPONSORED BY MEMORIAL HEALTH SYSTEM THESE AMOUNTS ARE INCLUDED IN SCHEDULE J, PART II, COLUMN (B)(II) THE PLANS ARE DESIGNED TO CONDITION A PORTION OF COMPENSATION ON PERFORMANCE AGAINST PRE-DETERMINED ORGANIZATIONAL GOALS APPROVED IN ADVANCE BY THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS OF MEMORIAL HEALTH SYSTEM THE LEADERSHIP COMPENSATION COMMITTEE OF THE BOARD HAS REVIEWED THE REASONABLENESS OF ALL SUCH PAYMENTS, AND HAS CONCLUDED, AS THE RESULT OF A PROCESS THAT IS DESIGNED TO QUALIFY FOR THE REBUTTABLE PRESUMPTION OF REASONABLENESS UNDER FEDERAL TAX LAW, THAT ALL SUCH AMOUNTS ARE REASONABLE AND DO NOT EXCEED FAIR MARKET VALUE FOR THE SERVICES PROVIDED
SCHEDULE J, PART II, COLUMN (D)	MEMORIAL HEALTH SYSTEM PROVIDES A POSTRETIREMENT HEALTH CARE INSURANCE REIMBURSEMENT PLAN TO CERTAIN EXECUTIVES AND PHYSICIANS TO REIMBURSE HEALTH INSURANCE COSTS INCURRED BY THE RETIREES AND THEIR SPOUSES THE CHANGE IN THE ACTUARIAL VALUE OF THE PLAN IS REPORTED ON SCHEDULE J, PART II, COLUMN (D) AS A NONTAXABLE BENEFIT A NEGATIVE TOTAL FOR SCHEDULE J, PART II, COLUMN (D) INDICATES A DECREASE IN THE ACTUARIAL VALUE OF THE PLAN DUE TO CHANGES IN THE DISCOUNT RATE AND/OR OTHER ACTUARIAL ASSUMPTIONS SCHEDULE J, PART II, COLUMN (D) ALSO INCLUDES OTHER NONTAXABLE BENEFITS SUCH AS MEDICAL, DENTAL, AND LIFE INSURANCE

Additional Data

Software ID:

Software Version:

EIN: 90-0756744

Name: MEMORIAL HEALTH SYSTEM GROUP

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				
TRACY MIZEUR MD BOARD MEMBER ALMH	(i) (ii)	247,581 0	17,077 0	39,940 0	47,012 0	9,719 0	361,329 0	13,656 0
MARK HANSEN MD BOARD MEMBER MPS	(i) (ii)	426,274 0	28,545 0	71,214 0	59,822 0	-5,919 0	579,936 0	34,759 0
MARSHALL HALE MD CHAIR MPS	(i) (ii)	379,449 0	35,428 0	47,512 0	62,533 0	-2,066 0	522,856 0	22,887 0
PAUL KASA MD BOARD MEMBER ALMH MPS	(i) (ii)	280,590 0	23,123 0	5,548 0	42,500 0	16,321 0	368,082 0	0 0
JANICE GAMBACH PRESIDENT SRS	(i) (ii)	0 160,047	0 23,074	0 1,290	0 12,682	0 22,437	0 219,530	0 0
EVAN DAVIS BOARD MEMBER MHV (THRU DEC 13)	(i) (ii)	151,968 0	21,162 0	4,304 0	11,921 0	2,718 0	192,073 0	0 0
J TRAVIS DOWELL PRESIDENT MPS	(i) (ii)	0 209,595	0 58,882	0 42,955	0 44,575	0 56,127	0 412,134	0 0
R SCOTT KIRIAKOS VP CLIN INT MMC/MEM MHV MHSVC	(i) (ii)	250,465 0	70,301 0	16,327 0	75,749 0	12,199 0	425,041 0	0 0
DOLAN DALPOAS PRESIDENT ALMH/MEMBER MHSVC	(i) (ii)	0 219,332	0 60,340	0 10,406	0 44,664	0 321	0 335,063	0 0
DANIEL RAAB PRESIDENT TMH/TMHF/MEMBER MHSVC	(i) (ii)	0 189,355	0 53,635	0 17,546	0 51,664	0 -3,297	0 308,903	0 0
DOUGLAS RAHN DBA EVP COO MMC/CHR MHV 13 MHSVC/MEM MPS	(i) (ii)	430,152 0	83,994 0	30,326 0	343,387 0	20,687 0	908,546 0	0 0
EDGAR CURTIS PRES & CEO MHS/PRES MMC/MEM MPS	(i) (ii)	0 701,528	0 1,767	0 393,303	0 1,067,579	0 -9,134	0 2,155,043	0 0
ROBERT KAY SVP/CFO SEC/TREAS MHSVC MHV MPS	(i) (ii)	0 393,877	0 154,042	0 26,958	0 237,344	0 -23,819	0 788,402	0 11,508
KEVIN ENGLAND VICE CHAIR/PRES MHV/VC MHSVC	(i) (ii)	0 261,052	0 73,291	0 55,626	0 185,192	0 57,407	0 632,568	0 0
THOMAS WESTRICK PRESIDENT MHSVC	(i) (ii)	0 178,281	0 25,070	0 4,796	0 14,517	0 15,550	0 238,214	0 0
CHARLES CALLAHAN PHD SVP & CQO/CHAIR MHV (FROM JAN 14)	(i) (ii)	265,505 0	75,008 0	33,129 0	54,469 0	21,350 0	449,461 0	0 0
JAMESON ROSZHART BOARD MEMBER MHV (FROM JAN 14)	(i) (ii)	62,270 39,791	0 8,250	31,172 10	6,544 1,494	11,491 6,849	111,477 56,394	0 0
ELAINE YOUNG VP FINANCE MHS (THRU JAN 2013)	(i) (ii)	0 5,332	0 0	0 535,716	0 14,152	0 -36,941	0 518,259	0 57,992
ELENA KEZELIS EXEC DIR MMCF	(i) (ii)	151,265 0	21,530 0	4,302 0	11,378 0	19,913 0	208,388 0	0 0
MARSHA PRATER PHD SVP & CNO MMC	(i) (ii)	261,872 0	0 0	253,862 0	324,504 0	33,685 0	873,923 0	0 0

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
DAVID JOERGER ADMIN PERIOP SRV MMC (THRU NOV 2013)	(i) (ii)	163,128 0	26,206 0	47,206 0	12,838 0	16,807 0	266,185 0	0 0
LINDA JONES DNS VP OPERATIONS MMC	(i) (ii)	222,847 0	61,814 0	19,107 0	52,971 0	7,604 0	364,343 0	0 0
DREWEARLY ADMIN ED/CARDIOLOGY MMC	(i) (ii)	178,128 0	25,358 0	3,672 0	14,427 0	18,130 0	239,715 0	0 0
HARRY SCHMIDT VP FACILITIES MANAGEMENT MMC	(i) (ii)	163,431 0	78,582 0	4,097 0	41,790 0	2,276 0	290,176 0	8,334 0
ANNA EVANS JD GEN COUNSEL/VP INT AUDIT & COMPL MHS	(i) (ii)	0 280,016	0 79,808	0 6,237	0 114,301	0 24,045	0 504,407	0 0
RAJESH GOVINDAIAH MD SVP & CMO MHS	(i) (ii)	0 342,596	0 0	0 17,959	0 199,322	0 6,959	0 566,836	0 0
DAVID GRAHAM MD SVP & CIO MHS	(i) (ii)	0 344,049	0 134,124	0 13,628	0 80,411	0 18,259	0 590,471	0 0
MITCHELL JOHNSON SVP & CHIEF STRATEGY OFFICER MHS	(i) (ii)	0 261,211	0 102,889	0 15,535	0 119,995	0 -4,283	0 495,347	0 0
BRADLEY WARREN SVP & CPO MHS (THRU JAN 2013)	(i) (ii)	0 10,408	0 0	0 295,414	0 12,012	0 1,797	0 319,631	0 62,752
MELISSA MCGLASSON VP FINANCE MHS (FROM FEB 2013)	(i) (ii)	20,333 145,272	0 56,100	2,382 7,787	5,201 26,519	371 1,830	28,287 237,508	0 0
AIMEE ALLBRITTON PHD INTERIM CHRO MHS (2013), VP & CLO	(i) (ii)	0 230,318	0 90,851	0 39,999	0 49,982	0 15,135	0 426,285	0 0
FERDINAND SALVACION MD PHYSICIAN MMC	(i) (ii)	512,794 0	67,500 0	121,036 0	99,170 0	24,756 0	825,256 0	76,233 0
DAVID SANDERCOCK MD PHYSICIAN MPS	(i) (ii)	425,181 0	37,216 0	61,595 0	70,936 0	58,586 0	653,514 0	34,261 0
JAMES GILDNER MD PHYSICIAN MPS	(i) (ii)	463,192 0	56,321 0	108,777 0	91,975 0	20,146 0	740,411 0	0 0
AMY HIGH MD PHYSICIAN MPS	(i) (ii)	505,955 0	39,654 0	8,507 0	47,156 0	25,250 0	626,522 0	0 0
STEVEN LILLOPOP MD PHYSICIAN MPS	(i) (ii)	393,994 0	46,631 0	85,388 0	71,018 0	50,207 0	647,238 0	35,597 0

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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

OMB No 1545-0047
2013
Open to Public Inspection

Name of the organization
MEMORIAL HEALTH SYSTEM GROUP

Employer identification number
90-0756744

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
Total ▶ \$											

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons. Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.					
(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) SANGAMON PROFESSIONAL BUILDING LLC	OWNER'S WIFE IS A BOARD MEMBER	559,403	MEMORIAL MEDICAL CENTER LEASED PROPERTY FROM SANGAMON PROFESSIONAL BUILDING LLC FOR THE YEAR ENDED SEPTEMBER 30, 2014 IN THE AMOUNT OF \$559,403 THE OWNER OF SANGAMON PROFESSIONAL BUILDING LLC IS THE HUSBAND OF CAROL J HANSEN POSEGATE, A MEMBER OF MEMORIAL MEDICAL CENTER'S BOARD OF DIRECTORS THE LEASE IS UNDERTAKEN AT ARM'S LENGTH AND IS AT FAIR MARKET VALUE		No
(2) SORLING NORTHRUP HANNA CULLEN & COCHRAN LTD	BOARD MEMBER IS COO AT SORLING, NORTHRUP, HANNA, CULLEN & COCHRAN	410,032	MEMORIAL MEDICAL CENTER PAID FEES TO THE LAW OFFICE OF SORLING, NORTHRUP, HANNA, CULLEN & COCHRAN, LTD FOR LEGAL SERVICES FOR THE YEAR ENDED SEPTEMBER 30, 2014 IN THE AMOUNT OF \$410,032 MARK H FERGUSON IS A MEMBER OF MEMORIAL MEDICAL CENTER'S BOARD OF DIRECTORS AND IS A PARTNER AND CHIEF OPERATING OFFICER AT SORLING, NORTHRUP, HANNA, CULLEN & COCHRAN, LTD ALL FEES ARE NEGOTIATED AT FAIR MARKET VALUE FOR THE SERVICES PROVIDED		No
(3) SPRINGFIELD CLINIC LLP	BOARD MEMBER IS EMPLOYEE AND BOARD MEMBER OF SPRINGFIELD CLINIC, LLP	5,703,044	MEMORIAL MEDICAL CENTER PAID FEES TO SPRINGFIELD CLINIC, LLP FOR THE YEAR ENDED SEPTEMBER 30, 2014 IN THE AMOUNT OF \$5,703,044 A PHYSICIAN AND BOARD MEMBER OF THIS COMPANY, MICHAEL A PICK, M D , WAS ALSO A MEMBER OF MEMORIAL MEDICAL CENTER'S BOARD OF DIRECTORS IN 2013 ALL FEES ARE NEGOTIATED AT ARM'S LENGTH AND ARE AT FAIR MARKET VALUE FOR THE SERVICES PROVIDED		No
(4) MID-AMERICA EMERGENCY PHYSICIANS INC	BOARD MEMBER IS A VOTING BOARD MEMBER OF MID-AMERICA EMERGENCY PHYSICIANS	7,672,527	MEMORIAL MEDICAL CENTER PAID MID-AMERICA EMERGENCY PHYSICIANS INC \$7,672,527 DURING FISCAL YEAR 2014 DAVID GRIFFEN, M D IS A VOTING MEMBER OF MID-AMERICA EMERGENCY PHYSICIANS AND A MEMBER OF MEMORIAL MEDICAL CENTER'S BOARD OF DIRECTORS ALL FEES ARE NEGOTIATED AT ARM'S LENGTH AND ARE AT FAIR MARKET VALUE FOR THE SERVICES PROVIDED		No
(5) SPRINGFIELD ELECTRIC SUPPLY	BOARD MEMBER IS OWNER OF SPRINGFIELD ELECTRIC SUPPLY	239,807	MEMORIAL MEDICAL CENTER PAID FEES TO SPRINGFIELD ELECTRIC SUPPLY FOR GOODS AND SERVICES FOR THE YEAR ENDED SEPTEMBER 30, 2014 IN THE AMOUNT OF \$239,807 RANDALL S GERMERAAD IS A MEMBER OF MEMORIAL MEDICAL CENTER'S BOARD OF DIRECTORS AND AN OWNER OF SPRINGFIELD ELECTRIC SUPPLY ALL FEES ARE NEGOTIATED AT FAIR MARKET VALUE FOR THE SERVICES PROVIDED		No

Part V Supplemental Information	
Provide additional information for responses to questions on Schedule L (see instructions)	
Return Reference	Explanation

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at
www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public
Inspection

Name of the organization MEMORIAL HEALTH SYSTEM GROUP	Employer identification number 90-0756744
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Return Reference	Explanation
LINE 24A	ONE SCHEDULE K WAS COMPLETED AT THE PARENT (MEMORIAL HEALTH SYSTEM) LEVEL ONLY HOWEVER, EACH AFFILIATE IS STILL SHOWING ITS ALLOCATION OF THE LIABILITY ON THE BALANCE SHEET, AS CAN BE SEEN ON THIS GROUP RETURN

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2	MARK KUHNKE, M.D. AND LYNNE BARKMEIER, M.D. ARE EMPLOYED BY SPRINGFIELD CLINIC, LLP, OF WHICH MICHAEL PICK, M.D. IS A BOARD MEMBER. DR. KUHNKE AND DR. BARKMEIER ARE BOTH BOARD MEMBERS OF MEMORIAL MEDICAL CENTER. DR. PICK WAS A BOARD MEMBER OF MEMORIAL MEDICAL CENTER THROUGH DECEMBER 31, 2013.

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	MEMORIAL HEALTH SYSTEM IS THE SOLE CORPORATE MEMBER OF THE AFFILIATES REPORTED IN THIS GROUP RETURN EXCLUDING SPRINGFIELD RESIDENTIAL SERVICES, MEMORIAL MEDICAL CENTER FOUNDATION AND TAYLORVILLE MEMORIAL HOSPITAL FOUNDATION. MEMORIAL HEALTH SYSTEM CORPORATION CONTAINS 105 INDIVIDUAL MEMBERS WHO ELECT THE BOARD OF DIRECTORS. SPRINGFIELD RESIDENTIAL SERVICES HAS A SELF-PERPETUATING BOARD OF DIRECTORS WHOSE MEMBERSHIP SHALL BE APPROVED BY OR BE MEMBERS OF THE BOARD OF DIRECTORS FOR MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS. MEMORIAL MEDICAL CENTER FOUNDATION'S MEMBERS ARE ITS BOARD OF DIRECTORS. MEMORIAL MEDICAL CENTER FOUNDATION'S BOARD OF DIRECTORS CONTAINS 15 DIRECTORS. TAYLORVILLE MEMORIAL HOSPITAL FOUNDATION HAS NO CORPORATE MEMBERS. TAYLORVILLE MEMORIAL HOSPITAL FOUNDATION'S BOARD OF DIRECTORS, WHICH CONTAINS 9 DIRECTORS, MANAGES AND CONTROLS THE PROPERTY AND BUSINESS.

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	THE CORPORATE MEMBER OF THE CORPORATION ELECTS THE BOARD OF DIRECTORS

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	THE BYLAWS OF THE CORPORATION REQUIRE THE ADVANCE APPROVAL OF THE CORPORATE MEMBER FOR CORPORATE, ADMINISTRATIVE AND OPERATIONAL ACTIONS WHICH INCLUDE, BUT ARE NOT LIMITED TO, THE BORROWING OF ANY SUM, THE PRINCIPAL OF WHICH EXCEEDS \$500,000, OR WHICH HAS A STATED TERM OF GREATER THAN ONE YEAR, OR WHICH IS SECURED BY A MORTGAGE OF ALL OR ANY PORTION OF THE CORPORATION'S REAL PROPERTY OR THE CREATION OF A SECURITY INTEREST IN THE CORPORATION'S ASSETS, INCLUDING PERSONAL PROPERTY AND REVENUES, FOR THE BENEFIT OF THE LENDER, LESSOR OR VENDOR, OR THE DEFEASANCE, ADVANCE PAYMENT OR CANCELLATION OF ANY OUTSTANDING DEBT OF THE CATEGORY DESCRIBED HEREIN, ANY VOLUNTARY DISSOLUTION, MERGER, CONSOLIDATION, SALE OR TRANSFER OF SUBSTANTIALLY ALL OF THE CORPORATION'S ASSETS (DEFINED AS 10% OR MORE), OR ANY CREATION OF A SUBSIDIARY OR AFFILIATE CORPORATION OF THE CORPORATION, ANY APPLICATION TO THE ILLINOIS HEALTH FACILITIES PLANNING BOARD FOR A PERMIT OR CERTIFICATE OF NEED FOR A PROPOSED ACTIVITY, WHETHER OR NOT INVOLVING A CAPITAL EXPENDITURE, THE APPROVAL OF ALL ANNUAL AND LONG-TERM CAPITAL OR OPERATIONAL BUDGETS OF THE CORPORATION, ANY AMENDMENT TO THE ARTICLES OF INCORPORATION OR BYLAWS OF THE CORPORATION, APPROVAL OF ANY NEW OR CHANGES TO EXISTING LONG-TERM OR MASTER INSTITUTIONAL PLAN, THE SALE OF ANY OF THE CORPORATION'S REAL PROPERTY OR INTEREST THEREIN OR PURCHASES OF ADDITIONAL REAL ESTATE, AND THE APPROVAL OF CAPITAL EXPENDITURES IN EXCESS OF \$1 5 MILLION

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	A FINAL DRAFT COPY OF THE MHS GROUP FORM 990 AND ALL ATTACHMENTS IS PROVIDED TO ALL OF THE MEMORIAL HEALTH SYSTEM BOARD OF DIRECTORS AND A BOARD COMMITTEE PRIOR TO FILING. AT THE BOARD MEETING, A PRESENTATION IS MADE BY THE CFO TO THE BOARD, FOLLOWED BY A QUESTION AND ANSWER SESSION. PRESENTATIONS ARE MADE TO THE AFFILIATE MEMBERS' BOARDS IN THE SAME TIME FRAME, ALTHOUGH COPIES OF THE COMPLETE FORM 990 AND ALL ATTACHMENTS ARE NOT PROVIDED PRIOR TO THOSE MEETINGS, EXCEPT TO BOARD MEMBERS WHO REQUEST COMPLETE COPIES. ALL QUESTIONS AND COMMENTS ARISING FROM THESE REVIEWS ARE ADDRESSED PRIOR TO SUBMISSION OF THE RETURN TO THE APPROPRIATE TAXING AUTHORITIES.

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	ALL OFFICERS, DIRECTORS AND KEY EMPLOYEES OF THE CORPORATION ARE REQUIRED TO REVIEW THE CONFLICT OF INTEREST POLICY AND COMPLETE A SPECIFIC DISCLOSURE STATEMENT WHICH IS ATTACHED TO THE POLICY. MEMORIAL HEALTH SYSTEM AND ITS SUBORDINATES MONITORS AND ENFORCES ITS CONFLICT OF INTEREST POLICY BY IDENTIFYING ANY POTENTIAL CONFLICTS AT THE TIME EACH MEETING AGENDA IS PREPARED. ANY OFFICER OR DIRECTOR WHO HAS A CONFLICT IS NOTIFIED OF SUCH CONFLICT, AS WELL AS THEIR OBLIGATION TO ABSTAIN FROM THE DISCUSSION AND VOTE ON ANY CONFLICTED ISSUES(S). SUCH ABSTENTION(S), IF REQUIRED, ARE DOCUMENTED IN THE MINUTES OF EACH MEETING. BOARD MEMBERS ARE ALSO REQUIRED TO UPDATE THEIR CONFLICT OF INTEREST DISCLOSURE STATEMENTS PROMPTLY IN THE EVENT OF ANY CHANGE IN PERSONAL OR BUSINESS ACTIVITIES THAT WOULD REQUIRE SUCH DISCLOSURE.

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	<p>THE MEMORIAL HEALTH SYSTEM BOARD OF DIRECTORS HAS APPOINTED A LEADERSHIP COMPENSATION COMMITTEE MADE UP OF INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS AND HAS DELEGATED TO IT THE RESPONSIBILITY OF ADMINISTERING, OVERSEEING AND APPROVING ALL FORMS OF COMPENSATION AND BENEFITS PROVIDED TO EXECUTIVE LEADERSHIP, INCLUDING THE CHIEF EXECUTIVE OFFICER AND THE CHIEF FINANCIAL OFFICER. THE BOARD HAS ADOPTED A LEADERSHIP COMPENSATION PHILOSOPHY STATEMENT DESCRIBING THE ROLE AND RESPONSIBILITIES OF THE COMMITTEE. THIS PHILOSOPHY EXPRESSLY STATES THE COMMITTEE'S INTENT, ON BEHALF OF THE CORPORATION, TO TAKE ALL THE STEPS NECESSARY TO QUALIFY FOR THE REBUTTABLE PRESUMPTION OF REASONABLENESS UNDER THE FEDERAL INCOME TAX LAW INTERMEDIATE SANCTIONS RULES. THE COMMITTEE ANALYZES EVERY ELEMENT OF COMPENSATION (INCLUDING CURRENT, INCENTIVE AND DEFERRED COMPENSATION) AND BENEFITS (INCLUDING QUALIFIED AND NON-QUALIFIED BENEFITS). THE COMMITTEE CONDUCTS ITS REVIEW AND APPROVAL PROCESS AT LEAST ANNUALLY AND APPROVES COMPENSATION AND BENEFITS ONLY TO THE EXTENT THAT THE COMMITTEE HAS CONCLUDED THAT THE COMPENSATION AND BENEFITS CONSTITUTE NO MORE THAN REASONABLE COMPENSATION FOR EACH EXECUTIVE. IN CONNECTION WITH THE MOST RECENT REVIEW AND APPROVAL PROCESS, THE COMMITTEE RECEIVED PROFESSIONAL ADVICE FROM AN INDEPENDENT CONSULTANT AND OUTSIDE LEGAL COUNSEL. THE COMMITTEE CONSISTS ENTIRELY OF DISINTERESTED MEMBERS OF THE BOARD OR DISINTERESTED COMMITTEE MEMBERS WHO UNDER STATE CORPORATE LAW MAY SERVE ON SUCH A COMMITTEE. THE COMMITTEE WORKS WITH ITS COMPENSATION CONSULTANT TO PREPARE AND REVIEW IN ADVANCE COMPREHENSIVE DATA SHOWING THE COMPENSATION PROVIDED BY SIMILARLY SITUATED ORGANIZATIONS FOR FUNCTIONALLY SIMILAR POSITIONS. THE COMMITTEE ALSO PREPARES A TIMELY AND THOROUGH WRITTEN RECORD OF ITS PROCEDURAL CRITERIA NECESSARY TO QUALIFY FOR THE REBUTTABLE PRESUMPTION OF REASONABLENESS UNDER THE FEDERAL INCOME TAX LAW INTERMEDIATE SANCTIONS RULES.</p>

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	THE GOVERNING DOCUMENTS, SUCH AS ARTICLES OF INCORPORATION AND ANY AMENDMENTS THERETO, ARE AVAILABLE TO THE GENERAL PUBLIC THROUGH THE ILLINOIS SECRETARY OF STATE'S OFFICE. THESE GOVERNING DOCUMENTS, AS WELL AS THE BY LAWS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS, ARE AVAILABLE UPON REQUEST. THESE DOCUMENTS ARE AVAILABLE FOR THE SAME PERIOD OF TIME AS SET FORTH IN IRC SECTION 6104(D).

Return Reference	Explanation
FORM 990, PART IX, LINE 11G	PHYSICIAN FEES PROGRAM SERVICE EXPENSES 57,305,980 MANAGEMENT AND GENERAL EXPENSES 29,067 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 57,335,047 CONTRACT LABOR PROGRAM SERVICE EXPENSES 1,704,209 MANAGEMENT AND GENERAL EXPENSES 36,474 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,740,683 PURCHASED SERVICES PROGRAM SERVICE EXPENSES 21,457,797 MANAGEMENT AND GENERAL EXPENSES 5,031,326 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 26,489,123 PROFESSIONAL FEES PROGRAM SERVICE EXPENSES 411,279 MANAGEMENT AND GENERAL EXPENSES 1,271,595 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,682,874 OTHER FEES FOR SERVICE PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 2,403 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 2,403

Return Reference	Explanation
FORM 990, PART XI, LINE 9	CHANGE IN MINIMUM PENSION LIABILITY -33,852,800 TRANSFERS -21,310,226 BOOK/TAX DIFFERENCE 191,553 OTHER 7,276,660

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
MEMORIAL HEALTH SYSTEM GROUP

Employer identification number
90-0756744

Part I

Identification of Disregarded Entities

Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) HEALTHCARE NETWORK PROPERTIES LLC 701 NORTH FIRST STREET SPRINGFIELD, IL 62781 37-1379377	OWNS MEDICAL OFFICE BUILDINGS	IL	5,969,987	26,038,987	MEMORIAL PHYSICIAN SERVICES
(2) WOMEN'S HEALTHCARE LLC 701 NORTH 1ST STREET SPRINGFIELD, IL 62781 26-3400814	HEALTHCARE SERVICES	IL	4,921,841	836,084	MEMORIAL PHYSICIAN SERVICES
(3) VINE STREET CLINICAL ASSOCIATES LLC 701 NORTH FIRST STREET SPRINGFIELD, IL 62781 45-3180104	PSYCHIATRIC HEALTHCARE SERVICES	IL	1,507,554	128,556	MEMORIAL PHYSICIAN SERVICES
(4) MEMORIAL EXPRESSCARE LLC 701 NORTH FIRST STREET SPRINGFIELD, IL 62781 26-3400528	PROVIDES NON-EMERGENCY CARE SEVEN DAYS A WEEK WITHOUT APPOINTMENT	IL	8,054,165	1,689,476	MEMORIAL HEALTH VENTURES

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
See Additional Data Table							

Part III

Identification of Related Organizations Taxable as a Partnership

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproporionate 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
(1) MEMORIAL HOME SERVICES OF CENTRAL ILLINOIS INC 701 NORTH FIRST STREET SPRINGFIELD, IL 62781 37-1190216	PROVIDE DURABLE MEDICAL EQUIPMENT AND SUPPLIES TO PATIENTS	IL	MEMORIAL HOME SERVICES	C			100 000 %		No
(2) PASSAVANT PHYSICIAN ASSOCIATION 1600 WEST WALNUT STREET JACKSONVILLE, IL 62650 26-1200566	PHYSICIAN SERVICES	IL	PASSAVANT MEMORIAL AREA HOSPITAL ASSOCIATION	C			100 000 %		No

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

No

1b

Yes

1c

Yes

1d

No

1e

No

1f

Yes

1g

Yes

1h

Yes

1i

Yes

1j

Yes

1k

Yes

1l

Yes

1m

Yes

1n

Yes

1o

Yes

1p

Yes

1q

Yes

1r

Yes

1s

Yes

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) MEMORIAL HOME SERVICES OF CENTRAL ILLINOIS INC	O	438,055	COST BASIS
(2) MEMORIAL HOME SERVICES OF CENTRAL ILLINOIS INC	K	134,925	COST - RENTAL EQUIPMENT
(3) MEMORIAL HOME SERVICES OF CENTRAL ILLINOIS INC	H	149,267	COST BASIS
(4) MEMORIAL HOME SERVICES OF CENTRAL ILLINOIS INC	B	-417,662	COST BASIS

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
------------------	-------------

Additional Data

Software ID:

Software Version:

EIN: 90-0756744

Name: MEMORIAL HEALTH SYSTEM GROUP

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) MEMORIAL HEALTH SYSTEM 701 NORTH FIRST STREET SPRINGFIELD, IL 627810001 37-1110690	UMBRELLA	IL	501(C)(3)	509(A)(3) TYPE II	N/A		No
(1) MEMORIAL MEDICAL CENTER 701 NORTH FIRST STREET SPRINGFIELD, IL 627810001 37-0661220	HOSPITAL SERVICES	IL	501(C)(3)	170(B)(1)(A) (III)	MEMORIAL HEALTH SYSTEM		No
(2) MEMORIAL HEALTH VENTURES 701 NORTH FIRST STREET SPRINGFIELD, IL 627810001 36-3492266	HEALTHCARE ACTIVITIES	IL	501(C)(3)	509(A)(3) TYPE II	MEMORIAL HEALTH SYSTEM		No
(3) ABRAHAM LINCOLN MEMORIAL HOSPITAL 200 STAHLHUT DRIVE LINCOLN, IL 62656 37-0661250	HOSPITAL SERVICES	IL	501(C)(3)	170(B)(1)(A) (III)	MEMORIAL HEALTH SYSTEM		No
(4) TAYLORVILLE MEMORIAL HOSPITAL 201 EAST PLEASANT TAYLORVILLE, IL 62568 37-0661250	HOSPITAL SERVICES	IL	501(C)(3)	170(B)(1)(A) (III)	MEMORIAL HEALTH SYSTEM		No
(5) MEMORIAL HOME SERVICES 720 NORTH BOND STREET SPRINGFIELD, IL 627024915 37-0714225	HOME HEALTH AND HOSPICE	IL	501(C)(3)	509 (C) (2)	MEMORIAL HEALTH SYSTEM		No
(6) MEMORIAL PHYSICIAN SERVICES 701 NORTH FIRST STREET SPRINGFIELD, IL 627810001 37-1181194	HEALTH CLINICS	IL	501(C)(3)	509(A)(3) TYPE II	MEMORIAL HEALTH SYSTEM		No
(7) MEMORIAL MEDICAL CENTER FOUNDATION 1 MEMORIAL PLAZA SPRINGFIELD, IL 62781 37-1110301	GRANTS TO HOSPITALS, OTHER CHARITABLE ORGANIZATIONS, AND SCHOLARSHIPS	IL	501(C)(3)	170(B)(1)(A)	MEMORIAL MEDICAL CENTER		No
(8) TAYLORVILLE MEMORIAL HOSPITAL FOUNDATION 201 EAST PLEASANT TAYLORVILLE, IL 62568 37-1337485	GRANTS TO OTHER CHARITABLE ORGANIZATIONS AND HOSPITALS	IL	501(C)(3)	509(A)(3)TYPE III-FI	N/A		No
(9) MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS 710 NORTH EIGHTH STREET SPRINGFIELD, IL 627026395 37-0646367	TRAINING, PSYCHIATRIC, AND RESIDENT SERVICES FOR MENTALLY ILL AND DISABLED	IL	501(C)(3)	170(B)(1)(A) (VI)	MEMORIAL HEALTH SYSTEM		No
(10) ABRAHAM LINCOLN MEMORIAL HOSPITAL FOUNDATION 200 STAHLHUT DRIVE LINCOLN, IL 62656 36-3492268	GRANTS TO HOSPITALS AND OTHER CHARITABLE ORGANIZATIONS	IL	501(C)(3)	170(B)(1)(A) (VI)	MEMORIAL HEALTH SYSTEM		No
(11) SPRINGFIELD RESIDENTIAL SERVICES 710 NORTH EIGHTH STREET SPRINGFIELD, IL 62702 37-1298589	RESIDENTIAL HUD HOUSING PROJECT FOR MENTALLY ILL	IL	501(C)(3)	170(B)(1)(A) (VI)	MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS		No
(12) PASSAVANT AREA HOSPITAL FOUNDATION 1600 WEST WALNUT ST JACKSONVILLE, IL 62650 46-1037396	SUPPORTING THE HOSPITAL	IL	501(C)(3)	170(B)(1)(A) (III)	MEMORIAL HEALTH SYSTEM		No
(13) PASSAVANT AREA HOSPITAL ASSOC 1600 WEST WALNUT ST JACKSONVILLE, IL 62650 37-0661230	HOSPITAL SERVICES	IL	501(C)(3)	170(B)(1)(A) (III)	PASSAVANT MEMORIAL AREA HOSPITAL ASSOCIATION		No
(14) JACKSONVILLE CRNA'S INC 1600 WEST WALNUT ST JACKSONVILLE, IL 62650 27-3093265	CRNA SERVICES	IL	501(C)(3)	509(A)(3) TYPE II			No

TY 2013 Affiliate Listing

Name: MEMORIAL HEALTH SYSTEM GROUP
EIN: 90-0756744

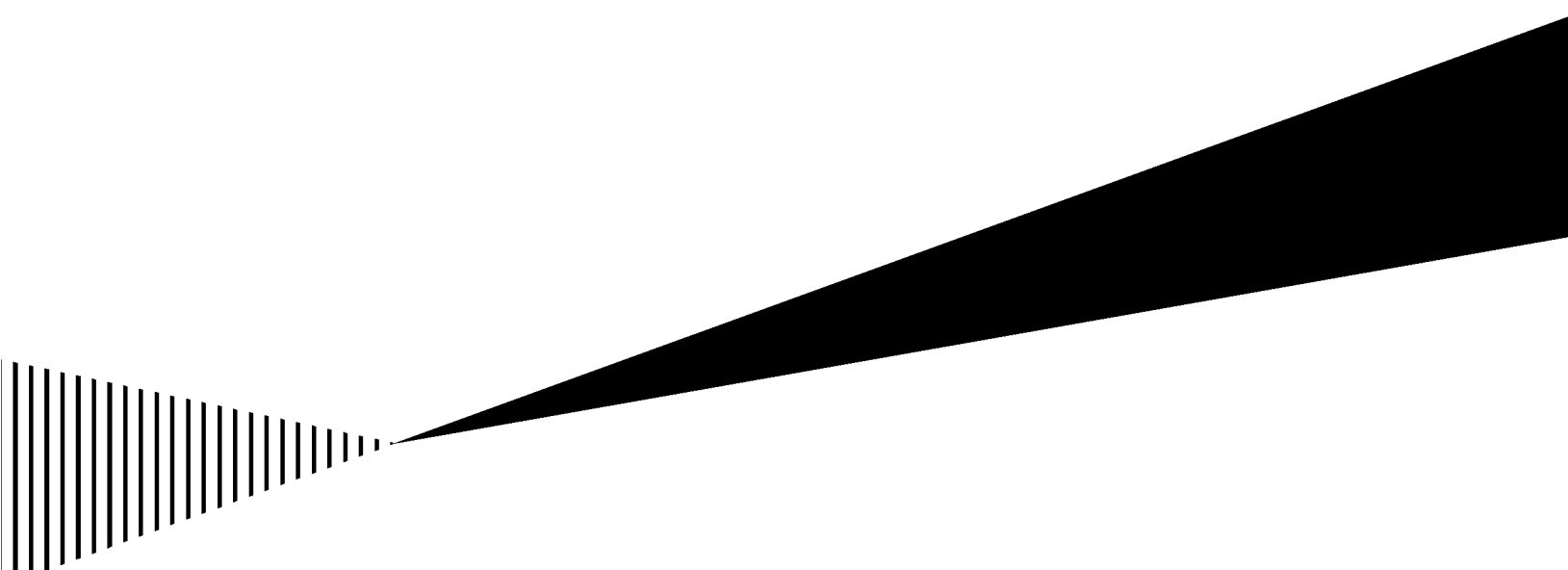
TY 2013 Affiliate Listing

Name	Address	EIN	Name control
MEMORIAL MEDICAL CENTER	701 NORTH FIRST STREET SPRINGFIELD, IL 62781	37-0661220	MEMO
THE ABRAHAM LINCOLN MEMORIAL HOSPITAL	200 STAHLHUT DRIVE LINCOLN, IL 62656	37-0723793	ABRA
TAYLORVILLE MEMORIAL HOSPITAL	201 EAST PLEASANT TAYLORVILLE, IL 62568	37-0661250	TAYL
MEMORIAL HEALTH VENTURES	701 NORTH FIRST STREET SPRINGFIELD, IL 62781	36-3492266	MEMO
MEMORIAL HOME SERVICES	720 NORTH BOND SPRINGFIELD, IL 62702	37-0714225	MEMO
MEMORIAL PHYSICIAN SERVICES	701 NORTH FIRST STREET SPRINGFIELD, IL 62781	37-1181194	MEMO
MEMORIAL MEDICAL CENTER FOUNDATION	1 MEMORIAL PLAZA SPRINGFIELD, IL 62781	37-1110301	MEMO
TAYLORVILLE MEMORIAL HOSPITAL FOUNDATION INC	201 EAST PLEASANT TAYLORVILLE, IL 62568	37-1337485	TAYL
SPRINGFIELD RESIDENTIAL SERVICES	710 NORTH EIGHTH STREET SPRINGFIELD, IL 62702	37-1298589	SPRI

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Memorial Health System and Subsidiaries
Years Ended September 30, 2014 and 2013
With Report of Independent Auditors

Ernst & Young LLP



**Building a better
working world**

Memorial Health System and Subsidiaries
Consolidated Financial Statements and Supplementary Information
Years Ended September 30, 2014 and 2013

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Report of Independent Auditors

The Board of Directors
Memorial Health System

We have audited the accompanying consolidated financial statements of Memorial Health System and Subsidiaries (MHS), which comprise the consolidated balance sheets as of September 30, 2014 and 2013, and the related consolidated statements of operations and 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 financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the consolidated financial position of Memorial Health System and Subsidiaries at September 30, 2014 and 2013, and the consolidated results of their operations and their cash flows for the years then ended in conformity with U S generally accepted accounting principles

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Ernst & Young LLP

December 19, 2014

Memorial Health System and Subsidiaries

Consolidated Balance Sheets
(In Thousands)

	September 30	
	2014	2013
Assets		
Current assets		
Cash and cash equivalents	\$ 149,761	\$ 142,064
Short-term investments	154,409	128,996
Assets whose use is limited – current portion	5,676	5,613
Receivables		
Patient accounts receivable, net of allowance for uncollectible accounts of \$28,161 and \$23,325 as of September 30, 2014 and 2013, respectively	137,659	113,893
Receivables from third-party payors	11,755	7,931
Other	19,333	22,808
Inventories	12,230	11,912
Prepaid expenses	14,203	13,181
Total current assets	505,026	446,398
Assets whose use is limited		
Board-designated investments	303,220	213,643
Self-insurance trusts	20,045	20,383
Bond trustee assets	4,175	1,563
Donor restricted assets	14,535	10,065
Deferred compensation investments	22,823	20,023
Total assets whose use is limited	364,798	265,677
Property, plant, and equipment, net	512,947	415,641
Other assets		
Investments in partnerships	5,813	5,282
Unamortized bond issuance costs	2,850	3,234
Beneficial interest in remainder trust	60,328	35,391
Other	10,478	10,700
Total other assets	79,469	54,607
Total assets	\$ 1,462,240	\$ 1,182,323

	September 30	
	2014	2013
Liabilities and net assets		
Current liabilities		
Long-term debt – current portion	\$ 9,434	\$ 7,596
Accounts payable	69,226	51,145
Accrued payroll	36,092	29,029
Interest payable	4,958	4,362
Payables to third-party payors	35,406	30,979
Other	20,567	18,120
Total current liabilities	175,683	141,231
Long-term debt – less current portion	337,830	261,803
Other liabilities		
Deferred compensation and benefits	23,894	21,001
Self-insurance accrued expenses	18,944	17,067
Accrued employee benefits	13,239	13,470
Pension obligation	45,290	28,558
Other	12,291	9,864
Total other liabilities	113,658	89,960
Total liabilities	625,171	492,994
Net assets		
Unrestricted	759,082	642,497
Temporarily restricted	46,969	41,671
Permanently restricted	29,018	5,161
Total net assets	835,069	689,329
 Total liabilities and net assets	 \$ 1,462,240	 \$ 1,182,323

See accompanying notes.

Memorial Health System and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets
(In Thousands)

	Years Ended September 30	
	2014	2013
Revenues		
Patient service revenues	\$ 741,726	\$ 659,196
Provision for uncollectible accounts	(15,767)	(13,367)
Net patient service revenues	725,959	645,829
Hospital access improvement revenue	33,235	32,741
Capitation revenues	53,889	53,091
Other revenues	31,231	28,338
Total revenues	844,314	759,999
Expenses		
Salaries and wages	293,936	262,739
Employee benefits	90,994	87,381
Physician fees	60,062	55,949
Utilities	12,313	11,449
Pharmaceutical supplies	27,416	23,757
Patient service supplies	86,929	82,432
Other	103,890	86,794
Hospital provider assessment	18,385	19,014
Purchased medical services	33,455	31,785
Depreciation and amortization	52,719	47,443
Interest expense and other financing costs	12,648	10,665
Total expenses	792,747	719,408
Income from operations	51,567	40,591
Nonoperating gains (losses)		
Interest and dividends	7,282	5,680
Realized gain (loss) on investments, net	16,458	9,768
Unrealized gain (loss) on investments, net	10,116	21,367
Inherent contribution of acquired entities	68,927	—
Change in fair value of interest rate swap	1,300	2,937
Contributions	1,771	1,983
Other revenue (expense), net	(7,164)	(3,674)
Total nonoperating gains (losses), net	98,690	38,061
Excess of revenues over expenses	150,257	78,652

Memorial Health System and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets (continued)
(In Thousands)

	Years Ended September 30	
	2014	2013
Unrestricted net assets		
Excess of revenues over expenses	150,257	78,652
Change in pension and post-employment obligations	(34,199)	77,088
Net assets released from restrictions for property acquisitions	116	3
Other	411	449
Increase in unrestricted net assets	116,585	156,192
Temporarily restricted net assets		
Contributions	1,032	1,122
Change in fair value of beneficial interest in perpetual trusts	(124)	9,925
Gain (loss) on investments, net	6,393	718
Contribution of temporarily restricted net assets of acquired entities	783	—
Net assets released from restrictions and other	(2,786)	(2,848)
Increase in temporarily restricted net assets	5,298	8,917
Permanently restricted net assets		
Contributions	19	206
Change in fair value of beneficial interest in perpetual trusts	(308)	—
Contribution of permanently restricted net assets of acquired entities	24,146	—
Increase in permanently restricted net assets	23,857	206
Increase in net assets	145,740	165,315
Net assets, beginning of year	689,329	524,014
Net assets, end of year	<u>\$ 835,069</u>	<u>\$ 689,329</u>

See accompanying notes.

Memorial Health System and Subsidiaries

Consolidated Statements of Cash Flows

(In Thousands)

	Years Ended September 30	
	2014	2013
Cash flows from operating activities		
Change in net assets	\$ 145,740	\$ 165,315
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Non-cash contribution	—	(112)
Change in unrealized losses on interest rate swaps	(1,435)	(2,937)
Change in unrealized (gains) losses on investments	(10,984)	(20,339)
Restricted contributions	(1,051)	(1,190)
Increase in beneficial interest in perpetual trust	(5,343)	(9,925)
Depreciation and amortization	52,719	47,445
Loss on disposal of assets	5	252
Provision for uncollectible accounts	15,767	13,367
Change in pension obligation	34,199	(77,088)
Contribution of net assets of acquired entities	(93,856)	—
Changes in assets and liabilities		
Accounts receivable	(27,801)	3,430
Inventory and other assets	11,596	(12,251)
Receivable from/payable to third-party payors	(2,169)	6,184
Accounts payable and other current liabilities	5,673	15,021
Self-insurance and other long-term liabilities	(13,423)	(8,399)
Net cash provided by operating activities	<u>109,637</u>	<u>118,773</u>
Cash flows from investing activities		
Acquisition of property and equipment	(123,541)	(98,200)
Proceeds on sale of property	12	529
Receipts from acquisition of acquired entities	5,677	—
Investments classified as trading, net	(35,207)	(29,858)
Change in investment in partnerships	166	(603)
Net change in other assets	208	341
Net cash used in investing activities	<u>\$ (152,685)</u>	<u>\$ (127,791)</u>

Memorial Health System and Subsidiaries

Consolidated Statements of Cash Flows (continued)
(In Thousands)

	Years Ended September 30	
	2014	2013
Cash flows from financing activities		
Restricted contributions and gains	\$ 1,051	\$ 1,190
Repayment of long-term debt	(11,258)	(8,591)
Issuance of long-term debt	60,100	60,000
Proceeds from short-term borrowings	25,000	60,000
Repayment of short-term borrowings	(25,000)	(60,000)
Payment of bond issuance costs, net of premium	(150)	—
Distributions from beneficial interest in remainder trust	1,002	995
Net cash provided by financing activities	50,745	53,594
Net increase in cash and cash equivalents	7,697	44,576
Cash and cash equivalents, beginning of year	142,064	97,488
Cash and cash equivalents, end of year	<u>\$ 149,761</u>	<u>\$ 142,064</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 8,762	\$ 7,932

See accompanying notes.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

September 30, 2014 and 2013

1. Organization

Memorial Health System (Parent) is incorporated as a not-for-profit corporation under the laws of the state of Illinois and is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code). Memorial Health System and Subsidiaries (MHS) comprise the following corporations and their subsidiaries:

Memorial Health System

Sole corporate member of

- Memorial Medical Center (MMC)
 - Memorial Medical Center Foundation (MMCF)
- Memorial Physician Services (MPS)
 - HealthCare Network Properties, LLC d/b/a Memorial Properties (MP)
- Memorial Home Services NFP (MHSvc)
 - Memorial Home Services of Central Illinois, Inc (MHSCI)
- The Abraham Lincoln Memorial Hospital (ALMH)
- Abraham Lincoln Healthcare Foundation (ALHF)
- Mental Health Centers of Central Illinois (MHCCI)
- Memorial Health Ventures (MHV)
- Memorial Health Partners, LLC (MHP) (formed on 2/1/14)
- Taylorville Memorial Hospital (TMH)
- Taylorville Memorial Hospital Foundation, Inc (TMHF)
- Passavant Memorial Area Hospital Association (PAH) (acquired as of 4/1/14)
 - Passavant Physician Association (PPA)
 - Jacksonville CRNA's, Inc (CRNA)
 - Passavant Area Hospital Foundation (PAHF)

All significant intercompany transactions and balances have been eliminated in the consolidated financial statements.

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with a maturity of three months or less when purchased, excluding amounts whose use is limited by board designation or other arrangements under trust agreements. MHS places its cash and cash equivalents with institutions with high credit quality. However, at certain times, such cash and cash equivalents are in excess of government-provided insurance limits. MHS routinely invests in money market mutual funds. These funds generally invest in highly liquid U.S. government

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

2. Summary of Significant Accounting Policies (continued)

and agency obligations MHS's cash and cash equivalents are invested in financial instruments that potentially subject MHS to concentrations of credit risk

Short-Term Investments

Short-term investments primarily comprise cash and cash equivalents, corporate obligations, government obligations, certificates of deposit, mutual funds, and corporate equity securities that are classified as current assets because such amounts are available to meet MHS's operating cash requirements

Inventories

Inventories, consisting primarily of medical supplies and drugs, are stated at the lower of cost or market value Cost is determined using the average cost method

Assets Whose Use Is Limited

Assets whose use is limited primarily include designated assets set aside by the Board of Directors (Board) for future capital improvements, over which the Board retains control and may, at its discretion, subsequently use for other purposes The classification may also include amounts set aside under revocable self-insurance trust agreements, assets held by trustees under indenture agreements, assets restricted as to use by donors, cash restricted as to withdraw or use, investments in farmland and deferred compensation investments Amounts designated to help meet the current liabilities of MHS have been classified as the current portion of assets whose use is limited in the consolidated balance sheets

Investment securities are recorded at fair value, based on the valuation methodologies used in the Fair Value Measurement and Disclosures Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) The cost of securities sold is based on the specific identification method MHS classifies its investment portfolio as trading, with unrealized gains and losses included in excess of revenues over expenses

Realized and unrealized gains and losses on investments, interest, and dividends from all other investments are reported as nonoperating gains (losses) unless the income is restricted by donor or law

MHS has elected the fair value option in accordance with generally accepted accounting principles when valuing investments in farmland, which are included in board designated investments on the consolidated balance sheets

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

2. Summary of Significant Accounting Policies (continued)

Property, Plant, and Equipment

Property, plant, and equipment are recorded at cost or, if donated, at fair value at the date of receipt. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Land improvements	5–25 years
Buildings and improvements	10–40 years
Equipment	3–10 years

Leasehold improvements and equipment under capital lease are depreciated or amortized over the corresponding lease term and included in depreciation and amortization expense.

Beneficial Interest in Trust

MMC is the beneficiary of an irrevocable trust held and administered by a third-party trustee. The income from this trust is distributed annually and the principal will be distributed at some future date. The proceeds from the trust are restricted by the donor to be used for general maintenance and support of MMC. MMC's beneficial interest in the trust of \$39,732 and \$35,391 as of September 30, 2014 and 2013, respectively, is equal to the estimated fair value of the underlying trust assets (primarily Illinois farm land) and is recognized by MMC as temporarily restricted net assets. Trust distributions were \$1,002 and \$995 in 2014 and 2013, respectively, and are included in unrestricted contributions in the consolidated statements of operations and changes in net assets.

PAH is the income beneficiary, along with other beneficiaries, of several irrevocable trusts held and administered by third-party trustees. The proceeds from the trusts are considered unrestricted or restricted based on the terms of the applicable trust agreement. PAH's beneficial interest in trusts of \$20,596 as of September 30, 2014 is equal to the estimated fair value of the underlying trust assets (primarily Illinois farm land) and is recognized by PAH as permanently restricted net assets due to certain restrictions imposed by the applicable trust agreement. Income distributed from the trusts was \$158 for the period from April 1, 2004 to September 30, 2014 and is included in unrestricted contributions in the consolidated statement of operations and changes in net assets.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

2. Summary of Significant Accounting Policies (continued)

TMHF is the discretionary income beneficiary of a trust. The principal of this trust is not controlled by TMHF, nor will it revert to TMHF upon dissolution and, accordingly, it is not reflected in the accompanying consolidated financial statements. The market value of assets held in the trust totaled \$623 and \$622 as of September 30, 2014 and 2013, respectively. Trust distributions were \$26 and \$31 in 2014 and 2013, respectively, and were included in unrestricted contributions in the consolidated statements of operations and changes in net assets.

Other Assets

Other assets primarily consist of cash surrender value of life insurance policies, noncomplete agreement clauses in physician acquisition contracts, and reinsurance recoveries. Under the terms of the agreements, vesting to the physicians in the cash surrender values occurs over various terms.

Deferred Compensation Investments

MHS has nonqualified deferred compensation plans available to select employees. Contributions to the plans are invested in mutual funds and are payable to the employees upon vesting, retirement, or resignation. Deferred compensation investments at fair value and deferred compensation liabilities have been recorded in the accompanying consolidated balance sheets.

Accrued Employee Benefits

Employee benefits consist of the accrual for the paid sick time program and the accrual for post-employment benefits, which consists of three liabilities: the continuation of medical benefits to employees on long-term disability, postretirement health care benefits for certain employee groups that meet special qualifications, and sick time paid at retirement. MHS accrues these benefits based on actuarial estimates.

Net Assets

MHS's net assets are classified as restricted and unrestricted based on the existence or absence of donor-imposed restrictions. Restricted net assets comprise temporarily restricted net assets, whose use by MHS has been limited by donors to a specific time period or for a particular purpose, and permanently restricted net assets, which must be maintained by MHS in perpetuity with the related investment income expendable to support the donor-designated purpose. The general nature of the donor restrictions is to support MHS's mission and health education programs, and to assist in capital purchasing.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

2. Summary of Significant Accounting Policies (continued)

As of September 30, 2014 and 2013, MHS's endowments consist of 55 and 37, respectively, individual donor-restricted funds established for a variety of purposes. Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

MHS has a policy of appropriating for distribution each year 5% of its endowment funds' average fair value of investments over the prior 36 months as of September 30 of the preceding fiscal year in which the distribution is planned. In establishing this policy, MHS considered the long-term expected return on its endowments. Accordingly, over the long term, MHS expects the current spending policy to allow its endowment to grow at an average of the long-term rate of inflation. This is consistent with MHS's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specific term, as well as to provide additional real growth through new gifts and investment return.

Business Combination

MHS allocates the purchase price of an acquisition to the various components of the acquisition based upon the fair value of each component, which may be derived from various observable or unobservable inputs and assumptions. Also, MHS may utilize third-party valuation specialists. These components typically include buildings, land, and equipment, and may also include specifically identified intangible assets. The excess of the fair value of assets acquired over liabilities assumed is recorded as an inherent contribution within the performance indicator. Goodwill is recorded to the extent the liabilities assumed exceed the fair value of assets acquired.

Net Patient Service Revenues and Accounts Receivable Valuation

MHS provides health care services through inpatient and outpatient care facilities located in central Illinois and grants credit to patients, substantially all of whom are local residents. MHS generally does not require collateral or other security in extending credit to patients, however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans, or policies, including, but not limited to, Medicare, Medicaid, health maintenance organizations, and commercial insurance policies.

Patient service revenue is reported net of contractual allowances and discounts at estimated net realizable amounts from patients, third-party payors, and others for services rendered and includes estimated retroactive adjustments due to future audits, reviews, investigations, and significant regulatory actions.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

2. Summary of Significant Accounting Policies (continued)

MHS has agreements with third-party payors that provide for payments at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenues are reported at the estimated net realizable amount from patients, third-party payors, and others for services rendered. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and these amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, or investigations. MHS's net patient service revenue (net of contractual allowances and discounts) increased by \$5,840 and \$4,671 in 2014 and 2013, respectively, as the result of these retroactive adjustments.

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. Noncompliance with Medicare and Medicaid laws and regulations can make MHS subject to significant regulatory action, including substantial fines and penalties, as well as exclusion from the Medicare and Medicaid programs.

Patient accounts receivable are stated at net realizable value. MHS evaluates the collectability of its accounts receivable based on the length of time the receivable is outstanding, major payor sources of revenue, historical collection experience, and trends in health care insurance programs to estimate the appropriate allowance for uncollectible accounts and provision for uncollectible accounts. For receivables associated with services provided to patients who have third-party coverage, MHS analyzes contractually due amounts and provides an allowance for uncollectible accounts and a provision for uncollectible accounts. For receivables associated with self-pay patients, MHS records a significant provision for uncollectible accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. Accounts receivable are charged to the allowance for uncollectible accounts when they are deemed uncollectible.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

2. Summary of Significant Accounting Policies (continued)

The provision for bad debts is based upon management's judgmental assessment of historical and expected net collections considering business and general economic conditions in its service area, trends in health care coverage, and other collection indicators. Throughout the year, management assesses the adequacy of the allowance for uncollectible accounts based upon its review of accounts receivable payor composition and aging, taking into consideration recent write-off experience by payor category, payor agreement rate changes, and other factors. The results of these assessments are used to make modifications to the provision for bad debts and to establish an appropriate allowance for uncollectible accounts receivable. For third-party payors, the provision is determined by analyzing the anticipated residual patient balances and contractually due amounts from payors who are known to be having financial difficulties. For uninsured patients, the provision is based on an analysis of past experience related to patients unwilling to pay the discounted patient balances. The difference between the standard rate charged (less the discounted rate) and the amount actually collected after the reasonable collection efforts have been exhausted is charged off against the allowance for uncollectible accounts.

Capitation Revenues

MHS has entered into risk-based contracts to provide medical services. Under these arrangements, MHS receives capitation payments based on the demographic characteristics of covered members in exchange for providing certain medical services to those members. MHS has engaged in stop-loss insurance contracts to protect against future significant losses for catastrophic cases.

Purchased medical services represent payments made to non-MHS and out-of-network providers for covered medical claims. MHS estimates its liability for covered medical claims, including claims incurred but not reported as of the balance sheet dates, based upon historical costs incurred and payment-processing experience. The liability for covered medical claims is included in other current liabilities in the accompanying consolidated balance sheets.

Asset Impairment

MHS considers whether indicators of impairment are present and, if present, performs the necessary tests to determine whether the carrying values of an asset are appropriate. Impairment write-downs are recognized in depreciation expense at the time the impairment is identified.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

2. Summary of Significant Accounting Policies (continued)

Charity Care

In support of its mission, MHS provides care to patients who lack financial resources and are deemed to be financially indigent. Traditional charity care includes cost of services provided to persons who MHS determines cannot afford health care because of inadequate resources. The charges for services provided to charity patients are not reported as net patient service revenue.

Derivative Financial Instruments

MHS uses interest rate swap instruments as part of a risk management strategy to manage exposure to fluctuations in interest rates and to manage the overall cost of its debt. Derivatives are used to hedge identified and approved exposures and are not used for speculative purposes. All derivatives are recognized as either assets or liabilities and are measured at fair value. MHS uses pricing models for various types of derivative instruments that take into account the present value of estimated future cash flows. Gains and losses resulting from changes in the fair value of derivatives are reflected in nonoperating gains (losses) in the consolidated statements of operations and changes in net assets.

Derivatives provide counterparty credit risk. This is the risk that contractual obligations of the other parties to the agreements will not be fulfilled. Concentrations of credit risk relate to groups of counterparties that have similar economic or industry characteristics. Such concentration would cause the counterparties' ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. In addition, MHS is subject to the market risk associated with changes in the value of the underlying financial instrument.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to MHS are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received or the condition is met. Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. A donor restriction expires when a stipulated time restriction ends or the purpose restriction is accomplished. At that time, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions.

Donor-restricted contributions whose restrictions are met within the same year as they are received are reported as unrestricted contributions in the accompanying consolidated financial statements.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

2. Summary of Significant Accounting Policies (continued)

Performance Indicator

MHS's performance indicator (excess of revenues over expenses) includes all changes in unrestricted net assets other than net assets released from restrictions for property acquisitions and pension and post-employment liability adjustments

Operating and Nonoperating Gains (Losses)

MHS's primary mission is to improve the health of the people and communities it serves through a broad range of general and specialized health care services, including inpatient acute care, outpatient services, physician services, and other health care services. Activities directly associated with the furtherance of this purpose are considered to be operating activities. Other activities that result in gains or losses peripheral to MHS's primary mission are considered to be nonoperating. Nonoperating activities include interest, dividends, realized and unrealized gains and losses on investments, change of fair value of interest rate swaps, contributions, and other revenues and expenses not related to patient care.

Income Taxes

MHS and the majority of its subsidiaries are nonprofit corporations under Section 501(c)(3) of the Code. MHS operates certain wholly owned subsidiaries that are for-profit companies subject to income taxes. Income taxes are not material to the consolidated financial statements.

MHS accounts for income taxes in accordance with ASC 740, *Income Taxes*. Accordingly, MHS has reviewed all tax positions, evaluated potential exposure, and found it not to be material.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Summary of Significant Accounting Policies (continued)

Functional Expenses

MHS's accounting policies conform to U S generally accepted accounting principles applicable to health care organizations. Substantially all expenses are related to providing health care services to the community.

Reclassifications

Certain amounts in the 2013 consolidated financial statements have been reclassified to conform to 2014 presentation. These reclassifications had no impact on net assets or the excess of revenues over expenses as of and for the year ended September 30, 2013, as previously reported.

3. Business Combination

On April 1, 2014, the Parent entered into an affiliation agreement (the Affiliation Agreement) with PAH and its wholly owned subsidiaries to become the sole member of PAH. The transaction was accounted for as an acquisition, and acquired assets and liabilities were recorded at fair value. The Parent and PAH share a mission of providing the highest quality health care services to the communities each serves in central Illinois. Affiliation will result in all parties being in the best position to continue and strengthen the high-quality health care services each delivers, and to meet the clinical, financial and technological demands of delivering health care in central Illinois, by exploring initiatives that enhance the missions and clinical, operational, management and financial strengths of each party.

The fair value of assets and liabilities of PAH contributed at April 1, 2014, consists of the following:

Net working capital	\$	21,952
Property and equipment		19,413
Assets limited as to use		69,064
Other long-term assets		21,107
Noncurrent liabilities assumed		(37,680)
Increase in net assets	\$	<u>93,856</u>

The fair value of net assets of \$93,856 in the preceding table was recognized in the consolidated statement of operations and changes in net assets for the year ended September 30, 2014, as a nonoperating inherent contribution of acquired entities of \$68,927 and contributions of temporarily and permanently restricted net assets of \$783 and \$24,146, respectively.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

3. Business Combination (continued)

The operating revenues and operating loss from the date of affiliation for PAH of \$44,649 and (\$454), respectively, have been included in the consolidated statements of operation and changes in net assets for the year ended September 30, 2014

The following are unaudited pro forma financial results for the years ended September 30, 2014 and 2013. These results reflect the addition of PAH's unaudited results for the period October 1, 2013 to March 31, 2014 and the year ended September 30, 2013, to MHS's results for the years ended September 30, 2014 and 2013, respectively. These results do not include the addition to excess of revenues over expenses that would have occurred on October 1, 2012, for the contribution of PAH's net assets.

	September 30	
	2014	2013
Total operating revenues	\$891,655	\$848,622
Income from operations	50,632	39,221
Excess of revenues over expenses	154,480	82,272

The pro forma information provided is a compilation of results only and should not be construed to accurately reflect what the actual results would have been had the affiliation been consummated on October 1, 2012, and is not intended to project the System's results of operations for any future periods.

Jacksonville Joint Ventures, LLC, a joint venture between PAH and MHSCI became an entity under the common control of MHS as a result of the affiliation. No gain or loss was recognized as the result of MHS gaining full control of the joint venture. On September 30, 2014, the operations of this entity were transferred to MHSCI and the separate joint venture ceased operation.

4. Income Taxes

Each of MHS's subsidiaries, excluding those described in the following paragraph, is a separately incorporated not-for-profit corporation as described under Section 501(c)(3) of the Code and is tax-exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. They do, however, operate certain programs that may result in unrelated business income. Upon review as required by ASC 740, *Income Taxes*, no tax provision was recorded for the years ended September 30, 2014 or 2013.

MP and MHP are considered disregarded entities for tax purposes and are exempt from income tax.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

4. Income Taxes (continued)

MHSCI and PPA are taxable for-profit corporations, subject to federal and state income taxes

5. Revenues

Net Patient Service Revenues

MHS provides health care services through inpatient, outpatient, and ambulatory care facilities. Certain patients receive services that are covered by governmental and third-party payments, including Medicare and Medicaid (62.1% and 60.5% of gross patient service charges in 2014 and 2013, respectively) at contractual rates generally below MHS's established rates.

The following is the mix of patient service revenues before the provision for uncollectible accounts by major payor source:

	Years Ended September 30	
	2014	2013
Medicare	\$ 272,681	\$ 253,120
Medicaid	58,862	47,858
Managed care	186,168	170,744
BlueCross BlueShield	156,877	134,972
Other commercial payors	55,614	37,496
Patients	11,524	15,006
Total	<u>\$ 741,726</u>	<u>\$ 659,196</u>

Gross patient service charges from Medicare were \$1,090,158 and \$956,082 in 2014 and 2013, respectively. MHS is paid for services rendered to Medicare program beneficiaries generally under prospectively determined rates. Those rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. MMC and PAH's payment classification of patients receive reimbursement under the prospective payment system (PPS). TMH and ALMH are both designated as critical access hospitals and receive cost-based reimbursement for the majority of their Medicare services.

Inpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Outpatient and home health services rendered to Medicaid program beneficiaries are reimbursed upon a per visit, per diem rate or on a fee-for-service basis. Gross patient service charges rendered under Medicaid agreements were \$341,224 and \$246,150 for 2014 and 2013, respectively.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

5. Revenues (continued)

The MHS allowance for uncollectible accounts as a percentage of accounts receivable was 17.0% as of September 30, 2014 and 2013. MHS's combined allowance for uncollectible accounts and charity care cover 83% and 85% of self-pay and patient responsibility accounts receivable at September 30, 2014 and 2013, respectively.

The following is the mix of net receivables by major payor source:

	September 30	
	2014	2013
Medicare	20.8%	22.8%
Medicaid	12.2	9.5
Managed care	41.6	44.2
BlueCross BlueShield	11.9	13.7
Other commercial payors	11.2	8.0
Patients	2.3	1.8
Total	100.0%	100.0%

Hospital Access Improvement Revenue

On November 21, 2006, the Centers for Medicare and Medicaid Services (CMS) approved the state of Illinois' Hospital Assessment Program (the Program). The Program was initially effective from July 1, 2005 through June 30, 2008 but through various extensions, the state of Illinois has approved the Program to June 30, 2018. MHS recognized Illinois hospital assessment revenue of \$24,547 and \$22,716 for the years ended September 30, 2014 and 2013, respectively, and assessment expense of \$12,584 and \$12,033 for the years ended September 30, 2014 and 2013, respectively.

In addition to the original Program, the state of Illinois General Assembly approved a program to enhance the Program (Enhanced Program). CMS approved the Enhanced Program on September 30, 2013, to be retrospectively effective at June 10, 2013, with an initial termination date of December 31, 2014 that was recently extended through June 30, 2018. MHS recognized Illinois hospital assessment revenue of \$8,688 and \$10,025 and assessment expense of \$5,698 and \$6,801 for the years ended September 30, 2014 and 2013, respectively, as they relate to the Enhanced Program.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

5. Revenues (continued)

In connection with the Program, contributions of \$103 and \$180 for 2014 and 2013, respectively, were also made to the Illinois Hospital & Research Education Foundation for the Program, which was reflected as hospital assessment expense in the consolidated statements of operations and changes in net assets

The net impact of the assessment was to increase excess of revenues over expenses by \$14,850 and \$13,727 for the years ended September 30, 2014 and 2013, respectively

Capitation Revenues

MMC and Springfield Clinic, LLP formed a network on July 1, 1999. The purpose of the network is to work cooperatively with and assist Health Alliance Medical Plans (HAMP) to arrange for, develop, and maintain a network of participating providers and to provide covered services to plan members in the service area. MMC has an agreement with the network to provide medical services to over 23,000 and 26,250 members of the network as of September 30, 2014 and 2013, respectively. MMC receives a monthly capitation payment based on the number of members, regardless of services provided by MMC or other providers. As of September 30, 2014 and 2013, MHS has recognized a liability for covered medical claims of \$1,673 and \$1,950, respectively.

Other Revenues

The American Recovery and Reinvestment Act of 2009 provides for Medicare and Medicaid incentive payments beginning in calendar year 2011 for eligible hospitals and professionals who implement and achieve meaningful use of certified electronic health record (EHR) technology. MHS utilized a grant accounting model to recognize other revenues for Medicare and Medicaid EHR revenues of \$4,044 and \$1,056, respectively, for the year ended September 30, 2014, and Medicare and Medicaid EHR revenues of \$3,684 and \$1,260, respectively, for the year ended September 30, 2013. Also recorded in other revenues are cafeteria sales revenue, rental income, and prompt pay interest penalties received from the state of Illinois.

6. Community Benefits

MHS is dedicated to delivering high quality, patient-centered care in support of its mission to improve the health of the people and communities it serves. MHS strives to be a national leader for excellence in patient care and provide quality health care to every patient who comes through its doors, regardless of their ability to pay. Community benefit represents the unpaid costs of public means tested programs, traditional charity care, and other forms of community support such as academic support to the Southern Illinois University School of Medicine, community health improvement activities, and contributions to health-related community activities.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

6. Community Benefits (continued)

Charity care is provided to those who are eligible based on MHS's charity policy. In addition to the charity care responsibilities, MHS provides numerous other community benefits. These community benefits include medical education and research, community health education, screenings, support groups, counseling services, research, and in-kind support. To address the need for health care providers, a number of programs are offered for young people who may be interested in a career in health care. Medicare, a national social insurance program administered by the federal government, provides reimbursement using a PPS that pays MHS as described in Note 5, regardless of the actual cost of care. MHS recognized this unpaid cost of providing care to Medicare patients as a part of its total service to the community.

MHS calculates the unpaid cost of services by payor using an activity-based costing methodology. Direct costs related to patient care are added to indirect costs, which have been allocated based upon relative value units of each procedure. The sum of direct and indirect costs is offset by any net revenues to determine the unpaid costs by payor. Services provided to Medicaid and charity care patients represent the most significant levels of uncompensated care. MHS calculates the cost of other community benefits by identifying specific expenditures incurred by the health system that directly benefited the community.

The following is a summary of management's estimate of the costs of MHS's community benefit services:

	Years Ended September 30						2013
	2014						
	MMC	PAH	ALMH	TMH	All Other Affiliates	Total	Total
Unpaid cost of Medicaid	\$ 24,753	\$ 3,608	\$ 5,962	\$ 4,699	\$ 3,939	\$ 42,961	\$ 29,701
Unpaid cost of charity care	10,754	447	1,141	1,342	748	14,432	19,654
Other community benefits	28,466	30	141	93	2,156	30,886	24,469
Community benefit	63,973	4,085	7,244	6,134	6,843	88,279	73,824
Unpaid cost of Medicare	26,719	5,289	—	902	4,140	37,050	34,528
Subtotal	90,692	9,374	7,244	7,036	10,983	125,329	108,352
Illinois hospital assessment, net	(9,680)	(1,804)	(1,850)	(1,516)	—	(14,850)	(13,727)
Total service to the community	\$ 81,012	\$ 7,570	\$ 5,394	\$ 5,520	\$ 10,983	\$ 110,479	\$ 94,625

The Illinois hospital assessment payment is designed to improve access to hospital services for state residents by improving the overall adequacy of payments for all hospitals as well as providing more equity in payments among hospitals. The program also receives federal matching funds for the Medicaid program.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

7. Assets Whose Use Is Limited and Short-Term Investments

MHS's investments are exposed to various kinds and levels of risk. Fixed-income securities expose MHS to interest rate risk, credit risk, and liquidity risk. As interest rates change, the value of many fixed-income securities is affected. Credit risk is the risk that the obligor of the security will not fulfill its obligations. Liquidity risk is affected by the willingness of market participants to buy and sell given securities. Equity securities expose MHS to market risk, performance risk, and liquidity risk. Market risk is the risk associated with major movements of the equity markets, both foreign and domestic. Performance risk is the risk associated with a company's operating performance. Liquidity risk as previously defined tends to be higher for foreign equities and equities related to small capitalization companies.

The composition of assets whose use is limited and short-term investments, all at fair market value, is set forth in the following table:

	September 30	
	2014	2013
Cash and cash equivalents	\$ 30,865	\$ 33,713
Certificates of deposit	3,289	3,480
U S Treasury obligations	37,156	29,380
Government obligations	19,524	15,223
Corporate obligations	67,330	49,417
Corporate equities	149,523	127,301
International equities	22,123	13,949
Investment in farmland	16,418	2,768
Mutual funds	177,524	124,301
Accrued interest receivable and other	1,131	754
Assets whose use is limited and short-term investments	<u>\$ 524,883</u>	<u>\$ 400,286</u>

8. Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs 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 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

8. Fair Value Measurements (continued)

Certain of MHS's financial assets and financial liabilities are measured at fair value on a recurring basis, including money market, fixed income, equity instruments, mutual funds, and interest rate swap agreements. The three levels of the fair value hierarchy and a description of the valuation methodologies used for instruments measured at fair value are as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities as of the reporting date. Level 1 primarily consists of financial instruments such as money market securities and listed equities.

Level 2 – Pricing inputs other than quoted prices included in Level 1, which are either directly observable or can be derived or supported from observable data as of the reporting date. Level 2 inputs may include quoted prices for similar assets and liabilities in non-active markets or pricing models whose inputs are observable for substantially the full term of the asset or liability. Instruments in this category include certain U.S. government agency and sponsored entity debt securities and interest rate swap agreements.

Level 3 – Pricing inputs include those that are significant to the fair value of the financial asset or financial liability and are not observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

8. Fair Value Measurements (continued)

The fair value of financial assets and financial liabilities measured at fair value on a recurring basis was determined using the following inputs at September 30, 2014

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	\$ 30.865	\$ —	\$ —	\$ 30.865
Certificates of deposit	—	3.289	—	3.289
U S Treasury obligations	37.856	—	—	37.856
Government obligations	—	19.524	—	19.524
Corporate obligations	—	67.761	—	67.761
Corporate equities				
Consumer discretionary	20.883	—	—	20.883
Consumer staples	11.682	—	—	11.682
Energy	16.304	—	—	16.304
Financial	22.521	—	—	22.521
Health care	19.279	—	—	19.279
Industrials	17.628	—	—	17.628
Information technology	29.741	—	—	29.741
Materials	5.163	—	—	5.163
Telecommunication services	2.651	—	—	2.651
Utilities	3.549	—	—	3.549
Other equities	122	—	—	122
International equities	22.123	—	—	22.123
Investments in farmland	—	—	16.418	16.418
Mutual funds	90.437	87.087	—	177.524
Assets whose use is limited and short-term investments	330.804	177.661	16.418	524.883
Beneficial interest in remainder trust	—	—	60.328	60.328
Total assets	<u>\$ 330.804</u>	<u>\$ 177.661</u>	<u>\$ 76.746</u>	<u>\$ 585.211</u>
Liabilities				
Interest rate swaps	\$ —	\$ 7.726	\$ —	\$ 7.726
Total liabilities	<u>\$ —</u>	<u>\$ 7.726</u>	<u>\$ —</u>	<u>\$ 7.726</u>

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

8. Fair Value Measurements (continued)

The fair value of financial assets and financial liabilities measured at fair value on a recurring basis was determined using the following inputs at September 30, 2013

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	\$ 33.713	\$ –	\$ –	\$ 33.713
Certificates of deposit	–	3.480	–	3.480
U S Treasury obligations	29.655	–	–	29.655
Government obligations	–	15.223	–	15.223
Corporate obligations	–	49.896	–	49.896
Corporate equities				
Consumer discretionary	19.104	–	–	19.104
Consumer staples	9.685	–	–	9.685
Energy	12.831	–	–	12.831
Financial	20.843	–	–	20.843
Health care	17.804	–	–	17.804
Industrials	15.781	–	–	15.781
Information technology	22.052	–	–	22.052
Materials	6.049	–	–	6.049
Telecommunication services	1.161	–	–	1.161
Utilities	1.858	–	–	1.858
Other equities	123	10	–	133
International equities	13.949	–	–	13.949
Investments in farmland	–	–	2.768	2.768
Mutual funds	93.329	30.972	–	124.301
Assets whose use is limited and short-term investments	297.937	99.581	2.768	400.286
Beneficial interest in remainder trust	–	–	35.391	35.391
Total assets	\$ 297.937	\$ 99.581	\$ 38.159	\$ 435.677
Liabilities				
Interest rate swaps	\$ –	\$ 6.738	\$ –	\$ 6.738
Total liabilities	\$ –	\$ 6.738	\$ –	\$ 6.738

Financial instruments categorized as Level 3 consist of investments in farmland and beneficial interests in remainder trusts. Investments in farmland have been valued based on market value appraisals of the corresponding real estate. Beneficial interests in remainder trusts are recorded at fair value based on MHS's interest in the value of the underlying trust assets. Real estate appraisals on land held within the trust are used as unobservable inputs to estimate MHS's

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

8. Fair Value Measurements (continued)

allocable portion of trust assets The table below sets forth a summary of changes in the fair value of MHS's Level 3 assets for the period from October 1, 2012 to September 30, 2014

	Beneficial Interests in Remainder Trusts	Investments in Farmland	Total
Total as of October 1, 2012	\$ 26,460	\$ 2,502	\$ 28,962
Trust distributions	(1,026)	—	(1,026)
Realized and unrealized gains	9,957	266	10,223
Total as of September 30, 2013	35,391	2,768	38,159
Trust distributions	(1,028)	—	(1,028)
Realized and unrealized gains	5,369	—	5,369
Acquisition of acquired entities	20,596	13,650	34,246
Total as of September 30, 2014	\$ 60,328	\$ 16,418	\$ 76,746

	Years Ended September 30	
	2014	2013
Unrealized gains related to Level 3 financial instruments held	\$ 28,395	\$ 24,054

9. Property, Plant, and Equipment

The following is a summary of property, plant, and equipment

	September 30	
	2014	2013
Land	\$ 30,739	\$ 28,508
Land improvements	41,653	39,344
Buildings	482,022	402,390
Equipment	281,508	262,165
Construction in progress	100,962	62,412
	936,884	794,819
Less accumulated depreciation	423,937	379,178
Property, plant, and equipment, net	\$ 512,947	\$ 415,641

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

9. Property, Plant, and Equipment (continued)

Capitalized interest was \$3,212 and \$491 for the years ended September 30, 2014 and 2013, respectively. Equipment under capital lease obligation included in the business combination was carried at \$937, with accumulated depreciation of \$30 for the year ended September 30, 2014.

10. Investments in Partnerships

Investments in partnerships are accounted for using the equity method when the ownership interest is 20% or greater. The cost method is used for other investments in partnerships. Income from these investments in partnerships was \$1,787 and \$1,581 for the years ended September 30, 2014 and 2013, respectively, and is reflected in other revenues in the consolidated statements of operations and changes in net assets. Investments in partnerships include the following entities:

	Ownership	Ownership at September 30, 2014	September 30 2014	2013
Rutledge Joint Ventures, LLC	MHV	50.0%	\$ 3,596	\$ 2,812
Orthopaedic Surgery Center of Illinois, LLC	MHV	50.0	1,219	926
Jacksonville Joint Ventures, LLC	MHSCI	100.0	—	661
Mid-America Solutions, LLC	MHS	12.5	500	500
Lincoln Land Health Information Exchange, LLC	MHS	27.3	179	177
Lincolnland Lithotripsy, LLC	MMC	8.9	100	100
Memorial Employee Assistance Services, LLC	MHCCI	50.0	77	58
BJC Collaborative, LLC	MHS	25.0	117	25
WTA Laser, LLC	MHV	28.0	23	23
Midwest Healthcare Quality Alliance, LLC	MHS	50.0	1	—
Central Illinois Corridor, LLC	MHS	33.3	1	—
Investments in partnerships			<u>\$ 5,813</u>	<u>\$ 5,282</u>

Rutledge Joint Ventures, LLC

MHV and Heritage Enterprises, Inc. participate in a 50/50 joint venture in Rutledge Joint Ventures, LLC d/b/a Heritage Manor. Heritage Enterprises, Inc. is responsible for the management of the operations and accounting for the skilled nursing and subacute care facility.

Orthopaedic Surgery Center of Illinois, LLC

MHV and a group of orthopedic surgeons participate in a 50/50 joint venture, Orthopaedic Surgery Center of Illinois, LLC. An operating lease has been executed between MHS and the joint venture.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

10. Investments in Partnerships (continued)

Jacksonville Joint Ventures, LLC

MHSCI and PAH participated in a 50/50 joint venture, Jacksonville Joint Ventures, LLC d/b/a Passavant Home Services. The joint venture provided medical equipment, respiratory therapy, and intravenous infusion services in the home. On April 1, 2014, MHS became the 100% owner through the acquisition of PAH and began consolidating the financial statements from that date forward. On September 30, 2014, the operations of this entity were transferred to MHSCI and the separate joint venture ceased operation.

Mid-America Solutions, LLC

Mid-America Solutions, LLC operates as a health care supply purchasing and management organization to provide opportunities to reduce labor and non-labor costs associated with purchasing, receiving, and distributing supplies and related items and services, as well as to reduce facility-wide supply inventory and storage costs.

Lincoln Land Health Information Exchange, LLC

The Parent is a founding member of the Lincoln Land Health Information Exchange, LLC (the Exchange) along with other Springfield based health care organizations. The purpose of the Exchange is to improve the efficiency, effectiveness, and reliability of health care information exchange between providers and settings through a shared technology infrastructure.

Lincolnland Lithotripsy, LLC

Lincolnland Lithotripsy, LLC provides medical equipment and medical equipment management, primarily by furnishing mobile lithotripter equipment and supplies. MMC has executed an equipment and service lease with the entity.

Memorial Employee Assistance Services, LLC

Memorial Employee Assistance Services, LLC is a partnership between MHCCI and Chestnut Global Partners (Chestnut). MHCCI is responsible for providing the clinical staffing and support, and Chestnut is responsible for administration and infrastructure. Chestnut and MHCCI each have a 50% interest. The primary purpose of the joint venture is to provide specialized employee assistance programming to businesses in Springfield and the surrounding area.

BJC Collaborative, LLC

The BJC Collaborative, LLC (Collaborative) was formed in 2012 between the Parent, BJC Healthcare, CoxHealth, and Saint Luke's Health System in order to achieve even higher quality care for the patients served by the independent not-for-profit health care organizations. The Collaborative's objective is to implement clinical programs and services to improve access and quality of care for patients, lower health care costs, and create additional operating efficiencies.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

10. Investments in Partnerships (continued)

WTA Laser, LLC

WTA Laser, LLC is a joint venture between six individual community urologists and MHV. MHV owns a 28% interest in the joint venture, and the other six urologists each have a 12% interest. WTA Laser, LLC owns and leases equipment used in the treatment of diseases of the urinary tract and prostate and, in particular, purchases laser equipment used for photo-selective vaporization of the prostate.

Midwest Healthcare Quality Alliance, LLC

Midwest Healthcare Quality Alliance, LLC (MHQA) is a 50/50 joint venture between the Parent and SIU Healthcare. MHQA will operate to organize, maintain and operate programs designed to improve quality of care, access to care, and control costs for the patients and populations it serves.

Central Illinois Corridor, LLC

The Parent entered into a joint venture with Blessing Corporate Services, Inc. and Springfield Clinic, LLP to form Central Illinois Corridor, LLC. The purpose of the company is to better serve the healthcare needs of the residents of Central Illinois and facilitate strategic discussions among the LLC members.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

11. Long-Term Obligations

Long-term obligations are as follows

	September 30	
	2014	2013
<u>Obligated Group</u>		
Revenue Bonds (Series 2009) issued December 22, 2009, secured by pledged revenues of the MHS Obligated Group at an annual fixed effective interest rate of 5.39% and 5.38% as of September 30, 2014 and 2013, respectively	\$ 86,566	\$ 86,952
Direct Note Obligation 2012C issued on September 13, 2013, with a stated annual fixed interest rate of 4.30% as of September 30, 2014	58,048	60,000
Variable Rate Demand Revenue Bonds (Series 2003) at average annual variable interest rates of 0.06% and 0.13% as of September 30, 2014 and 2013, respectively, swapped at 70% of LIBOR through October 1, 2022, secured by a letter of credit expiring on January 15, 2016	23,045	24,740
Taxable Variable Rate Demand Revenue Bonds (Series 2004) at average annual variable interest rates of 0.09% and 0.16% as of September 30, 2014 and 2013, respectively, swapped at 100% of LIBOR through October 1, 2024, secured by a letter of credit, expiring on January 15, 2016	15,835	17,095
Variable Rate Demand Revenue Bonds (Series 1985C) at average annual variable interest rates of 0.07% and 0.15%, as of September 30, 2014 and 2013, respectively, swapped at 70% of LIBOR through January 1, 2016, secured by a letter of credit, expiring on January 15, 2016	6,000	9,000
Revenue Bonds (Series 2014A) issued January 1, 2014 Secured by pledged revenues of the MHS Obligated Group at an annual fixed interest rate of 3.33% as of September 30, 2014	60,000	—
Variable Rate of Demand Revenue Bonds (Series 2014B) issued in the amount of \$60,000 with an initial draw date of May 1, 2014 at an annual variable interest rate of 0.33% as of September 30, 2014	100	—
Obligated Group debt subtotal	249,594	197,787

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

11. Long-Term Obligations (continued)

	September 30	
	2014	2013
<u>Other Entities</u>		
Indenture issued to Abraham Lincoln Memorial Hospital as part of the revenue bonds (Series 2009) issued on December 22, 2009, secured by pledged revenues of the MHS Obligated Group at an annual fixed effective rate of 5.39% and 5.38% for September 30, 2014 and 2013, respectively	\$ 42,192	\$ 42,380
Indenture issued to Taylorville Memorial Hospital as part of the revenue bonds (Series 2009) issued on December 22, 2009, secured by pledged revenues of the MHS Obligated Group at an annual fixed effective rate of 5.39% and 5.38% for September 30, 2014 and 2013, respectively	18,081	18,162
Variable Rate Loan program notes (Series 1999A) at an average variable interest rate of 0.13% and 0.20% as of September 30, 2014 and 2013, respectively, due January 1, 2018, secured by a letter of credit, which expires on January 15, 2016, and by company assets (MP), and is guaranteed by the MHS Obligated Group	8,645	11,070
Variable Rate Demand Revenue Bonds (Series 2006A and 2006B) issued by PAH on December 14, 2006 with an average annual variable interest rate of 0.05% as of September 30, 2014, swapped at 67% of LIBOR through December 2031	26,075	—
Capital lease obligations carried by PAH due through November 2016, collateralized by property and equipment at an annual interest rate of 2.65%	827	—
Notes payable for PAH equipment issued by Jacksonville State Bank at an annual interest rate of 1.71% as of September 20, 2014 and maturing in September 2025	1,850	—
Total long-term obligations	347,264	269,399
Less current installments of long-term obligations	9,434	7,596
Long-term obligations – less current installments	<u>\$ 337,830</u>	<u>\$ 261,803</u>

Of MHS's debt, 89.2% is under an amended and restated Master Trust Indenture (MTI) dated May 1, 2014. Currently, the Parent and MMC are the corporations that are Obligated Group members under the MTI. The MTI requires the Obligated Group to maintain debt covenants, including meeting a minimum debt service coverage ratio. The Series 2006A and Series 2006B amended bond documents require PAH to comply with certain restrictive covenants, including minimum insurance coverage, restrictions on the incurrence of additional indebtedness, and maintenance of certain leverage, liquidity and debt service coverage ratios.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

11. Long-Term Obligations (continued)

MHS maintains letters of credit with JP Morgan Chase Bank supporting the Series 1985, Series 2003, and Series 2004 bonds. As of September 30, 2014, the letters of credit are available up to \$71,000, and had related debt and interest outstanding against them of \$46,016. These letters of credit expire on January 15, 2016. If the bonds are not remarketed, the principal on the term loans would generally be payable 24 months after the failed remarketing.

Prior to December 2010, the Series 2006A and 2006B bonds were secured by an irrevocable direct pay letter of credit with Comerica Bank. In December 2010, the outstanding bonds were purchased by Comerica Bank and the bond documents were amended. Under the amended documents, the Series 2006A and Series 2006B bonds are paid under the original scheduled revenue maturities until December 2015, at which time the bonds are subject to tender for mandatory purchase by Comerica Bank. Comerica Bank may elect to continue to hold the bonds or else the bonds would be remarketed.

MP maintains a letter of credit supporting the Series 1999A bonds. As of September 30, 2014, the letter of credit is available up to \$34,200. As of September 30, 2014 and 2013, the letter of credit had \$8,844 and \$11,325 of related debt and interest outstanding against it, respectively. The letter of credit expires on January 15, 2016. If the bonds are not remarketed, the principal is due at expiration of the letter of credit.

MMC and the Parent have entered into a guaranty agreement of the Series 1999A variable rate debt acquired by MP. This guaranty expires with the maturity of the bonds, and will not exceed \$13,473.

In October 2013, the Obligated Group executed the 2013A Direct Note Obligation (2013A Note) in the amount of \$90,000. During fiscal 2014, MHS drew down \$25,000 and subsequently repaid with the proceeds from Series 2014A (see below). With the issuance of the Series 2014A, a modification agreement was executed to the 2013A Note reducing the commitment amount from \$90,000 to \$30,000 that is available for disbursement beginning January 1, 2015. Beginning January 1, 2015, the 2013A Note will convert to a \$30,000 term loan with quarterly principal and interest payments, amortized over a 20-year period maturing on January 1, 2020. The interest rate is a variable rate of daily LIBOR plus 0.83% with an applicable spread of 0.0% to 0.4% based upon the current rating as issued by Standard & Poor's and/or Moody's. The proceeds from the 2013A Note will be used to finance improvement and construction of health facilities in Springfield, Illinois.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

11. Long-Term Obligations (continued)

In January 2014, the Series 2014A was issued in the amount of \$60,000 at a fixed rate, with an array of coupon rates ranging from 3.50% to 5.25% as the maturity extends to 2044. The average coupon rate is 5.07%. The proceeds of the Series 2014A were loaned to MMC and secured by pledged revenues of the MHS Obligated Group. The proceeds were used to repay the 2013A Note in the amount of \$25,000 and for payment of, the cost of acquiring, constructing, renovating, remodeling and equipping its health facilities.

In May 2014, Series 2014B was issued in the amount of \$60,000 directly to a bank for a term expiring on May 15, 2024 and has an initial term of 30 years. The funds will be made available and drawn down when needed for the payment of constructing, renovating, remodeling and equipping its health facilities. The interest rate is at a variable rate of 67% of daily London Inter Bank Offered Rate (LIBOR) plus 0.77% with an applicable spread of 0.00% to 0.20% based upon the current rating issued by Standard and Poors and/or Moody's.

Aggregate maturities of long-term obligations at September 30, 2014, are as follows:

Period Ending September 30

2015	\$ 9,434
2016	15,910
2017	10,816
2018	11,174
2019	10,714
Thereafter	289,216
Total	<u>\$ 347,264</u>

Interest expense, excluding interest rate swap activity, is \$9,358 and \$8,028 for the years ended September 30, 2014 and 2013, respectively.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

11. Long-Term Obligations (continued)

The valuation for the estimated fair value of long-term debt is completed by a third-party service and takes into account a number of factors including, but not limited to, any one or more of the following (i) general interest rate and market conditions, (ii) macroeconomic and/or deal specific credit fundamentals, (iii) valuations of other financial instruments that may be comparable in terms of rating, structure, maturity, and/or covenant protection, (iv) investor opinions above the respective deal parties, (v) size of the transaction, (vi) cash flow projections, which in turn are based on assumptions about certain parameters that include, but are not limited to, default, recovery, prepayment, and reinvestment rates, (vii) administrator reports, asset manager estimates, broker quotations, and/or trustee reports, and (viii) comparable trades, where observable. Based on the inputs in determining the estimated fair value of debt, this liability is considered to be Level 2. The estimated fair value of long-term debt at September 30, 2014 and 2013, based on quoted market prices for the same or similar issues was \$364,793 and \$275,169, respectively, which includes consideration of third-party credit enhancements, of which there is no impact.

12. Derivatives

MHS has interest rate related derivative instruments to manage its exposure on its variable-rate debt instruments and does not enter into derivative instruments for any purpose other than risk management purposes. Interest rate swap contracts between MHS and a third party (counterparty) provide for the periodic exchange of payments between the parties based on changes in a defined index and a fixed rate and expose MHS to market risk and credit risk. Credit risk is the risk that contractual obligations of the counterparties will not be fulfilled. Concentrations of credit risk relate to groups of counterparties that have similar economic or industry characteristics, which could cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. Counterparty credit risk is managed by requiring high credit standards for MHS's counterparties. The counterparties to these contracts are financial institutions that carry investment-grade credit ratings. MHS does not anticipate nonperformance by its counterparties. Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates. The market risk associated with interest rate changes is managed by established and monitoring parameters, which limit the types and degree of market risk that may be undertaken. Management also mitigates risk through periodic reviews of MHS's derivative positions in the context of its blended cost of capital.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

12. Derivatives (continued)

The following is a summary of the outstanding positions under these interest rate swap agreements at September 30, 2014

<u>Expiration Date</u>	<u>MHS Pays</u>	<u>MHS Receives</u>	<u>Notional Amount</u>
October 1, 2024	4.99%	LIBOR	\$15,835
October 1, 2022	3.69%	70% of LIBOR	23,045
January 1, 2016	3.49%	70% of LIBOR	15,000
December 1, 2031	2.95%	67% of LIBOR	16,210
December 1, 2031	3.45%	67% of LIBOR	9,865

The objective of these interest swaps is to mitigate interest rate fluctuations and synthetically fix the interest rate of the related bond series. The Parent, MMC, and PAH have entered into an interest rate swap agreement to convert the 1985C, 2003, 2004, 2006A and 2006B series variable rate debt to a fixed rate basis, thus reducing the impact of interest rate changes on future interest expense. The accumulated unrealized derivative loss of \$538 and \$638 is included in unrestricted net assets at September 30, 2014 and 2013, respectively, and is being amortized into excess of revenues over expenses over the remaining term of the bonds that are being hedged. The net amount reclassified was \$99 for each of the years ended September 30, 2014 and 2013, and was included as nonoperating losses in the accompanying consolidated statements of operations and changes in net assets.

The fair values of derivative instruments at September 30, 2014 and 2013, are as follows:

<u>Derivatives Not Designated as Hedging Instruments</u>	<u>Balance Sheet Location</u>	<u>September 30</u>	
		<u>2014</u>	<u>2013</u>
Interest rate swaps	Other long-term liabilities	\$ 7,726	\$ 6,739

The effects of derivative instruments on the consolidated statements of operations and changes in net assets for the years ended September 30, 2014 and 2013, are as follows:

<u>Derivatives Not Designated as Hedging Instruments</u>	<u>Location of Loss on Derivatives Recognized in Excess of Revenues Over Expenses</u>	<u>Amount of Gain (Loss) on Derivatives Recognized in Excess of Revenues Over Expenses</u>	
		<u>Year Ended September 30</u>	
		<u>2014</u>	<u>2013</u>
Interest rate swaps	Change in fair value of interest rate swap	\$ 1,300	\$ 2,937
	Interest expense and other financing costs	(2,493)	(2,200)

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

13. Liability Programs

MHS is involved in litigation arising in the ordinary course of business. Claims alleging professional or general liability have been asserted against MHS and are currently in various stages of litigation. MHS is self-insured for claims of up to \$1,000 individually and \$6,000 in the aggregate and has commercial claims-made excess insurance coverage for \$25,000 per claim and \$25,000 in the aggregate.

PAH participates in two risk pools with other providers of health care services, the Illinois Provider Trust and the Illinois Compensation Trust (the Pools). PAH pays annual premiums to the Pools for its general liability torts, medical malpractice, and employee injuries insurance coverage. The Pools' governing agreements specify that the Pools will be self-sustaining through member premiums and will reinsure through commercial carriers for claims in excess of stop-loss amounts.

Accruals related to the estimated self-insurance liability and the corresponding charge to expense are actuarially determined for asserted and unasserted claims using historical claims experience and other relevant industry and hospital-specific factors and trends, discounted at an interest rate of 4.0% at September 30, 2014 and 2013.

The general and professional liability was \$22,296 and \$15,770 at September 30, 2014 and 2013, respectively, including tail coverage on the claims-made policy. Excess insurance receivables are \$9,019 and \$3,858 at September 30, 2014 and 2013, respectively. Amounts charged to supplies and other expense in the consolidated statements of operations and changes in net assets are as follows:

	Years Ended September 30	
	2014	2013
Self-insurance	\$ 1,304	\$ 438
Insured	2,913	2,273
Total	<u>\$ 4,217</u>	<u>\$ 2,711</u>

MHS maintains a revocable general and professional liability trust fund containing investments of \$14,546 and \$14,293 at September 30, 2014 and 2013, respectively.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

13. Liability Programs (continued)

MHS also provides for workers' compensation through a self-insurance trust or through insured programs. The funding level for this trust and estimation of the related liability are actuarially determined. Amounts charged to expense for this coverage for the years ended September 30, 2014 and 2013, were \$2,136 and \$1,595, respectively, and are included in employee benefits in the consolidated statements of operations and changes in net assets. The workers' compensation liability was \$5,160 and \$5,080, at September 30, 2014 and 2013, respectively. The excess insurance receivable is \$550 and \$503 at September 30, 2014 and 2013, respectively.

14. Pension Plans

Defined Benefit Plan

The MHS defined benefit pension plan (MHS Pension) covers substantially all of the employees of MHS, MMC, MPS and MHSCI who began employment prior to January 1, 2012. The benefits are based on years of service and the employee's compensation during the highest five consecutive years of the last 10 years of employment. Contributions are made to the plans to meet the target funding level established by management and have exceeded the net pension cost each year. On December 31, 2011, MHS Pension was frozen and no new participants were permitted after that date. Unvested participants on December 31, 2011, are still eligible to vest assuming service period requirements are met. A new defined contribution retirement savings plan (the Defined Contribution Plan) began on January 1, 2012. All eligible employees of MHS, MMC, MPS and MHSvc are included in the defined contribution plan.

MHS also has a supplemental retirement defined benefit plan (MHS Restoration) covering MHS and MMC executives, which was frozen to new participants on December 31, 2009. Eligible participants in the MHS Restoration as of January 1, 2010, will continue to accrue benefits. The MPS Pension Restoration Plan covered physicians and was frozen for both new participation and benefits accruals as of December 31, 2011. Both restoration plans were designed to cover participants whose annual compensation exceeds the Internal Revenue Service cap limits for pension plan contributions and are unfunded.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

14. Pension Plans (continued)

The following table sets forth the benefit obligation and assets of MHS's defined benefit plans' funded status as recognized in MHS's consolidated balance sheets

	September 30	
	2014	2013
Change in benefit obligation		
Benefit obligation – beginning of year	\$ 364,362	\$ 393,689
Service cost	413	233
Interest cost	18,822	17,478
Actuarial (gain) loss	36,998	(36,808)
Benefits paid	(11,053)	(10,230)
Benefit obligation – end of year	<u>409,542</u>	<u>364,362</u>
Change in plan assets		
Fair value of plan assets – beginning of year	336,085	281,580
Actual gain on assets	19,846	44,652
Employer contribution	20,000	20,083
Benefits paid	(11,053)	(10,230)
Fair value of plan assets – end of year	<u>364,878</u>	<u>336,085</u>
Funded status	<u>\$ (44,664)</u>	<u>\$ (28,277)</u>

Amounts recognized in unrestricted net assets consist of the following

	September 30	
	2014	2013
Unrecognized actuarial losses	\$ 113,709	\$ 78,186
Unrecognized prior service credit	(5)	(20)
Accumulated adjustments to unrestricted net assets	<u>\$ 113,704</u>	<u>\$ 78,166</u>

Changes in plan assets and benefit obligations recognized in unrestricted net assets include the following

	Years Ended September 30	
	2014	2013
Current actuarial (gains) losses	\$ 41,489	\$ (59,715)
Amortization of losses	(5,964)	(16,422)
Amortization of prior service credit	13	12
	<u>\$ 35,538</u>	<u>\$ (76,125)</u>

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

14. Pension Plans (continued)

The prior service credit and actuarial loss included in unrestricted net assets expected to be recognized in net periodic pension cost during the fiscal year ending September 30, 2015, are \$(5) and \$10,394, respectively

Components of net periodic benefit cost are as follows

	Years Ended September 30	
	2014	2013
Service cost	\$ 413	\$ 233
Interest cost	18,822	17,478
Expected return on plan assets	(24,337)	(21,745)
Amortization of net loss and prior service cost	5,951	16,410
Net periodic benefit cost	<u>\$ 849</u>	<u>\$ 12,376</u>

No plan assets are expected to be returned to MHS during the year ending September 30, 2015

The accumulated benefit obligation was \$406,790 and \$361,857 at September 30, 2014 and 2013, respectively

Assumptions

Weighted-average assumptions used to determine benefit obligations are as follows

	September 30	
	2014	2013
Discount rate	4.67%	5.25%
Expected long-term return on plan assets	7.25%	7.25%

The effects of the changes in actuarial assumptions from 2013 to 2014 increased the projected benefit obligation and the accumulated benefit obligation by \$33,733 and \$33,477, respectively, at September 30, 2014. The effects of the changes in actuarial assumptions from 2012 to 2013 decreased the projected benefit obligation and the accumulated benefit obligation by \$(41,489) and \$(41,165), respectively, at September 30, 2013.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

14. Pension Plans (continued)

Weighted-average assumptions used to determine net periodic benefit costs are as follows

	Years Ended September 30	
	2014	2013
Discount rate	5.25%	4.50%
Expected long-term return on plan assets	7.25%	7.50%

The weighted-average asset allocation by asset category is as follows

	Target Asset Allocation	September 30	
		2014	2013
Equity securities	58.0%	60.6%	61.3%
Debt securities	32.0	25.8	26.8
Opportunistic	10.0	10.1	9.5
Cash and cash equivalents	—	3.5	2.4
Total	100.0%	100.0%	100.0%

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

14. Pension Plans (continued)

The fair value of plan assets measured at fair value was determined using the following inputs at September 30, 2014

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	\$ 12,945	\$ —	\$ —	\$ 12,945
U S Treasury obligations	38,884	—	—	38,884
Government obligations	—	24,892	—	24,892
Corporate obligations	—	30,268	—	30,268
Corporate equities				
Industrials	22,653	—	—	22,653
Consumer discretionary	16,964	—	—	16,964
Consumer staples	7,271	—	—	7,271
Energy	6,246	—	—	6,246
Financial	26,359	—	—	26,359
Materials	6,641	—	—	6,641
Information technology	18,475	—	—	18,475
Utilities	1,773	—	—	1,773
Health care	15,433	—	—	15,433
Telecommunications	553	—	—	553
Other	954	—	—	954
International equities	8,450	—	—	8,450
Mutual funds	89,421	36,696	—	126,117
Total assets	<u>\$ 273,022</u>	<u>\$ 91,856</u>	<u>\$ —</u>	<u>\$ 364,878</u>

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

14. Pension Plans (continued)

The fair value of plan assets measured at fair value was determined using the following inputs at September 30, 2013

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	\$ 7,629	\$ —	\$ —	\$ 7,629
U S Treasury obligations	38,744	—	—	38,744
Government obligations	—	22,374	—	22,374
Corporate obligations	—	29,297	—	29,297
Corporate equities				
Industrials	21,481	—	—	21,481
Consumer discretionary	19,318	—	—	19,318
Consumer staples	5,201	—	—	5,201
Energy	8,599	—	—	8,599
Financial	29,898	—	—	29,898
Materials	3,928	—	—	3,928
Information technology	19,330	—	—	19,330
Utilities	1,326	—	—	1,326
Health care	11,443	—	—	11,443
Telecommunications	448	—	—	448
Other	1,028	—	—	1,028
International equities	6,475	—	—	6,475
Mutual funds	77,646	31,920	—	109,566
Total assets	<u>\$ 252,494</u>	<u>\$ 83,591</u>	<u>\$ —</u>	<u>\$ 336,085</u>

At September 30, 2014 and 2013, fair value methodologies for Level 1 and Level 2 assets are consistent with the inputs described in Note 8. There are no Level 3 assets.

Investment managers are employed to invest pension fund assets in a structured portfolio of equity and fixed income. All manager performance is reviewed by management to monitor that market performance has been calculated accurately, to monitor performance among peers and benchmarking, and to evaluate portfolio structure considering current and future needs based on economic forecasts and actuarial projections. MHS believes that a diversified portfolio will limit the degree of risk to the plans and stabilize the long-term results. The plans' diversified blend of marketable securities also takes into consideration the cash flow requirements of the plans to provide for the monthly payout of benefits required.

Projected rates of return for each asset category were selected after analyzing historical experience and future expectations of the returns and volatility for assets of the category.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

14. Pension Plans (continued)

Pension expense by affiliate is as follows

	Years Ended September 30	
	2014	2013
MMC	\$ (73)	\$ 9,572
MHS	835	1,421
MPS	100	895
MHSvc	(10)	378
MHSCI	(3)	110
Net pension cost	<u>\$ 849</u>	<u>\$ 12,376</u>

During the year ending September 30, 2015, MHS plans to make contributions to the plan in the amount of \$10,000

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

<u>Years Ending September 30</u>	
2015	\$ 22,697
2016	14,243
2017	15,450
2018	17,325
2019	18,988
2020–2024	114,633

Defined Contribution Plans

The Defined Contribution Plan is intended to qualify as a profit-sharing plan under Code Section 401(a), and includes a cash or deferred arrangement that is approved to qualify under Code Section 401(k). The plan allows employee contributions and an employer matching contribution of up to 3% of eligible pay, and provides a discretionary service-based employer contribution of between 3% and 7%. MHS is also providing a discretionary transition contribution to long-term employees who are closer to retirement. The amount of the discretionary transition contribution, which may be paid for a maximum of five years, will not exceed a percentage of eligible pay, based on age and service requirements as of January 1, 2012.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

14. Pension Plans (continued)

MHS contributes the employer match throughout the year, as the employee contributes to the plan through payroll deduction. The total pension expense for the employer matching contribution was \$6,187 and \$4,487 for the years ended September 30, 2014 and 2013, respectively. The services based and transition contributions for the Defined Contribution Plan calendar plan year are discretionary and subject to approval by the MHS Board of Directors. As of December 19, 2014, no approval of contribution has been made for plan calendar year 2014. The pension expense for the service contribution and transition contribution related to plan calendar year 2013 was \$9,394 and \$1,139, respectively, for the year ended September 30, 2014. The pension expense for the service contribution and transition contribution related to plan calendar year 2012 was \$9,215 and \$1,220, respectively, for the year ended September 30, 2013.

MHS also has a Defined Contribution Restoration Plan. This plan is intended to qualify as an eligible deferred compensation plan under code Section 457(b). This plan excludes anyone eligible to receive a benefit under the MHS Restoration plan. The pension expense for the employer matching contribution was \$129 and \$341 for the years ended September 30, 2014 and 2013, respectively. The pension expense for the service contribution and transition contribution related to plan calendar year 2013 was \$222 and \$21, respectively, for the year ended September 30, 2014.

Prior to January 1, 2014, ALMH, TMH, and MHCCI sponsored separate defined contribution plans with varying employer match provisions. On December 31, 2013, ALMH and TMH froze its defined contribution plans. Effective January 1, 2014, the Defined Contribution Plan was amended to include ALMH and TMH as participating employers. PAH also sponsors a defined contribution plan with an employer match provision. The total expense related to these plans was \$2,534 and \$1,524 for the years ended September 30, 2014 and 2013, respectively.

15. Post-Employment and Other Benefits

MHS provides an unfunded post-employment benefit plan to certain employees. The cost for this plan was \$748 and \$705 for the years ended September 30, 2014 and 2013, respectively. As of September 30, 2014 and 2013, the accumulated post-employment benefit obligation was \$6,585 and \$7,331, respectively. Discount rates ranged from 4.67% to 5.25%. The MHS plan assumes a medical plan trend rate of 7.0% in 2014, decreasing by 0.25% annually to 5% thereafter. A one-percentage-point increase in the assumed medical plan trend rates would have increased the September 30, 2014 and 2013, accumulated post-employment benefit obligation by \$1,118 and \$1,428, respectively. A one-percentage-point decrease in the assumed medical plan trend rates would have decreased the September 30, 2014 and 2013, accumulated post-employment benefit obligation by \$905 and \$1,140, respectively.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

15. Post-Employment and Other Benefits (continued)

Included in unrestricted net assets are the following amounts that have not yet been recognized in net periodic post-employment benefit cost

	September 30	
	2014	2013
Unrecognized prior service cost	\$ –	\$ (130)
Unrecognized actuarial losses	1,512	2,981
Total	<u>\$ 1,512</u>	<u>\$ 2,851</u>

PAH also provides an unfunded post-employment health benefit plan to employees. The amount accrued for retiree health insurance was \$932 at September 30, 2014.

Other post-employment and other benefit plans liabilities include continuation of medical benefits to employees on long-term disability, sick time at retirement, and the paid sick time program, which were \$6,654 and \$6,140 at September 30, 2014 and 2013, respectively.

16. Operating Leases

Revenues

Rental revenues were \$10,615 and \$7,115 for the years ended September 30, 2014 and 2013, respectively, from unaffiliated entities. As of September 30, 2014 and 2013, the cost of the buildings held for lease was \$136,763 and \$87,143, respectively, and the related accumulated depreciation was \$30,057 and \$24,346, respectively.

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

16. Operating Leases (continued)

Future minimum rental revenue under noncancelable operating leases as of September 30, 2014, which have initial or remaining terms in excess of one year, is as follows

**Years Ending
September 30**

2015	\$ 9,426
2016	9,138
2017	8,362
2018	7,730
2019	7,575
Thereafter	135,016
Total minimum lease revenue	<u>\$ 177,247</u>

Expenses

Rental expense was \$2,936 and \$3,760 for the years ended September 30, 2014 and 2013, respectively

Future minimum rental payments under noncancelable operating leases as of September 30, 2014, which have initial or remaining terms in excess of one year, are as follows

**Years Ending
September 30**

2015	\$ 1,110
2016	1,004
2017	904
2018	873
2019	403
Thereafter	159
Total minimum lease payment	<u>\$ 4,453</u>

Memorial Health System and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

17. Commitments and Contingencies

Firm commitments for construction in progress totaled \$101,499 as of September 30, 2014

Regulatory Compliance

The U S Department of Justice and other federal and state agencies are increasing resources dedicated to regulatory investigations and compliance audits of health care providers MHS is not exempt from these regulatory efforts and has received inquiries from federal and state agencies with regard to such initiatives In consultation with legal counsel, management estimates these matters will be resolved without material adverse effect on MHS's consolidated balance sheets or consolidated statements of operations and changes in net assets MHS has a formal corporate compliance function, which management believes will help monitor MHS' compliance with applicable laws and regulations

Litigation

MHS is involved in litigation arising in the normal course of business After consultation with legal counsel, it is management's opinion that these matters will be resolved without a material adverse effect on MHS's consolidated balance sheets or consolidated statements of operations and changes in net assets

18. Subsequent Events

MHS evaluated events and transactions occurring subsequent to September 30, 2014 through December 19, 2014, the date the consolidated financial statements were issued

Supplementary Information

MEMORIAL HEALTH SYSTEM
CONSOLIDATING BALANCE SHEET
SEPTEMBER 30, 2014

(dollars in thousands)

ASSETS	CORPORATE & HOSPITALS					PHYSICIANS			AMBULATORY & OTHER					FOUNDATIONS				ELIMINATIONS	TOTAL
	MMHS	NMMC	PAH	ALMH	TAMH	MPH	PPA	MP	MHC CI	MHSYC	MVA	CRNA	MDP	MMCF	TAMF	PAHF			
Current assets:																			
Cash and cash equivalents	2,953	85,746	5,196	16,668	11,653		175	2,901	4,479	7,892	17,112	38		1,458	646	119	1		
Short term investments	17,808	85,664	9,200	7,011	12,566			2,111	6,695	216					23	4,095			
Assets whose uses are limited	218	2,111		1,115	486			175											
Prepaid expenses																			
Parent accounts receivable	116,375	17,493	8,088		7,291		753	6,485	483	6,777	1,655	960							
Allowance for uncollectible accounts	(14,000)	(6,602)	(2,091)		(11,600)		(206)		(155)	(1,130)	(682)	(83)							
Net patient accounts receivable	102,375	10,891	5,997		5,691		547		208	5,647	973	877							
Receivables from third parties, payors																			
Due from affiliates	2,210	257	31,078	83	64			4		16	47								
Other	2,811	4,534	6,970	30	75			66	4,112	576	158			137	67		(117,921)		
Inventory		9,020	766	904	648					489							(52,131)		
Prepaid expenses	5,676		1,479	176	274			85	201	102	21			98					
Total current assets	151,678	307,011	65,560	31,604	22,544		722	6,893	15,699	14,688	33,131	315		1,693	746	4,214	1		
Assets whose uses are limited																			
Board designated funds	182,273		63,510	21,689	3,149				463					11,229	20,819		88		
Self insurance trusts	20,045																		
Bond trustee assets	1,563	2,612																	
Donor restricted assets	971	3,541												9,513		123	407		
Deferred compensation investments	10,626	2,623	223																
Total assets whose uses are limited	10,626	207,445	69,886	21,689	3,149				463					20,742	20,819	123	495		
Property, plant and equipment	254,282	481,29	20,257	64,702	52,272		137	35,474	12,213	11,262	348			147					
Less accumulated depreciation	(78,212)	(258,694)	(1,864)	(21,125)	(27,602)		(25)	(16,328)	(7,844)	(8,107)	(279)			(147)					
Net property, plant and equipment	176,070	222,605	18,393	43,577	24,680		112	19,146	4,369	2,955	69								
Other assets																			
Investments in partnerships	799	20,546			260						7,368								
Unamortized bond issuance costs	542	1,445		603															
Beneficial interest in trust		39,732	20,596																
Other	5,302	3,965		40					79	94				1,077			(79)		
Total other assets	6,643	26,688	20,596	643	260				156	94	7,368			1,077			(79)		
TOTAL ASSETS	248,011	803,189	174,415	97,213	50,633		834	26,049	20,687	17,777	10,508	315		23,512	21,555	4,317	496		
Liabilities and net assets																			
Current liabilities:																			
Long term debt, current portion	3,653	1,672	1,561	174	74			2,200						87					
Accounts payable	10,764	49,478	2,335	1,068	886			91	568	1,830	138				26				
Accrued payable	2,930	21,850	4,456	1,191	1,960				549	1,421									
Interest payable	299	3,017		1,135	486														
Due to affiliates	69	2,287	116	133	26			2	5	56	54	8,201		31	20	12	257		
Payables to third parties, payors	27,564	2,383	3,161	1,898															
Other	1,364	5,671	8,236					687	443	229				571		2	(610)		
Total current liabilities	21,069	111,939	19,387	6,742	5,330		5,148	3,084	1,565	3,536	192	8,201		689	46	14	257		
Long term debt obligations, less portion	83,853	160,418	27,191	42,018	18,007														
Other liabilities																			
Deferred compensation and benefits	11,392	2,623	223																
Self insurance accrued expenses	122	16,884	1,614																
Accrued employee benefits	2,927	6,210																	
Pension obligation	6,910	17,041																	
Other	4,270	4,926	2,544		446									105					
Total other liabilities	25,623	67,684	4,381											105					
Total liabilities	130,544	340,061	90,949	48,760	23,783		20,029	22,858	9,429	4,076	192	8,201		794	46	14	257		
Net assets																			
Unrestricted	114,476	402,000	99,492	48,453	26,850		(22,024)	16,610	17,704	13,366	10,376	(7,886)		4,734	2,941	2,941	(108)		
Unrestricted, board designated									463	107				8,388	21,457	1,299	(19,111)		
Temporarily restricted		61,128	553						955	105				4,249	52	79	(20,446)		
Permanently restricted																			
Total net assets	114,476	463,128	123,176	48,453	26,850		(22,024)	16,610	19,122	13,661	10,376	(7,886)		22,718	21,509	4,317	407		
TOTAL LIABILITIES AND NET ASSETS	248,011	803,189	174,415	97,213	50,633		834	26,049	20,687	17,777	10,508	315		23,512	21,555	4,317	496		

MEMORIAL HEALTH SYSTEM
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

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	CORPORATE & HOSPITALS				PHYSICIANS		AMBULATORY & OTHER						FOUNDATIONS			ELDMN			
	MDIS	MMG	PAH	ALMDE	TMBH	MPS	PPA	MP	MBGCL	MBSVR	MBIV	CRSA	MIP	MBGF	ALHF	TABE	PAMF	ELDMN	TOTAL
Unrestricted net assets																			
Excess (deficiency) of revenue over expenses	1	-	4	-	1	11	-	-14	4	0	1	14	-	-	-40		4	-	1
Change in minimum pension obligation	-4	-	-	-		1												-	-4
Change in fair value of interest rate swap		0																1	1
Net assets released from restrictions for property acquisitions			11														-		11
Contribution of unrestricted net assets of acquired entities (other)	1		-4							1	-	4			11		4	-	-4
Transfers (to) related organizations		14	-40	-41													-	0	1
Transfer from related organizations	-4			-		1	-	-14	4	-41		-	-	14	-40		-	0	1
Increase (decrease) in unrestricted net assets	-1	-1	4	-	1	1	-	-14	4	-41	1	-	-	14	-40		1	-14	11
Temporarily restricted net assets																			
Contributions		404													11	-		1	1
Net realized gains on investments		4												1	11	-		1	1
Net assets released from restrictions (non-operating)		1								-					1	0		1	1
Net assets released from restrictions (operating)			11												1	0		1	1
Net assets released from restrictions for property acquisitions																			
Change in value of split-interest agreements														1					1
Gain (loss) on interest in net assets of foundation		1	-															1	-
Contribution of temporarily restricted net assets of acquired entities (other)										1	-							1	-
Increase (decrease) in temporarily restricted net assets		1	-							1	-			1				1	-
Permanently restricted net assets																			
Contributions																			
Contribution of permanently restricted net assets of acquired entities			-											1			40		1
Net investment income gains (losses) (other)			1														-4		-4
Increase (decrease) in permanently restricted net assets			-														-40		-4
Increase (decrease) in net assets	-1	14	4	-40	1	1	-	-14	4	-41	1	-	-	1	-4	-	-	14	-40
Net assets, beginning of year		44		-41	-	1		14	1	-	1			1	1			1	
Net assets, end of year	1	14	1	-4	-	1		1	1	1	1			1	1	-4	-	1	-4

MEMORIAL HEALTH SYSTEM
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

(in thousands)

	CORPORATE & HOSPITALS				PHYSICIANS			AMBULATORY & OTHER					FOUNDATIONS				ELIMINATIONS	TOTAL
	MHS	MMC	PMF	ALHFL	TMHF	MPS	PPA	MP	MHC/L	MDV	CRNA	MHP	MDMF	ALHFL	TMHF	PMF		
Operating Activities	1,244	2,244	4	1,244	1	1	2,244	2,244	4	1,244	1	1	1	4	4	4	1	1,244
Investing Activities	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Financing Activities	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Net Change in Cash	1,244	2,244	4	1,244	1	1	2,244	2,244	4	1,244	1	1	1	4	4	4	1	1,244
Cash at Beginning of Year	1,244	2,244	4	1,244	1	1	2,244	2,244	4	1,244	1	1	1	4	4	4	1	1,244
Cash at End of Year	2,488	4,488	8	2,488	2	2	4,488	4,488	8	2,488	2	2	2	8	8	8	2	2,488

**MEMORIAL HEALTH SYSTEM
CONSOLIDATING BALANCE SHEET
SEPTEMBER 30, 2013**

(dollars in thousands)

Assets	MHS	MMC	ELIMINATIONS	OBLIGATED GROUP	ALMH	TMH	MHV	MHScc	MHC CI	MPs	MP	MMCF	TMHF	ALHF	ELIMINATIONS	TOTAL
Current assets																
Cash and cash equivalents	\$ 15,558	74,856	-	90,914	17,784	8,659	1,970	7,819	4,617	5,309	2,992	1,205	329	466	-	\$ 142,064
Short-term investments	34,248	78,207	-	112,455	17,900	1,504	-	227	7,351	-	2,110	3,536	23	-	-	128,996
Assets whose use is limited - current portion	218	2,118	-	2,336	1,138	488	-	-	-	-	1,651	-	-	-	-	5,613
Patient accounts receivable	-	107,390	-	107,390	8,229	7,266	1,198	5,384	468	7,286	-	-	-	-	-	137,218
Allowance for uncollectible accounts	-	(17,382)	-	(17,382)	(1,632)	(1,541)	-	(965)	(248)	(1,188)	-	-	-	-	-	(23,225)
Net patient accounts receivable	-	90,008	-	90,008	6,597	572	39	4,419	210	6,188	-	-	-	-	-	113,893
Receivables from third-party payors	-	7,644	-	7,644	-	287	-	-	-	-	-	-	-	-	-	7,931
Due from affiliates	46	344	(278)	132	169	8	27	72	-	466	4	3	-	-	(881)	-
Other	1,546	15,884	-	17,430	1,223	927	294	499	2,687	16	4	155	8	79	(514)	22,808
Inventories	-	9,579	-	9,579	514	679	-	356	-	784	-	-	-	-	-	11,912
Prepaid expenses	570	6,126	-	11,866	172	349	57	100	201	268	86	81	-	-	-	13,181
Total current assets	5716	285,466	(278)	342,364	29,388	18,633	3,087	13,492	15,066	13,031	6,847	1,444	373	568	(1,397)	446,398
Assets whose use is limited																
Board-designated funds	-	165,796	-	165,796	157,113	2,836	-	-	447	-	-	10,101	-	187,30	-	213,643
Self-insurance trusts	-	20,383	-	20,383	-	-	-	-	-	-	-	-	-	-	-	20,383
Bond trustee assets	-	1,563	-	1,563	-	-	-	-	-	-	-	-	-	-	-	1,563
Donor-restricted assets	-	934	-	934	-	-	-	-	-	-	-	9,000	131	-	-	10,065
Deferred compensation investments	8718	2,668	-	11,416	-	-	-	-	-	8,607	-	-	-	-	-	20,023
Total assets whose use is limited	8718	191,344	-	200,092	157,113	2,836	-	-	447	8,607	-	19,101	131	187,30	-	265,677
Property, plant and equipment	218,429	401,488	-	619,917	62770	40,814	322	10,276	11,877	5,942	34,412	147	-	342	-	794,819
Less accumulated depreciation	(69,564)	(232,907)	-	(302,471)	(16,901)	(21,625)	(265)	(7,571)	(7,571)	(3,001)	(15,230)	(147)	-	(342)	-	(379,178)
Net property, plant and equipment	148,865	168,581	-	317,446	45,869	26,189	57	2,654	4,306	941	19,182	-	-	-	-	415,641
Other assets																
Investments in partnerships	702	19,018	-	19720	-	-	6,292	661	58	14,469	-	-	-	-	(35,918)	5,282
Unauthorized bond issuance costs	599	1,580	-	2179	37	318	-	-	-	-	-	-	-	-	-	3,234
Beneficial interest in remainder trust	-	35,391	-	35,391	-	-	-	-	-	-	-	-	-	-	-	35,391
Other	5,211	4,362	-	9,573	60	-	-	-	100	-	-	1,067	-	-	(100)	10700
Total other assets	6,512	60,351	-	66,863	797	318	6,292	661	158	14,469	-	1,067	-	-	(56,018)	51,607
Total assets	221,281	704,712	(278)	925,765	91797	47,966	9,336	16,807	19,971	37,048	26,029	21,612	4,004	19,298	(37,413)	1,182,323
Liabilities and net assets																
Current liabilities																
Long-term debt - current portion	3,489	1,638	-	5,127	188	81	-	-	-	2,200	-	-	-	-	-	7596
Accounts payable	8,965	35,884	-	44,849	693	632	94	1,555	397	2716	70	31	-	83	25	51,145
Accrued pay roll	2,642	20,320	-	22,962	1,130	1,822	-	1,265	539	1,310	1	-	-	-	-	29,029
Interest payable	433	2,302	-	2735	1,138	488	-	-	-	-	1	-	-	-	-	4,362
Due to affiliates	846	79	(278)	667	15	38	37	-	-	60	-	12	-	54	(890)	-
Payables to third-party payors	-	25716	-	25716	4,494	769	-	-	-	-	-	-	-	-	-	30,979
Other	2,445	12,044	-	14,489	534	422	-	-	552	1,860	418	469	6	-	(630)	18,120
Total current liabilities	18,820	97,983	(278)	116,545	8,192	4,232	131	2,820	1,495	5,946	2,690	512	6	137	(1,495)	141,251
Long-term debt - less current portion	87670	104,990	-	192,660	42,192	18,081	-	-	-	-	8,870	-	-	-	-	261,803
Other liabilities																
Deferred compensation and benefits	9,421	2,668	-	12,089	-	-	-	-	-	8,912	-	-	-	-	-	21,001
Self-insurance accrued expenses	320	16,501	-	16,821	-	-	-	246	-	4777	-	-	-	-	-	17,067
Accrued employee benefits	2770	5,421	-	8,491	-	-	-	204	-	-	-	-	-	-	-	13,470
Pension obligation	5,269	22,343	-	27,612	-	-	-	946	-	-	-	-	-	-	-	28,558
Other	3,226	6,012	-	9,238	-	446	-	-	-	-	-	80	-	-	-	9,864
Total other liabilities	21,106	53,245	-	74,351	-	446	-	450	-	14,633	-	80	-	-	-	89,960
Total liabilities	127,596	256,218	(278)	385,556	50,384	22779	131	3,270	1,495	20,579	11,560	592	6	137	(1,495)	492,994
Net assets																
Unrestricted	93,685	393,281	-	486,966	41,413	25,187	9,305	13,229	17,521	16,469	14,469	12,030	3,867	19,048	(17,000)	642,497
Temporarily restricted	-	55,243	-	55,243	-	-	-	225	955	-	-	3,972	81	113	(18,918)	41,671
Permanently restricted	-	-	-	-	-	-	-	83	-	-	-	5,038	50	-	-	5,161
Total net assets	93,685	448,524	-	542,209	41,413	25,187	9,305	13,533	18,476	16,469	14,469	21,030	3,998	19,161	(35,918)	689,229
Total liabilities and net assets	\$ 221,281	704,712	(278)	925,765	91797	47,966	9,336	16,807	19,971	37,048	26,029	21,612	4,004	19,298	(37,413)	\$ 1,182,323

MEMORIAL HEALTH SYSTEM
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2013
(dollars in thousands)

	MHS	MMC	ELIMINATIONS	OBLIGATED GROUP	ALMH	TMH	MHV	MHSVC	MHCCT	MPS	MP	MMCF	TMHF	ALHF	ELIMINATIONS	TOTAL
Gross patient service charges																
Inpatient charges	\$	945,702	(56,125)	999,577	188,76	16,021										\$ 944,741
Outpatient charges		761,572		761,572	71,085	70,458	15,170	52,142	14,645	78,622					(415)	1,045,655
Total gross patient service charges		1,707,274	(56,125)	1,651,049	90,550	86,480	15,170	52,142	14,645	78,622					(415)	1,988,120
Less: charity		58,296		58,296	4,524	4,550	20	406	65	214						67,875
Less: contractual allowances		1,145,740	(56,125)	1,100,615	46,191	48,040	8,251	8,788	1,458	58,717						1,261,060
Patient service revenue		505,058		505,058	59,844	54,080	6,890	22,948	15,120	59,691					(415)	659,196
Provision for uncollectible accounts		8,680		8,680	1,622	455	744	607	18	1,171						15,567
Net patient service revenue		496,378		496,378	58,222	53,625	6,146	22,251	15,102	58,520					(415)	643,820
Hospital access improvement payments		27,044		27,044	2,051	2,506										52,741
Capitation revenue		55,091		55,091												55,091
Other revenue																
Management fees		17,448	(28,157)	8,885	15										(8,898)	
Other		12,114	(2,826)	26,760	1,205	615	1,201	512	588	1,272	5,969				(9,498)	28,558
Total other revenue		40,154	(30,983)	55,619	1,218	615	1,201	512	588	1,272	5,969				(18,490)	28,558
Total revenue		496,154	(50,985)	610,462	42,501	56,656	7,547	22,765	15,490	59,792	5,969				(18,811)	760,060
Expenses:																
Salaries and wages		22,870		198,066	15,266	15,585	5,201	11,598	8,016	12,794	415					262,750
Employee benefits		60,874		67,917	4,014	4,520	455	4,251	1,058	4,585	145					87,581
Physician fees		887		51,044	2,121	2,015	50	105	208	20,590						55,040
Utilities		1,251		8,666	582	558	17	162	552	206	746					11,440
Pharmaceutical supplies				18,865	1,125	658	65	549	44	2,525						25,555
Patient service supplies				22,195	1,695	1,115	86	416		1,115						82,452
System management fee					1,989	1,855	627	941	500	5,074	100				(8,869)	
Other		647	(28,157)	7,287	1,989	4,800	1,150	5,785	1,840	8,125	1,258				(9,042)	86,794
Hospital provider assessment				17,214	405	800										19,014
Purchased medical services				51,785	691											
Depreciation and amortization		564		20,125	4407	2,007	15	1,002	576	175	1,177					51,785
Amortization of bond issuance expenses		45		522	154	58										46,920
Interest expense and other financing costs		1,867		2,281	2,281	677					1,069					514
Total expense		40,154	(50,985)	566,516	57,598	53,807	7,685	22,592	15,057	52,590	5,966				(18,811)	710,408
Income (loss) from operations				44,116	4,605	1,849	(566)	571	455	(12,798)	1,965					49,591
Nonoperating gains (losses):																
Interest and dividends		659		5,866	451	60	12	46	158	285	9	182	55	521		5,680
Realized gain (loss) on investments, net		155		5,541	500	25			8			1,204	65	2,824		9,768
Unrealized gain (loss) on investments, net		2,688		22,270	716	211		10	(85)	561		(698)	76	(1,694)		21,567
Change in fair value of interest rate swap		1,515		2,657												2,657
Contributions				158		617						921	161	126		1,985
Equity in income of affiliate										1,072					(1,072)	
Provision for income taxes																(6,211)
Other revenue (expense) net		(1,447)		(909)	(11)			(621)	1	(845)		(911)	(44)	(545)		(6,211)
Total nonoperating gains (losses) net		4,146		55,666	1,466	955	12	(565)	82	1,071	9	698	509	1,452		58,061
Excess (deficiency) of revenue over expense		\$ 4,146	\$	\$ 77,882	\$ 6,450	\$ 2,802	\$ (524)	\$ (104)	\$ 515	\$ (10,827)	\$ 1,972	\$ 698	\$ 509	\$ 1,452	\$ (1,072)	\$ 78,652

MEMORIAL HEALTH SYSTEM
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2013
(dollars in thousands)

	MHS	MMC	ELIMINATIONS	OBLIGATED GROUP	ALMH	TMH	MHV	MHSsc	MHCCI	MPS	MP	MMCF	TMHF	ALHF	ELIMINATIONS	TOTAL
Unrestricted net assets																
Excess (deficiency) of revenues over expenses	\$ 4,146	75,656	-	---82	6,459	2,802	(324)	(194)	515	(10,827)	1,972	698	509	1,432	(1,972)	\$ 78,652
Change in minimum pension obligation	244	75,999	-	76,245	-	-	-	-	-	845	-	-	-	-	-	---068
Change in fair value of interest rate swap	9	90	-	99	-	-	-	-	-	-	-	-	-	-	-	99
Net assets released from restrictions for property acquisitions	-	3	-	3	-	-	-	-	-	-	-	-	-	-	-	3
Other	(1)	-	-	(1)	-	-	-	-	(1)	-	-	298	54	-	-	298
Transfers to related organizations	(13,466)	(4,888)	4,878	(13,556)	-	-	-	-	-	-	-	-	-	-	13,556	-
Transfers from related organizations	4,878	-	(4,878)	-	-	-	-	-	-	13,546	-	10	-	-	(13,556)	-
Increase (decrease) in unrestricted net assets	(4,070)	144,840	-	140,770	6,459	2,802	(324)	(194)	514	3,564	1,972	1,006	565	1,432	(1,972)	156,192
Temporarily restricted net assets																
Contributions	-	490	-	490	8	-	-	5	-	-	-	418	46	9	-	1,122
Net realized gain on investments	-	9,925	-	9,925	-	-	-	-	-	-	-	718	-	-	-	10,643
Net assets released from restrictions (nonoperating)	-	(995)	-	(995)	(5)	-	-	-	-	-	-	-	-	-	-	(1,000)
Net assets released from restrictions (operating)	-	(433)	-	(433)	(8)	-	-	(62)	(21)	-	-	(474)	(14)	(47)	-	(1,059)
Net assets released from restrictions for property acquisitions	-	(3)	-	(3)	-	-	-	-	-	-	-	-	-	-	-	(3)
Change in value of split-interest agreements	-	-	-	-	-	-	-	-	-	-	-	16	-	-	-	16
Gain (loss) on interest in net assets of foundation	-	1,199	-	1,199	-	-	-	-	-	-	-	-	-	-	(1,199)	-
Other	-	1	-	1	-	(192)	-	-	1	-	-	(508)	(101)	-	-	(802)
Increase (decrease) in temporarily restricted net assets	-	10,184	-	10,184	(5)	(192)	-	(9)	(20)	-	-	170	(62)	50	(1,199)	8,917
Permanently restricted net assets - contributions	-	-	-	-	-	-	-	-	-	-	-	156	-	-	-	206
Increase (decrease) in net assets	(4,070)	155,024	-	150,954	6,454	2,610	(324)	(203)	494	3,564	1,972	1,332	551	1,482	(3,171)	165,515
Net assets, beginning of year	97,755	295,500	-	391,255	34,969	22,557	9,629	13,740	17,985	13,105	12,497	19,688	3,647	17,679	(32,717)	521,011
Net assets, end of year	\$ 93,685	448,524	-	542,209	41,413	25,187	9,305	13,537	18,479	16,469	14,469	21,020	3,998	19,161	(35,918)	\$ 689,329

MEMORIAL HEALTH SYSTEM
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2013
(dollars in thousands)

	OBLIGATED										ELIMI		TOTAL
	MHC	GROUP	ALMH	TMH	MHV	MHSVC	MHCCI	MP	MMCF	TMHF	ALHF	NATIONS	
	\$ (4,076)	150,654	6,454	2,610	(524)	(205)	464	5,564	1,972	55	1,482	(5,171)	\$ 165,515
Cash flows from operating activities:													
Changes in net assets:													
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:													
Noncash contribution	-	-	-	-	-	-	-	-	-	-	-	-	(112)
Change in unrealized loss on interest rate swaps	(1,515)	(2,957)	-	-	-	-	-	-	-	-	-	-	(2,957)
Change in unrealized (gains) losses on investments, net	(2,988)	(22,270)	(716)	(211)	-	(10)	85	(561)	-	(76)	1,694	-	(20,550)
Restricted contributions and other	-	(400)	(8)	-	-	(55)	-	-	-	(106)	(67)	-	(1,190)
Increase in beneficial interest in perpetual trust	-	(9,925)	-	-	-	-	-	-	-	-	-	-	(9,925)
Depreciation and amortization	564	20,125	4,407	2,987	15	1,002	570	175	1,177	-	-	-	46,051
Amortization of bond issuance costs	45	277	154	58	-	-	-	-	-	-	-	-	514
Gain on disposal of assets	(19)	251	-	-	-	-	-	-	-	-	-	-	252
Provision for uncollectible accounts	-	8,680	1,622	455	744	607	18	1,171	1	-	-	-	15,967
Change in pension obligation	(244)	(75,606)	-	-	-	-	-	(845)	-	-	-	-	(77,688)
Changes in assets and liabilities:													
Accounts receivable	-	8,058	(1,175)	5	(748)	(77)	(60)	(2,805)	-	-	-	-	5,450
Inventory and other assets	(666)	(15,550)	(899)	(876)	(218)	500	1,605	568	(16)	88	457	(19)	(12,251)
Receivable from payable to third-party payors	-	4,249	1,271	664	-	-	-	-	-	-	-	-	6,184
Accounts payable and other current liabilities	4,646	11,022	518	545	4	(610)	156	(882)	(58)	4	40	56	15,021
Self-insurance and other long-term liabilities	447	(10,045)	-	-	-	8	-	1,147	-	(6)	-	-	(8,506)
Amount due to (from) affiliates	221	172	(251)	1	41	(55)	12	(216)	(10)	6	76	(16)	-
Equity in (income) loss of unconsolidated affiliates and foundation	-	(1,199)	-	-	-	-	-	-	-	-	-	-	-
Transfers to (from) related organizations	8,468	4,888	-	-	-	-	-	(15,546)	-	-	-	-	-
Net cash provided by (used in) operating activities	11,891	91,617	11,440	6,028	(486)	721	2,657	(12,555)	5,024	261	5,052	(1,051)	118,775
Cash flows from investing activities:													
Acquisition of property and equipment	(47,078)	(65,649)	(818)	(1,775)	(45)	(695)	(260)	(507)	(265)	-	-	-	(98,200)
Proceeds on sale of property	200	508	-	-	-	-	-	-	221	-	-	-	529
(Deposits) withdrawals in investments, net	(14,760)	(6,169)	(5,970)	-	-	-	(1,069)	-	-	(45)	6,948	-	(6,741)
Other investment activity, net	1,459	(9,620)	(555)	(95)	-	(2)	(27)	65	(77)	(261)	(10,555)	(192)	(2,124)
Change in investment in partnerships	(702)	-	-	-	54	72	(27)	(1,072)	-	-	-	-	(605)
Net change in other assets	546	-	-	-	-	-	-	-	-	-	-	(21)	541
Net cash provided by (used in) investing activities	(47,251)	(62,252)	(5,545)	(1,868)	9	(925)	(2,256)	(2,506)	(119)	(506)	(5,605)	1,051	(127,791)
Cash flows from financing activities:													
Restricted contributions and other	-	490	8	-	-	55	-	-	-	106	07	-	1,190
Repayment of long-term debt	(1,610)	(6,204)	(201)	(86)	-	-	-	-	(2,100)	-	-	-	(8,591)
Issuance of long-term debt	60,000	60,000	-	-	-	-	-	-	-	-	-	-	60,000
Proceeds from short-term borrowings	60,000	60,000	-	-	-	-	-	-	-	-	-	-	60,000
Repayment of short-term borrowings	(60,000)	(60,000)	-	-	-	-	-	-	-	-	-	-	(60,000)
Distributions from beneficial interest in remainder trust	-	605	-	-	-	-	-	-	-	-	-	-	605
Transfers (to) from related organizations	(8,468)	(15,550)	-	-	-	-	-	(5,546)	-	-	-	-	-
Net cash provided by (used in) financing activities	40,922	(7,007)	(105)	(86)	-	55	-	(5,546)	(2,100)	106	07	-	5,504
Net increase (decrease) in cash and cash equivalents	14,562	21,568	5,915	4,074	(477)	(151)	881	(1,495)	805	61	144	-	44,576
Cash and cash equivalents, beginning of year	706	54,188	11,871	4,585	2,447	7,070	4,256	6,804	2,187	268	522	-	67,488
Cash and cash equivalents, end of year	\$ 15,558	\$ 75,756	\$ 17,786	\$ 8,659	\$ 1,970	\$ 7,919	\$ 4,617	\$ 5,309	\$ 2,992	\$ 284	\$ 666	\$ -	\$ 112,064

MEMORIAL HEALTH SYSTEM
CONSOLIDATING BALANCE SHEET
SEPTEMBER 30, 2014
(dollars in thousands)

				OBLIGATED GROUP TOTAL	NON- OBLIGATED GROUP TOTAL	CONSOLIDATED TOTAL
Assets	MHS	MMC	Eliminations			
Current assets						
Cash and cash equivalents	\$ 2 953	85 746	-	88 699	61 062	149 761
Short-term investments	37 808	85 664	-	123 472	30 937	154 409
Assets whose use is limited	218	2 111	-	2 329	3 347	5 676
Patient accounts receivable	-	116 375	-	116 375	49 445	165 820
Allowance for uncollectible accounts	-	(14 000)	-	(14 000)	(14 161)	(28 161)
Net patient accounts receivable	-	102 375	-	102 375	35 284	137 659
Receivables from third-party payors	-	11 648	-	11 648	107	11 755
Due from affiliates	2 210	257	(2 158)	309	(309)	-
Other	2 811	4 534	-	7 345	11 988	19 333
Inventories	-	9 020	-	9 020	3 210	12 230
Prepaid expenses	5 678	5 656	-	11 334	2 869	14 203
Total current assets	51 678	307 011	(2 158)	356 531	148 495	505 026
Assets whose use is limited						
Board-designated funds	-	182 273	-	182 273	120 947	303 220
Self-insurance trusts	-	20 045	-	20 045	-	20 045
Bond trustee assets	-	1 563	-	1 563	2 612	4 175
Donor restricted assets	-	951	-	951	13 584	14 535
Deferred compensation investments	10 626	2 623	-	13 249	9 574	22 823
Total assets whose use is limited	10 626	207 455	-	218 081	146 717	364 798
Property plant and equipment	254 282	481 729	-	736 011	200 873	936 884
Less accumulated depreciation	(78 212)	(258 694)	-	(336 906)	(87 031)	(423 937)
Net property plant and equipment	176 070	223 035	-	399 105	113 842	512 947
Other assets						
Investments in partnerships	799	20 546	-	21 345	(15 532)	5 813
Unamortized bond issuance costs	542	1 445	-	1 987	863	2 850
Beneficial interest in trust	-	39 732	-	39 732	20 596	60 328
Other	5 302	3 965	-	9 267	1 211	10 478
Total other assets	6 643	65 688	-	72 331	7 138	79 469
TOTAL ASSETS	245 017	803 189	(2 158)	1 046 048	416 192	1 462 240
Liabilities and net assets						
Current liabilities						
Long-term debt - current portion	\$ 3 653	1 672	-	5 325	4 109	9 434
Accounts payable	10 764	49 478	-	60 242	8 984	69 226
Accrued payroll	2 930	21 850	-	24 780	11 312	36 092
Interest payable	299	3 037	-	3 336	1 622	4 958
Due to affiliates	59	2 287	(2 158)	188	(188)	-
Payables to third-party payors	-	27 964	-	27 964	7 442	35 406
Other	3 364	5 671	-	9 035	11 532	20 567
Total current liabilities	21 069	111 959	(2 158)	130 870	44 813	175 683
Long-term debt obligations - less portion	83 851	160 418	-	244 269	93 561	337 830
Other liabilities						
Deferred compensation and benefits	11 392	2 623	-	14 015	9 879	23 894
Self-insurance accrued expenses	122	16 884	-	17 006	1 938	18 944
Accrued employee benefits	2 927	6 210	-	9 137	4 102	13 239
Pension obligation	6 910	37 041	-	43 951	1 339	45 290
Other	4 270	4 926	-	9 196	3 095	12 291
Total other liabilities	25 621	67 684	-	93 305	20 353	113 658
Total liabilities	130 541	340 061	(2 158)	468 444	158 727	627 171
Net assets						
Unrestricted	114 476	402 000	-	516 476	210 932	727 408
Unrestricted - board-designated	-	-	-	-	31 674	31 674
Temporarily restricted	-	61 128	-	61 128	(14 159)	46 969
Permanently restricted	-	-	-	-	29 018	29 018
Total net assets	114 476	463 128	-	577 604	257 465	835 069
TOTAL LIABILITIES AND NET ASSETS	\$ 245 017	803 189	(2 158)	1 046 048	416 192	1 462 240

MEMORIAL HEALTH SYSTEM
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED
SEPTEMBER 30, 2014

(dollars in thousands)

	MHS	MMC	Eliminations	OBLIGATED GROUP TOTAL	NON- OBLIGATED GROUP TOTAL	CONSOLIDATED TOTAL
Gross patient service charges						
Inpatient charges	\$ -	975 073	(29 568)	945 505	74 471	1 019 976
Outpatient charges	-	875 495	-	875 495	409 134	1 284 629
Total gross patient service charges	-	1 850 568	(29 568)	1 821 000	483 605	2 304 605
Less charity	-	43 005	-	43 005	9 195	52 200
Less contractual allowances	-	1 268 821	(29 568)	1 239 253	271 426	1 510 679
Patient service revenues	-	538 742	-	538 742	202 984	741 726
Provision for uncollectible accounts	-	9 377	-	9 377	6 390	15 767
Net patient service revenues	-	529 365	-	529 365	196 594	725 959
Hospital access improvement payments	-	25 483	-	25 483	7 752	33 235
Capitation revenues	-	53 889	-	53 889	-	53 889
Other revenues						
Management fees	53 406	-	(42 592)	10 814	(10 814)	-
Other	14 032	17 019	(2 879)	28 172	3 059	31 231
Total other revenues	67 438	17 019	(45 471)	38 986	(7 755)	31 231
Total revenues	67 438	625 756	(45 471)	647 723	196 591	844 314
Expenses						
Salaries and wages	24 430	180 469	-	204 899	89 037	293 936
Employee benefits	6 705	56 845	-	63 550	27 444	90 994
Physician fees	1 007	34 091	-	35 098	24 964	60 062
Utilities	2 975	7 475	(1 108)	9 342	2 971	12 313
Pharmaceutical supplies	-	20 908	-	20 908	6 508	27 416
Food	14	4 512	-	4 526	1 370	5 896
Patient service supplies	-	78 302	-	78 302	8 627	86 929
System management fee	-	41 484	(41 484)	-	-	-
Other	18 305	60 786	(2 879)	76 212	21 782	97 994
Hospital provider assessment	-	15 803	-	15 803	2 582	18 385
Purchased medical services	-	33 455	-	33 455	-	33 455
Depreciation and amortization	10 869	29 083	-	39 952	12 233	52 185
Amortization of bond issuance expenses	57	285	-	342	192	534
Interest expense and other financing costs	3 076	5 467	-	8 543	4 105	12 648
Total expenses	67 438	568 965	(45 471)	590 932	201 815	792 747
Income (loss) from operations	-	56 791	-	56 791	(5 224)	51 567
Nonoperating gains (losses)						
Interest and dividends	845	3 211	-	4 056	3 226	7 282
Realized gain (loss) on investments - net	1 605	13 589	-	15 194	1 264	16 458
Unrealized gains (loss) on investments - net	1 033	5 290	-	6 323	3 793	10 116
Change in fair value of interest rate swap	556	845	-	1 401	(101)	1 300
Inherent contributions of acquired entities	-	-	-	-	68 927	68 927
Contributions and other	-	47	-	47	1 724	1 771
Equity in income of affiliate	-	-	-	-	-	-
Provision for income taxes	-	-	-	-	(756)	(756)
Other revenue (expense) - net	(3 596)	(916)	-	(4 512)	(1 896)	(6 408)
Total nonoperating gains (losses) - net	443	22 066	-	22 509	76 181	98 690
Excess of revenues over expenses	\$ 443	78 857	-	79 300	70 957	150 257

MEMORIAL HEALTH SYSTEM
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED
SEPTEMBER 30, 2014

(dollars in thousands)

	<u>MHS</u>	<u>MMC</u>	<u>Eliminations</u>	<u>OBLIGATED GROUP TOTAL</u>	<u>NON- OBLIGATED GROUP TOTAL</u>	<u>CONSOLIDATED TOTAL</u>
Unrestricted net assets						
Excess of revenues over expenses	\$ 443	78 857	-	79 300	70 957	150 257
Change in minimum pension liability	(347)	(35 207)	-	(35 554)	1 355	(34 199)
Change in fair value of interest rate swap	9	90	-	99	67	166
Net assets released from restrictions for property acquisitions	-	-	-	-	116	116
Contribution of unrestricted net assets of PAH and affiliates	-	-	-	-	-	-
Other	1	-	-	1	244	245
Transfers (to) related organizations	(14 740)	(35 021)	35 425	(14 336)	14 336	-
Transfers from related organizations	35 425	-	(35 425)	-	-	-
Increase (decrease) in unrestricted net assets	20 791	8 719	-	29 510	87 075	116 585
Temporarily restricted net assets						
Contributions	-	404	-	404	628	1 032
Net realized gains on investments	-	5 343	-	5 343	1 050	6 393
Net assets released from restrictions (non-operating)	-	(1 002)	-	(1 002)	(658)	(1 660)
Net assets released from restrictions (operating)	-	(387)	-	(387)	(436)	(823)
Net assets released from restrictions for property acquisitions	-	-	-	-	-	-
Gain (loss) on interest in net assets of foundation	-	1 528	-	1 528	(1 528)	-
Contribution of temporarily restricted net assets of PAH and affiliates	-	-	-	-	783	783
Other	-	(1)	-	(1)	(302)	(303)
Increase (decrease) in temporarily restricted net assets	-	5 885	-	5 885	(587)	5 298
Permanently restricted net assets						
Contributions	-	-	-	-	19	19
Contribution of permanently restricted net assets of PAH and affiliates	-	-	-	-	24 146	24 146
Net investment income gains (losses)	-	-	-	-	(308)	(308)
Other	-	-	-	-	-	-
Increase (decrease) in permanently restricted net assets	-	-	-	-	23 857	23 857
Increase (decrease) in net assets	20 791	14 604	-	35 395	110 345	145 740
Net assets, beginning of year	93 685	448 524	-	542 209	147 120	689 329
Net assets, end of year	<u>\$ 114 476</u>	<u>463 128</u>	<u>-</u>	<u>577 604</u>	<u>257 465</u>	<u>835 069</u>

MEMORIAL HEALTH SYSTEM
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
SEPTEMBER 30, 2014

(dollars in thousands)

	<u>MHS</u>	<u>MMC</u>	<u>OBLIGATED GROUP TOTAL</u>	<u>NON-OBLIGATED GROUP TOTAL</u>	<u>CONSOLIDATED TOTAL</u>
Cash flows from operating activities					
Changes in net assets	\$ 20,791	14,604	35,395	110,345	145,740
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities					
Change in unrealized (gain) loss on interest rate swaps	(556)	(845)	(1,401)	(34)	(1,435)
Change in unrealized (gain) loss on investments, net	(1,033)	(5,290)	(6,323)	(4,661)	(10,984)
Restricted contributions and other	-	(404)	(404)	(647)	(1,051)
Increase in beneficial interest in perpetual trust	-	(5,343)	(5,343)	-	(5,343)
Depreciation and amortization	10,869	29,083	39,952	12,233	52,185
Amortization of bond issuance costs	57	285	342	192	534
(Gain) loss on disposal of assets	(142)	141	(1)	6	5
Provision for uncollectible accounts	-	9,377	9,377	6,390	15,767
Change in pension obligation	347	35,207	35,554	(1,355)	34,199
Contribution of net assets of PAH and affiliates	-	-	-	(93,856)	(93,856)
Changes in assets and liabilities				-	
Accounts receivable	-	(21,744)	(21,744)	(6,057)	(27,801)
Inventory and other assets	(1,203)	12,776	11,573	23	11,596
Estimated third-party payor settlements	-	(1,756)	(1,756)	(413)	(2,169)
Accounts payable and other current liabilities	2,491	3,314	5,805	(132)	5,673
Self-insurance and other long-term liabilities	4,724	(19,923)	(15,199)	1,776	(13,423)
Amount due to (from) affiliates	(2,951)	2,295	(656)	656	-
Equity in (income) loss of unconsolidated affiliates and foundation	-	(1,528)	(1,528)	1,528	-
Transfers to (from) related organizations	(20,685)	35,021	14,336	(14,336)	-
Net cash provided by (used in) operating activities	<u>12,709</u>	<u>85,270</u>	<u>97,979</u>	<u>11,658</u>	<u>109,637</u>
Cash flows from investing activities					
Acquisition of property and equipment	(37,551)	(78,517)	(116,068)	(7,473)	(123,541)
Proceeds on sale of property	-	11	11	1	12
Receipt from acquisition of PAH and affiliates	-	-	-	5,677	5,677
(Deposits) withdrawals in investments, net	(933)	(378)	(1,311)	(8,887)	(10,198)
Other investment activity, net	(3,512)	(17,893)	(21,405)	(3,604)	(25,009)
Change in investment in partnerships	(97)	-	(97)	263	166
Net change in other assets	(51)	-	(51)	259	208
Net cash provided by (used in) investing activities	<u>(42,144)</u>	<u>(96,777)</u>	<u>(138,921)</u>	<u>(13,764)</u>	<u>(152,685)</u>
Cash flows from financing activities					
Restricted contributions and other	-	404	404	647	1,051
Repayment of long-term debt	(3,655)	(4,638)	(8,293)	(2,965)	(11,258)
Issuance of long-term debt	-	60,100	60,100	-	60,100
Proceeds from short-term borrowings	-	25,000	25,000	-	25,000
Repayment of short-term borrowings	-	(25,000)	(25,000)	-	(25,000)
Premium from bond issuance, net of issuance costs	-	(150)	(150)	-	(150)
Distributions from beneficial interest in remainder trust	-	1,002	1,002	-	1,002
Transfers (to) from related organizations	20,685	(35,021)	(14,336)	14,336	-
Net cash flows provided by (used in) financing activities	<u>17,030</u>	<u>21,697</u>	<u>38,727</u>	<u>12,018</u>	<u>50,745</u>
Net increase (decrease) in cash and cash equivalents	(12,405)	10,190	(2,215)	9,912	7,697
Cash and cash equivalents, beginning of year	15,358	75,556	90,914	51,150	142,064
Cash and cash equivalents, end of year	<u>\$ 2,953</u>	<u>\$ 85,746</u>	<u>\$ 88,699</u>	<u>\$ 61,062</u>	<u>\$ 149,761</u>

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