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Form 990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public By law, the IRS generally cannot redact the information on the form

▶ Information about Form 990 and its instructions is at www.IRS.gov/form990

OMB No 1545-0047

2013

Open to Public Inspection

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

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
SKY LAKES MEDICAL CENTER

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
2865 DAGGETT AVENUE

City or town, state or province, country, and ZIP or foreign postal code
KLAMATH FALLS, OR 97601

D Employer identification number
93-0508781

E Telephone number
(541) 274-6311

G Gross receipts $ 511,703,917

F Name and address of principal officer
PAUL STEWART
2865 DAGGETT AVENUE
KLAMATH FALLS,OR 97601

H(a) Is this a group return for subordinates? ☐ Yes ☑ No

H(b) Are all subordinates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW SKYLAKES ORG

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

L Year of formation 1979

M State of legal domicile OR

Part I Summary

1 Briefly describe the organization's mission or most significant activities
SKY LAKES MEDICAL CENTER WILL CONTINUALLY STRIVE TO REDUCE THE BURDEN OF ILLNESS, INJURY AND DISABILITY, AND TO IMPROVE THE HEALTH, SELF- RELIANCE AND WELL-BEING OF THE PEOPLE WE SERVE WE WILL DEMONSTRATE THAT WE ARE COMPETENT AND CARING IN ALL WE DO WE SHALL ENDEAVOR TO BE SO SUCCESSFUL IN THIS EFFORT THAT WE WILL BECOME A PREEMINENT HEALTHCARE CENTER

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	9
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	8
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	1,436
6	Total number of volunteers (estimate if necessary)	**6**	360
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	8,710
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	4,433

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	2,108,577	1,216,620
	9 Program service revenue (Part VIII, line 2g)	443,177,926	507,426,845
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,891,059	2,072,795
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-239,830	201,359
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	447,937,732	510,917,619
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	252,388	178,642
	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)	83,990,919	90,469,004
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	348,624,683	397,685,998
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	432,867,990	488,333,644
	19 Revenue less expenses Subtract line 18 from line 12	15,069,742	22,583,975

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	216,824,030	237,247,168
	21 Total liabilities (Part X, line 26)	76,047,401	73,906,485
	22 Net assets or fund balances Subtract line 21 from line 20	140,776,629	163,340,683

Part II Signature Block

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

Sign Here

****** | 2016-01-21
Signature of officer | Date

RICHARD RICO VP/CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
WENDY CAMPOS		2016-01-21		P00448102

Firm's name ▶ MOSS ADAMS LLP | Firm's EIN ▶ 91-0189318

Firm's address ▶ 805 SW BROADWAY STE 1200
PORTLAND, OR 97205 | Phone no (503) 242-1447

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

SKY LAKES MEDICAL CENTER WILL CONTINUALLY STRIVE TO REDUCE THE BURDEN OF ILLNESS, INJURY AND DISABILITY, AND TO IMPROVE THE HEALTH, SELF- RELIANCE AND WELL-BEING OF THE PEOPLE WE SERVE WE WILL DEMONSTRATE THAT WE ARE COMPETENT AND CARING IN ALL WE DO WE SHALL ENDEAVOR TO BE SO SUCCESSFUL IN THIS EFFORT THAT WE WILL BECOME A PREEMINENT HEALTHCARE CENTER

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 $ 426,799,187 including grants of $ 32,333) (Revenue $ 496,633,314)

PATIENT CARE EXPENSES - ACUTE INPATIENT CARE FOR ADULT AND PEDIATRIC PATIENTS A LEVEL III TRAUMA EMERGENCY DEPARTMENT SERVICES RELATED TO CHILD ABUSE, HOME CARE, PHYSICAL, OCCUPATIONAL AND SPEECH THERAPIES A CANCER TREATMENT CENTER WITH BOTH MEDICAL AND RADIATION ONCOLOGY AND DIAGNOSTIC TESTING (LABORATORY AND DIAGNOSTIC IMAGING) AVAILABILITY IN SETTINGS AROUND THE COMMUNITY

4b (Code) (Expenses $ 27,626,060 including grants of $) (Revenue $)

UNCOMPENSATED CARE - DURING FISCAL YEAR 2014, LIKE MOST US HOSPITALS SKY LAKES MEDICAL CENTER SAW A SHIFT AWAY FROM CHARITY CARE APPLICATIONS DUE TO THE AFFORDABLE CARE ACT CHARGES WRITTEN OFF UNDER OUR BROAD REACHING CHARITY CARE POLICY TOTALED $11,662,310 (COMPARED TO $15,764,015 FOR FISCAL YEAR 2013) IN ADDITION TO CHARITY CARE WRITE OFFS, CHARGES WRITTEN OFF AS BAD DEBT TOTALED $15,963,751 (VERSUS THE $14,128,143 WRITTEN OFF IN FISCAL YEAR 2013) AS A PERCENTAGE OF CHARGES, FISCAL YEAR 2014 WRITE OFFS REPRESENT 2 3% (CHARITY CARE) AND 2 5% (BAD DEBT) RESPECTIVELY THESE PERCENTAGES FOR THE PRIOR YEAR WERE 4 1% AND 3 2% THE AVERAGE CHARITY CARE WRITE OFFS BACK TO 2004 RAN 1 8% WE CONTINUE TO DO A MUCH BETTER JOB OF IDENTIFYING PATIENTS REQUIRING CHARITY CARE AT THE TIME SERVICE IS PROVIDED AND AVOIDING, AS MUCH AS POSSIBLE, HAVING SERVICES LATER CHARGED OFF AS BAD DEBT THIS CONTINUES TO BRING DOWN OUR BAD DEBT WRITE OFF PERCENTAGE

4c (Code) (Expenses $ 6,085,860 including grants of $ 146,309) (Revenue $ 2,594,008)

EDUCATIONAL SUPPORT - SKY LAKES MEDICAL CENTER COMMITS SIGNIFICANT DOLLARS AND MAN-HOURS TO BENEFIT EDUCATIONAL EFFORTS IN AND FOR THE COMMUNITY AMONG THOSE COMMITMENTS ARE THE FOLLOWING OREGON HEALTH & SCIENCE UNIVERSITY AFFILIATED FAMILY PRACTICE RESIDENCY PROGRAM AND CLINIC AN RN I TRAINING PROGRAM TO INCLUDE 6 MONTHS OF ONE-ON-ONE SUPERVISED ORIENTATION TO THE INPATIENT CARE AREAS AWARDING OF SCHOLARSHIPS TO COMMUNITY MEMBERS AND/OR EMPLOYEES IN HEALTHCARE- RELATED PROGRAMS A HOSPITAL DEPARTMENT, LEARNING RESOURCES, DEDICATED TO THE EDUCATION OF PHYSICIANS, EMPLOYEES AND COMMUNITY MEMBERS COMMITMENT TO EMPLOYEES ACTING, EITHER FULL-TIME OR PART-TIME, AS INSTRUCTORS IN ACCREDITED COURSES AT THE HIGH SCHOOL, COMMUNITY COLLEGE OR UNIVERSITY LEVEL STIPEND PAYMENTS TO STUDENTS PERFORMING WORK AND/OR ON-THE-JOB TRAINING WITHIN THE HOSPITAL SETTING TUITION REIMBURSEMENTS PAID TO EMPLOYEES ENROLLED IN COLLEGE-LEVEL COURSEWORK JOINT PARTICIPATION IN A SIMULATION LABORATORY WITH OIT FREE OR MINIMAL COST COMMUNITY EDUCATIONAL OPPORTUNITIES SUCH AS DIABETES EDUCATION, NUTRITION AND OTHER EDUCATION PROGRAMS IN OR FOR THE SCHOOLS AND HEALTH FAIRS

(Code) (Expenses $ including grants of $) (Revenue $ 8,223,929)

EXPENSES RELATED TO MEDICAL CENTER SUPPORTING SERVICES SUCH AS ADMINISTRATION, INFORMATION SYSTEMS, FINANCIAL SERVICES, REVENUE CYCLE PROCESSES, HUMAN RESOURCES, ENGINEERING, ENVIRONMENTAL SERVICES, RISK MANAGEMENT, AND SAFETY AND SECURITY

4d Other program services (Describe in Schedule O)

(Expenses $ including grants of $) (Revenue $ 8,223,929)

4e **Total program service expenses** ▶ 460,511,107

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**	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? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	**26**	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	180		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1,436		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a**	9		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	8		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**			No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**			No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**			No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

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

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization

▶ RICHARD RICO VPCFO 2865 DAGGETT AVENUE
KLAMATH FALLS, OR 97601 (541) 274-6150

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JOHN BELL CHAIRMAN	3 00 1 00	X		X				0	0	0
(2) ROD WENDT VICE CHAIRMAN	1 00 1 00	X		X				0	0	0
(3) PAUL R STEWART PRESIDENT/CEO/SECRETARY/TREASURER	50 00 1 00	X		X				566,702	0	41,986
(4) KERMIT HOUSER BOARD MEMBER	1 00 1 00	X						0	0	0
(5) JEAN PHILLIPS BOARD MEMBER	1 00 1 00	X						0	0	0
(6) CLARK PEDERSON BOARD MEMBER	1 00 3 00	X						0	0	0
(7) WENDY WARREN MD BOARD MEMBER	1 00 1 00	X						0	0	0
(8) DOUGLAS MCINNIS DVM BOARD MEMBER	1 00 1 00	X						0	0	0
(9) JOHN R PATTEE MD BOARD MEMBER	1 00 1 00	X						22,550	0	0
(10) RICHARD RICO VP/CFO	50 00			X				357,904	0	49,738
(11) NASSER ABU-ERREISH MD MEDICAL PROVIDER	40 00					X		429,663	0	28,563
(12) PATRICK MAVEETY MD MEDICAL PROVIDER	40 00					X		413,436	0	22,331
(13) RICHARD DEVORE MD MEDICAL PROVIDER	40 00					X		376,830	0	34,314
(14) STANTON SMITH MD MEDICAL PROVIDER	40 00					X		371,635	0	34,531
(15) ZEINA EL-AMIL MD MEDICAL PROVIDER	40 00					X		356,836	0	27,367

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								2,895,556	0	238,830

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶96

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
KLAMATH RADIOLOGY ASSOCIATES PC 2900 DAGGETT AVENUE KLAMATH FALLS OR 97601	PHYSICIAN PRACTICE	3,152,104
FOCUSONE SOLUTIONS LLC 13609 CALIFORNIA STREET OMAHA NE 68154	STAFFING SERVICES	701,052
CORE FINANCE TEAM AFFILIATES LLC 3901 WEST 86TH STREET SUITE 310 INDIANAPOLIS IN 46268	CONSULTING SERVICES	698,482
KLAMATH ORTHOPEDIC CLINIC 2220 BRYANT WILLIAMS DRIVE KLAMATH FALLS OR 97601	PHYSICIAN PRACTICE	607,385
MEDICUS HOSPITALISTS WEST LLC 22 ROULSTON ROAD WINDHAM NH 03087	STAFFING SERVICES	522,596
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 ▶18		

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations . . .	1d	1,206,385			
	e	Government grants (contributions)	1e	10,235			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		1,216,620			
Program Service Revenue			Business Code				
	2a	PATIENT REVENUE	621990	496,778,330	496,778,330		
	b	OTHER PROGRAM REVENUE	621990	10,648,515	10,648,515		
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		507,426,845			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		2,056,141			2,056,141
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real	(ii) Personal			
	6a	Gross rents	689,618				
	b	Less rental expenses	697,481				
	c	Rental income or (loss)	-7,863				
	d	Net rental income or (loss) . . . . . ▶		-7,863			-7,863
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		20,683			
	b	Less cost or other basis and sales expenses		4,029			
	c	Gain or (loss)		16,654			
	d	Net gain or (loss) . . . . . ▶		16,654			16,654
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶					
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . ▶					
	10a	Gross sales of inventory, less returns and allowances . a		114,827			
	b	Less cost of goods sold . . b		84,788			
	c	Net income or (loss) from sales of inventory . . ▶		30,039			30,039
		Miscellaneous Revenue	Business Code				
	11a	PASSTHROUGH INCOME	621990	116,349	24,406	8,710	83,233
	b	OTHER INCOME	900099	62,834			62,834
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶		179,183			
	12	**Total revenue.** See Instructions . . . . . ▶		510,917,619	507,451,251	8,710	2,241,038

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	32,333	32,333		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	146,309	146,309		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,123,193		1,123,193	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	70,025,166	64,530,680	5,494,486	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	2,755,508	2,429,743	325,765	
9 Other employee benefits	11,033,132	9,833,097	1,200,035	
10 Payroll taxes	5,532,005	4,436,011	1,095,994	
11 Fees for services (non-employees)				
a Management				
b Legal	234,511	7,490	227,021	
c Accounting	152,518	117	152,401	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	6,046,131	6,046,131		
12 Advertising and promotion	889,586	337,523	552,063	
13 Office expenses	1,987,935	1,284,757	703,178	
14 Information technology	2,983,592	58,133	2,925,459	
15 Royalties				
16 Occupancy	3,376,391	3,279,529	96,862	
17 Travel	177,969	138,443	39,526	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	693,512	544,929	148,583	
20 Interest	2,971,607		2,971,607	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	9,785,665	3,517,200	6,268,465	
23 Insurance	2,425,503	1,056,707	1,368,796	
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 CONTRACTUAL ALLOWANCE	282,115,893	282,115,893		
b SUPPLIES	27,428,450	27,264,789	163,661	
c BAD DEBTS	15,963,751	15,963,751		
d TAXES PAID ON UBI	600		600	
e All other expenses	40,452,384	37,487,542	2,964,842	
25 **Total functional expenses.** Add lines 1 through 24e	488,333,644	460,511,107	27,822,537	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		10,740,249	1	16,795,518
	2	Savings and temporary cash investments		24,067,447	2	27,054,272
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		21,815,609	4	24,347,970
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		150,313	5	304,981
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		1,814,623	8	2,181,720
	9	Prepaid expenses and deferred charges		2,416,059	9	2,696,455
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 198,098,259			
	b	Less accumulated depreciation	10b 107,465,418	88,843,570	10c	90,632,841
	11	Investments—publicly traded securities		37,089,769	11	48,760,547
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11		3,712,125	13	4,557,044
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		26,174,266	15	19,915,820
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		216,824,030	16	237,247,168
Liabilities	17	Accounts payable and accrued expenses		6,166,803	17	6,840,114
	18	Grants payable			18	
	19	Deferred revenue		2,541,306	19	2,507,868
	20	Tax-exempt bond liabilities		55,834,010	20	54,587,427
	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		1,014,735	23	0
	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		10,490,547	25	9,971,076
	26	**Total liabilities.** Add lines 17 through 25		76,047,401	26	73,906,485
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		140,776,629	27	163,340,683
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		140,776,629	33	163,340,683
	34	Total liabilities and net assets/fund balances		216,824,030	34	237,247,168

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	510,917,619
2	Total expenses (must equal Part IX, column (A), line 25)	2	488,333,644
3	Revenue less expenses Subtract line 2 from line 1	3	22,583,975
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	140,776,629
5	Net unrealized gains (losses) on investments	5	19,713
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	-39,634
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	163,340,683

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SKY LAKES MEDICAL CENTER

Employer identification number
93-0508781

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

Facts And Circumstances Test		
Return Reference	Explanation	

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SCHEDULE 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
SKY LAKES MEDICAL CENTER

Employer identification number
93-0508781

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	14,589,830	13,956,740	11,698,651	12,339,426	11,694,819
b	Contributions	170,459	12,716	20,361	98,175	86,864
c	Net investment earnings, gains, and losses	-420,216	2,126,606	2,760,201	-202,310	1,209,992
d	Grants or scholarships	580,298	10,509	12,270	32,407	37,029
e	Other expenditures for facilities and programs	0	1,214,051	220,861	256,108	390,645
f	Administrative expenses	214,074	281,672	289,342	248,125	224,575
g	End of year balance	13,545,701	14,589,830	13,956,740	11,698,651	12,339,426

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

- a Board designated or quasi-endowment ▶ 100 000 %
- b Permanent endowment ▶ 0 %
- c Temporarily restricted endowment ▶ 0 %

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		2,066,980		2,066,980
b Buildings		117,202,388	56,550,317	60,652,071
c Leasehold improvements		4,298,718	2,745,746	1,552,972
d Equipment		70,798,696	47,963,168	22,835,528
e Other		3,731,477	206,187	3,525,290
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				90,632,841

Part VII **Investments—Other Securities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶		

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

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

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

(a) Description	(b) Book value
(1) ASSETS LIMITED AS TO USE	5,006,061
(2) OTHER ASSETS	1,460,358
(3) RISK POOL WITHHOLD RECEIVABLE	2,744,067
(4) DEFERRED FINANCING COSTS	1,693,174
(5) CONSTRUCTION IN PROCESS	1,451,700
(6) OTHER RECEIVABLES	7,560,460
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	19,915,820

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

1 (a) Description of liability	(b) Book value
Federal income taxes	
CAPITAL LEASE OBLIGATIONS	7,247,107
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	2,723,969
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	9,971,076

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

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

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

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

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

Part XIII **Supplemental Information**

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

Return Reference	Explanation
PART V, LINE 4	ENDOWMENTS ARE HELD BY A RELATED ORGANIZATION, SKY LAKES MEDICAL CENTER FOUNDATION, FOR THE BENEFIT OF SKY LAKES MEDICAL CENTER THE CONTINUED GROWTH OF THE ENDOWMENT FUNDS ALLOWS FOR LARGER EXPENDITURES OF INVESTMENT AND OTHER INCOME TO BE SPENT WITHOUT EXPENDING ANY OF THE INITIAL GIFTED FUNDS OR DESIGNATED FUNDS, WHICH REMAIN AS ENDOWED FUNDS
PART X, LINE 2	FIN 48 (ASC 740) UNCERTAIN TAX POSITION FOOTNOTE - THE MEDICAL CENTER HAD NO UNRECOGNIZED TAX BENEFITS AT SEPTEMBER 30, 2014 OR 2013 THE MEDICAL CENTER RECOGNIZES INTEREST ACCRUED AND PENALTIES RELATED TO UNRECOGNIZED TAX BENEFITS AS AN ADMINISTRATIVE EXPENSE DURING THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013, THE MEDICAL CENTER RECOGNIZED NO INTEREST AND PENALTIES THE MEDICAL CENTER FILES AN EXEMPT ORGANIZATION INFORMATION AND AN UNRELATED BUSINESS INCOME TAX RETURN IN THE U S FEDERAL JURISDICTION AND AN UNRELATED BUSINESS INCOME TAX RETURN WITH THE OREGON DEPARTMENT OF REVENUE

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SKY LAKES MEDICAL CENTER

Employer identification number
93-0508781

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)		11,143	12,931,403		12,931,403	2 740 %
b Medicaid (from Worksheet 3, column a)			42,040,508	38,751,529	3,288,979	0 700 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs		11,143	54,971,911	38,751,529	16,220,382	3 440 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	12	146,899	526,991	5,046	521,945	0 110 %
f Health professions education (from Worksheet 5)	2	7,000	4,598,347	2,090,442	2,507,905	0 530 %
g Subsidized health services (from Worksheet 6)	5	344,041	28,628,862	25,130,164	3,498,698	0 740 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			144,823		144,823	0 030 %
j **Total.** Other Benefits	19	497,940	33,899,023	27,225,652	6,673,371	1 410 %
k **Total.** Add lines 7d and 7j	19	509,083	88,870,934	65,977,181	22,893,753	4 850 %

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support	9	231,143	671,439	503,566	167,873	0 040 %
4	Environmental improvements						
5	Leadership development and training for community members	1	1,660	16,420	0	16,420	0 %
6	Coalition building	1	4,800	1,020	0	1,020	0 %
7	Community health improvement advocacy	12	107,303	174,340	0	174,340	0 040 %
8	Workforce development	3	100,030	700,633	0	700,633	0 150 %
9	Other						
10	**Total**	26	444,936	1,563,852	503,566	1,060,286	0 230 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1		No
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	15,963,751		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3	1,915,650		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	51,737,964		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	52,704,091		
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-966,127		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

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

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

Part V Facility Information

Section A. Hospital Facilities

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

	Name, address, primary website address, and state license number	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
	See Additional Data Table										

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group SKY LAKES MEDICAL CENTER

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

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☑ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 2013			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) SKYLAKES ORG			
b	☐ Other website (list url)			
c	☐ Available upon request from the hospital facility			
d	☑ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☐ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☐ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☐ Medical indigency			
d ☐ Insurance status			
e ☑ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Residency			
i ☑ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☑ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

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

Form and Line Reference	Explanation
See Additional Data Table	

Part V Facility Information *(continued)*

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

How many non-hospital health care facilities did the organization operate during the tax year? **15**

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

Part VI Supplemental Information

Provide the following information

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

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

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

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

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

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

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

Form and Line Reference	Explanation
PART I, LINE 7	A COST-TO-CHARGE RATIO WAS USED FOR THE FINANCIAL ASSISTANCE AND COMMUNITY BENEFITS TABLE THE RATIO WAS DERIVED USING WORKSHEET 2, RATIO OF PATIENT CARE COST-TO-CHARGES

Form and Line Reference	Explanation
PART I, LINE 7, COLUMN (F)	THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $ 15,963,751

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	COMMUNITY BUILDING ACTIVITIES COMMUNITY SUPPORT ACTIVITIES INCLUDE KLAMATH-LAKE CHILD ABUSE RESPONSE AND EVALUATION SERVICES (CARES) CARES IS DEDICATED TO PROVIDING SAFE, COMPREHENSIVE, OBJECTIVE MEDICAL ASSESSMENTS, AND TO RAISING AWARENESS ABOUT CHILD ABUSE THROUGH COORDINATED, COLLABORATIVE EDUCATIONAL PROGRAMS FOUR TIMES PER YEAR, DISCOUNTED AND FREE PRESCRIPTION DRUGS, ALONG WITH EDUCATIONAL SUPPORT BY LICENSED PHARMACISTS, ARE PROVIDED TO LOW INCOME ELDERLY THROUGH LOCAL SENIOR CENTERS THE NO ONE DIES ALONE PROGRAM IS A VOLUNTEER PROGRAM THAT PROVIDES THE REASSURING PRESENCE OF A VOLUNTEER COMPANION TO DYING PATIENTS WHO WOULD OTHERWISE BE ALONE SKY LAKES ALSO PARTICIPATES IN RELAY FOR LIFE, UNITED WAY AND OTHER LOCAL FUNDRAISING AND AWARENESS INITIATIVES, AS WELL AS ONGOING EFFORTS IN THE PERIOD OF PURPLE CRYING COMMUNITY EDUCATION CAMPAIGN THERE ARE A NUMBER OF OTHER COMMUNITY SUPPORT ACTIVITIES THAT ARE PROVIDED, INCLUDING BUT NOT LIMITED TO SPONSORSHIP OF SUPPORT GROUPS FOR CANCER, ADOPTING FAMILIES AT CHRISTMAS, TRANSPORTATION ASSISTANCE TO INDIGENT PATIENTS, STAFF VOLUNTEER PARTICIPATION IN COMMUNITY EVENTS, AND FREE ACCESS TO MEETING ROOMS LEADERSHIP DEVELOPMENT AND TRAINING FOR COMMUNITY MEMBERS SKY LAKES AND SKY LAKES EMPLOYEES WORK IN CONJUNCTION WITH THE KLAMATH COUNTY HIGH SCHOOLS AND OREGON INSTITUTE OF TECHNOLOGY TO DEVELOP AN AWARENESS OF HEALTH CARE, HEALTH CARE CAREERS, AND SUPPORT FOR HEALTH PROFESSIONS EDUCATION SUPPORT AND TRAINING SENIORS IN THE OREGON HEALTH & SCIENCE UNIVERSITY NURSING PROGRAM IN KLAMATH FALLS CONDUCT QUALITATIVE SURVEILLANCE OF THE PERCEIVED HEALTH STATUS OF PEOPLE IN NEARBY COMMUNITIES AND REPORT ON BARRIERS TO ACCESS TO HEALTHCARE IDENTIFIED BY THOSE COMMUNITIES THE STUDENTS USE TOOLS INCLUDING ONE-ON-ONE INTERVIEWS, FOCUS GROUPS, PUBLIC MEETINGS, AND PHONE SURVEYS THEIR DATA ARE SHARED WITH COMMUNITY LEADERS AND COMPARED WITH OTHER DATA TO DEVELOP COMPREHENSIVE IMPROVEMENT STRATEGIES COALITION BUILDING THE LOCAL HEALTH DEPARTMENT, IN CONJUNCTION WITH THE OREGON HEALTH DEPARTMENT, PERIODICALLY PERFORMS HEALTH ASSESSMENTS OF THE PEOPLE IN THE COMMUNITIES SERVED BY SKY LAKES THE MEDICAL CENTER WORKS WITH LOCAL HEALTH AUTHORITIES TO DETERMINE THE HEALTH INITIATIVES THAT CAN BE JOINTLY ADDRESSED BY COMMUNITY LEADERS, WITH SKY LAKES MEDICAL CENTER SERVING A SIGNIFICANT LEADERSHIP ROLE SKY LAKES MEDICAL CENTER ACTIVELY PARTNERS WITH AGENCIES SUCH AS THE KLAMATH COUNTY HEALTH DEPARTMENT, OREGON HEALTH & SCIENCE UNIVERSITY, AND THE UNITED WAY OF THE KLAMATH BASIN IN HEALTH-IMPROVEMENT INITIATIVES EMPLOYEES VOLUNTEER THEIR TIME FOR LEADERSHIP KLAMATH, KLAMATH HOSPICE AND MANY OTHER COMMUNITY SERVICE ORGANIZATIONS WHERE LEADERS COME TOGETHER COMMUNITY HEALTH IMPROVEMENT ADVOCACY SKY LAKES ALSO SUPPORTS COMMUNITY HEALTH IMPROVEMENT ADVOCACY VIA THE SOUTHERN OREGON METH PROJECT SOMP IS MADE UP OF COMMUNITY BUSINESSES THAT HOPE TO HAVE AN IMPACT ON THE 75% OF CHILDREN IN FOSTER CARE THAT ARE THERE BECAUSE OF METH AND ON THE 8 OUT OF 10 ARRESTS BEING RELATED TO METH OVERWHELMED COURTS AND JAILS IN OUR COMMUNITY HELP DRIVE THE SOMP PARTNERS TO COME TOGETHER TO STOP THE NEXT GENERATION FROM WORSENING THE PROBLEM OTHER HEALTH IMPROVEMENT ADVOCACY TAKES PLACE VIA AN ANNUAL HEALTH FAIR AND ONGOING EDUCATIONAL OFFERINGS FOR HEART DISEASE, CHOLESTEROL SCREENING, WEIGHT MANAGEMENT, NUTRITION, DUII, EATING ON A BUDGET, BREASTFEEDING, SMOKING CESSATION, CAR SEAT SAFETY, AIDS/HIV, AND DIABETES IN ADDITION TO COMMUNITY MEMBERS, EDUCATIONAL OFFERINGS INCLUDE NURSING STUDENTS, ELEMENTARY, MIDDLE, HIGH SCHOOLS AND LOCAL COLLEGES EMPLOYEE SUPPORT - TIME AND MONETARY DONATIONS - OF LOCAL FOOD BANKS IS ALSO ENCOURAGED WORKFORCE DEVELOPMENT SKY LAKES UNDERWRITES THE WAGES AND BENEFITS OF SELECTED NEW GRADUATES FROM THE LOCAL BACCALAUREATE NURSING PROGRAM THESE NURSES SPEND 6 MONTHS ORIENTING TO VARIOUS INPATIENT UNITS BY SHADOWING EXPERIENCED REGISTERED NURSES IN ORDER TO DETERMINE THE BEST EMPLOYMENT FIT FOR THEM AND FOR SKY LAKES

Form and Line Reference	Explanation
PART III, LINE 4	BAD DEBTS ARE ACCRUED MONTHLY AT A FIXED PERCENTAGE OF GROSS CHARGES BOOKED BAD DEBT EXPENSE IS ROUTINELY COMPARED TO ACTUAL BAD DEBT WRITEOFFS, WHICH INCLUDE PAYMENTS TO PREVIOUSLY RECORDED BAD DEBTS, AND THE ACCRUAL PERCENTAGE IS ADJUSTED ACCORDINGLY THIS PROCESS HAS THE INTENDED EFFECT OF REALIZING BAD DEBT EACH MONTH AS A LESS VOLATILE EXPENSE BAD DEBT EXPENSE INCLUDES PAYMENTS - PATIENT AND INSURANCE - TO PREVIOUSLY RECORDED BAD DEBTS SKY LAKES MEDICAL CENTER OFFERS A CHARITY CARE APPLICATION TO ALL PATIENTS, EITHER IN PERSON OR MAKING IT AVAILABLE VIA US MAIL OR ON THE HOSPITAL'S WEBSITE A SAMPLE OF PROCESSED CHARITY CARE APPLICATIONS WAS TAKEN WE FOUND THAT 12% OF CHARITY CARE APPLICATIONS WERE TURNED TO BAD DEBT DUE TO LACK OF INFORMATION SUPPLIED BY THE HOUSEHOLD WE ASSUME THAT ALL REMAINING BAD DEBT ACCOUNTS WERE CORRECTLY CLASSIFIED DURING OUR COLLECTION PROCESS THIS 12% REPRESENTS $1 9 MILLION THE FOOTNOTE THAT DISCUSSES BAD DEBT EXPENSE IS CONTAINED ON PAGE 14 OF THE ATTACHED FINANCIAL STATEMENTS, ENTITLED PATIENT ACCOUNTS RECEIVABLE

Form and Line Reference	Explanation
PART III, LINE 8	MEDICARE REIMBURSEMENTS DO NOT COVER THE COSTS OF DELIVERING CARE TO THE COMMUNITY IN ADDITION, SKY LAKES IS A TEACHING HOSPITAL THAT PROVIDES ACCESS TO PRIMARY CARE IN A RURAL COMMUNITY THAT HAS A PHYSICIAN SHORTAGE SERVICES PROVIDED AND PAID ON THE MEDICARE FEE SCHEDULE (E G OUTPATIENT LAB TESTS, OUTPATIENT THERAPY SERVICES, OR PROVIDER BASED PHYSICIAN SERVICES) ARE NOT INCLUDED IN THE MEDICARE AMOUNTS INCLUDED IN PART III, SECTION B SKY LAKES DOES NOT UTILIZE A COST ACCOUNTING SYSTEM VENDORS AND SURVEYING AGENCIES (GOVERNMENTAL AND NON-GOVERNMENTAL) ARE PROVIDED WITH THE MEDICARE COST REPORT COST-TO-CHARGE RATIO WHEN THEY REQUEST IT COSTS OF ROUTINE AND ICU NURSING SERVICES ARE CALCULATED ON A PER DIEM ANCILLARY SERVICE COSTS ARE CALCULATED BASED ON TOTAL COSTS INCLUDING OVERHEAD TO TOTAL CHARGES BY ANCILLARY SERVICE TO DEVELOP A RATIO OF COSTS-TO-CHARGES (RCC), WITH MEDICARE'S APPORTIONMENT CALCULATED BY TAKING MEDICARE CHARGES MULTIPLIED BY THE RCC DEVELOPED ON THE COST REPORT

Form and Line Reference	Explanation
PART III, LINE 9B	SKY LAKES PLACES ALL ACCOUNTS IDENTIFIED AS ELIGIBLE FOR FINANCIAL ASSISTANCE ON HOLD AND THEN MAKES ANY NECESSARY ADJUSTMENTS BEFORE STATEMENTS ARE SENT MANY OF THESE ACCOUNTS ARE ADJUSTED OFF COMPLETELY AND NO STATEMENTS ARE SENT SKY LAKES ALSO CALLS PAST DUE ACCOUNTS (THIRD STATEMENT) AND REVIEWS TO SEE IF FINANCIAL ASSISTANCE IS AVAILABLE LARGER ACCOUNTS ARE REVIEWED BY FINANCIAL COUNSELORS AND CHAMBERLIN EDMONDS FOR FINANCIAL ASSISTANCE ELIGIBILITY OR MEDICAID ELIGIBILITY BOTH GROUPS MAKE PROACTIVE CALLS AND FOLLOW UP WITH PATIENTS TO GET THE NECESSARY INFORMATION TURNED IN

Form and Line Reference	Explanation
PART VI, LINE 2	BESIDES FORMAL CONVERSATIONS WITH COMMUNITY PARTNERS AND MEDICAL COLLABORATORS, SKY LAKES MEDICAL CENTER ACTIVELY PARTNERS WITH AGENCIES SUCH AS THE KLAMATH COUNTY HEALTH DEPARTMENT AND THE UNITED WAY OF THE KLAMATH BASIN IN HEALTH-IMPROVEMENT INITIATIVES THE HEALTH DEPARTMENT, IN CONJUNCTION WITH THE OREGON HEALTH DEPARTMENT, PERIODICALLY PERFORMS HEALTH ASSESSMENTS OF THE PEOPLE IN THE COMMUNITIES SERVED BY SKY LAKES THE MEDICAL CENTER WORKS WITH LOCAL HEALTH AUTHORITIES TO DETERMINE THE HEALTH INITIATIVES THAT CAN BE JOINTLY ADDRESSED BY COMMUNITY LEADERS, WITH SKY LAKES MEDICAL CENTER SERVING A SIGNIFICANT LEADERSHIP ROLE FURTHER, MEDICAL CENTER LEADERS USE INFORMATION AND DATA TRENDING FROM THE ROBERT WOOD JOHNSON FOUNDATION-SPONSORED UNIVERSITY OF WISCONSIN COUNTY HEALTH RANKINGS STUDY TO IDENTIFY SPECIFIC OPPORTUNITIES FOR IMPROVEMENT COMMUNITY MEMBERS PERCEPTIONS REGARDING HEALTH NEEDS ARE CAPTURED IN NON-SCIENTIFIC SURVEYS CONDUCTED AT THE CONCLUSION OF FREE HEALTH- AND WELLNESS-RELATED SEMINARS AND SIMILAR COMMUNITY EVENTS HOSTED BY THE MEDICAL CENTER

Form and Line Reference	Explanation
PART VI, LINE 3	SKY LAKES MEDICAL CENTER'S FINANCIAL ASSISTANCE POLICY AND APPLICATION FOR ASSISTANCE IS LOCATED ON THE HOSPITAL'S WEBSITE, IS REFERENCED IN THE ONLINE BILL-MANAGEMENT SECTION OF THE SITE, AND IS FEATURED IN THE MEDICAL CENTER'S ANNUAL REPORT AND PUBLISHED IN THE ANNUAL LIVE HEALTHY MAGAZINE THE ANNUAL REPORT IS MAILED TO SOME 2,300 HOUSEHOLDS IN THE AREA AND THE MAGAZINE IS DISTRIBUTED TO ROUGHLY 17,000 HOUSEHOLDS IN THE MEDICAL CENTER'S CATCHMENT AREA USING THE LOCAL NEWSPAPER'S DISTRIBUTION NETWORK BOTH ARE AVAILABLE ONLINE AND THE MAGAZINE IS PROMOTED VIA THE NEWSPAPER THE FINANCIAL ASSISTANCE POLICY ALSO IS AVAILABLE WHEN SERVICES ARE PERFORMED IN ADDITION, UNINSURED PATIENTS ARE PROVIDED PATIENT ADVOCACY BASED ELIGIBILITY AND ENROLLMENT SERVICES FOR MEDICAID AND OTHER BENEFIT PROGRAMS THE MEDICAL CENTER ENSURES INFORMATION ABOUT FINANCIAL ASSISTANCE AND APPLICATIONS FOR ASSISTANCE IS AT ALL PATIENT REGISTRATION AREAS AND OUR SPECIALLY TRAINED FINANCIAL COUNSELORS HELP APPLICANTS COMPLETE THE FORM ADDITIONALLY, FINANCIAL COUNSELORS TELEPHONE UNINSURED PATIENTS WITH LARGE BALANCES TO PROACTIVELY OFFER ASSISTANCE OUR ABILITY TO OFFER FINANCIAL ASSISTANCE IS CLEARLY LISTED ON EVERY STATEMENT AND MOST FORM LETTERS WE MAIL IT ALSO IS COVERED DURING COURTESY PHONE CALLS IF THERE IS MENTION OF DIFFICULTY IN PAYING MADE THE ASSISTANCE ALSO IS DISCUSSED IF DIFFICULTY IN PAYING IS MENTIONED DURING INCOMING PHONE CALLS IN ADDITION, SKY LAKES PROVIDES INFORMATION ABOUT FEDERAL, STATE OR LOCAL GOVERNMENT PROGRAMS WE HAVE ENGAGED THE SERVICES OF CHAMBERLIN EDMONDS, A COMPANY THAT SPEAKS WITH ALL UNINSURED INPATIENTS WHO MEET CLEARLY DEFINED CRITERIA CHAMBERLIN EDMONDS STAFF ALSO REVIEW ALL QUALIFYING OUTPATIENT ACCOUNTS AND CONTACT PATIENTS TO DISCUSS THEIR ELIGIBILITY THOSE STAFF FURTHER ASSIST PATIENTS IN COMPLETING FINANCIAL ASSISTANCE APPLICATIONS IF THEY ARE UNSUCCESSFUL GETTING ON A GOVERNMENT PROGRAM BESIDES THE MAIN MEDICAL CENTER, THE SKY LAKES CANCER TREATMENT CENTER ALSO HAS FINANCIAL COUNSELORS WHO ASSIST WITH PHARMACEUTICAL CO-PAY RELIEF THROUGH THE DRUG MANUFACTURERS, RELIEVING PATIENTS OF SOME OF THAT FINANCIAL OBLIGATION THE MEDICAL CENTER, THROUGH A THIRD-PARTY RELATIONSHIP, ROUTINELY PROVIDES NO-CHARGE MEDICATIONS TO INDIGENT PATIENTS THROUGH MAJOR PHARMACEUTICAL COMPANIES

Form and Line Reference	Explanation
PART VI, LINE 4	COMMUNITIES IN A 10,000-SQUARE-MILE, FOUR-COUNTY AREA ENCOMPASSING SOUTH-CENTRAL OREGON AND NORTH-CENTRAL CALIFORNIA COMPRISE THE SKY LAKES MEDICAL CENTER SERVICE AREA WHILE KLAMATH COUNTY IS THE LARGEST POLITICAL UNIT IN THE SERVICE AREA, A TOTAL OF ROUGHLY 80,000 TO 100,000 PEOPLE IN TWO OREGON COUNTIES, KLAMATH AND LAKE, AND TWO CALIFORNIA COUNTIES, MODOC AND SISKIYOU, RELY ON SKY LAKES FOR THEIR ACUTE HEALTHCARE NEEDS CENSUS DATA FROM THE OREGON SECRETARY OF STATE FOR 2013 SHOW KLAMATH COUNTY'S POPULATION AT 66,810, UP FROM 66,380 IN 2010 AND 63,775 IN 2000 HISTORICALLY, LESS THAN 20 PERCENT OF THE POPULATION IS 65 OR OLDER AND ABOUT A FOURTH ARE YOUNGER THAN 18 THE POPULATION'S GENDER SPLIT IS ALMOST EVEN WITH 50 1 PERCENT FEMALE THE MEDIAN HOUSEHOLD INCOME IN THE COUNTY, AS OF JANUARY 2015, IS REPORTED AT $39,627, DOWN FROM $41,066 A YEAR EARLIER, MORE THAN $5,000 LESS THAN THE STATEWIDE MEDIAN ALSO, 14 4 PERCENT OF THE FAMILIES IN THE COUNTY LIVE BELOW THE POVERTY LEVEL, STATISTICS SHOW THE POPULATION SERVED BY THE MEDICAL CENTER IS FURTHER DESCRIBED BY THE RELATIVE RANKINGS FROM THE UNIVERSITY OF WISCONSIN STUDY THE 2014 REPORT NOTES KLAMATH COUNTY IS RANKED 33 OUT OF 33 RANKED OREGON COUNTIES (DOWN FROM 31ST A YEAR EARLIER) ON SUCH FACTORS AS - POOR OR FAIR HEALTH (18 PERCENT VS THE NATIONAL BENCHMARK OF 10 PERCENT AND THE OREGON BENCHMARK OF 14 PERCENT), - ADULT SMOKING (23 PERCENT VS 14 PERCENT NATIONALLY AND 16 PERCENT IN OREGON), - UNINSURED ADULTS (20 PERCENT VS 11 PERCENT NATIONALLY AND 17 PERCENT IN OREGON), - PRIMARY CARE PROVIDERS (1,268 1 VS 1,045 1 NATIONALLY AND 1,105 1 IN OREGON), - UNEMPLOYMENT (10 7 PERCENT VS 4 0 PERCENT NATIONALLY AND 7 7 IN OREGON), - CHILDREN IN POVERTY (27 PERCENT VS 13 PERCENT NATIONALLY AND 22 PERCENT IN OREGON), AND - VIOLENT CRIME RATE (234 VS 59 NATIONALLY AND 249 IN OREGON) DURING 2014, APPROXIMATELY 19 PERCENT OF THE NEARLY 24,000 VISITS TO SKY LAKES MEDICAL CENTER'S EMERGENCY DEPARTMENT RESULTED IN AN INPATIENT STAY ABOUT TWO-THIRDS OF THE INPATIENTS AT SKY LAKES CAME IN VIA THE ER, VERSUS THE STATE AVERAGE OF ABOUT HALF

Form and Line Reference	Explanation
PART VI, LINE 5	BESIDES PROVIDING HIGH-QUALITY HEALTHCARE, SKY LAKES MEDICAL CENTER FURTHERS ITS TAX-EXEMP T PURPOSE AND FULFILLS ITS MEDICAL MISSION TO THE COMMUNITY BY PROVIDING OR SUBSIDIZING NU MEROUS CLASSES, SUPPORT GROUPS, SCREENINGS AND SELF-HELP PROGRAMS FREE CLASSES FOR MOMS-TO -BE AND FOR SIBLINGS LACTATION EDUCATION FOR NEW MOMS A FREE GENERAL COMMUNITY HEALTH FAIR ATTENDED BY MORE THAN 2,000 PEOPLE A YEAR, AND A SEPARATE FREE HEALTH FAIR FOCUSED ON INF ORMATION FOR PEOPLE WITH DIABETES A VARIETY OF LECTURES AIMED AT ENCOURAGING GREATER FITNE SS AND INCLUDING MONTHLY HIKES AND WALKS, AND THE FREE WALK WITH A DOC PROGRAM HOSTED BY S KY LAKES MEDICAL CENTER AND CASCADES EAST FAMILY MEDICINE, WHICH IS PRIMARILY SUPPORTED BY THE MEDICAL CENTER MOST OF THESE EVENTS ARE PROVIDED AS A COMMUNITY SERVICE BY SKY LAKES SKY LAKES MEDICAL CENTER ROUTINELY PARTNERS WITH OSU EXTENSION TO PROMOTE HEALTHIER NUTRI TION CHOICES, HANDS-ON COOKING CLASSES, AND FOOD-PRESERVATION COURSES TO ENCOURAGE PEOPLE TO BE MORE ACTIVE, SKY LAKES OFFERS FREE PEDOMETERS TO PEOPLE INTERESTED IN KEEPING TRACK OF THEIR STEPS EN ROUTE TO A GOAL OF 10,000 STEPS A DAY SKY LAKES STAFF CONDUCT HAND-HYGIE NE EDUCATION AND FREE BLOOD PRESSURE CHECKS AT THE EVERY-OTHER-YEAR SAFETY FAIR HOSTED BY AREA FIRE DEPARTMENTS THE MEDICAL CENTER FURTHER PROMOTES HAND HYGIENE WITH FREE HAND SAN ITIZER, AND SKIN PROTECTION USING A UV DEMONSTRATION FOLLOWED UP WITH FREE SUN SCREEN SAMP LES THE LATTER IS IN COORDINATION WITH A MULTI-MEDIA PUBLIC SERVICE CAMPAIGN PROMOTING EA RLY DETECTION SCREENINGS AND TESTS FOR CANCER THE FAMILY BIRTH CENTER HOSTS FREE CLASSES T O HELP SOON-TO-BE SIBLINGS AND NO-CHARGE SESSIONS TO ENSURE THE EMOTIONAL HEALTH OF MOMS D URING AND AFTER PREGNANCY SKY LAKES MEDICAL CENTER IS THE PRINCIPAL UNDERWRITER FOR CASCAD ES EAST FAMILY MEDICINE, A CLINIC AND A FAMILY PRACTICE RESIDENCY PROGRAM OPERATED IN PART NERSHIP WITH OREGON HEALTH & SCIENCE UNIVERSITY FINANCIAL SUPPORT FROM SKY LAKES FOR 2014 WAS $2 5 MILLION ALSO, THE MEDICAL CENTER CARRIES THE VAST MAJORITY OF COSTS INCURRED IN THE RUNNING OF THE CHILD ABUSE RESOURCE AND EDUCATIONAL SERVICES (CARES) AGENCY THAT SERVE S KLAMATH AND LAKE COUNTIES THE SERVICE PROVIDES MEDICAL EXAMINATIONS OF CHILDREN WHO ARE SUSPECTED VICTIMS OF ABUSE CASCADES EAST ALSO OPERATES A MOBILE CLINIC THAT PROVIDES NO-C HARGE HEALTHCARE SERVICES TO UN- AND UNDERINSURED POPULATIONS IN THE REGION CASCADES EAST MEDICAL STAFF LOG MORE THAN 1,000 MILES IN THE RV EACH YEAR AND PERFORM MORE THAN 200 PAT IENT EXAMS BESIDES REGULAR CLINICS AT KLAMATH FALLS LOCATIONS, THE RV VISITS RURAL COMMUN ITIES, LITERALLY TAKING HEALTHCARE TO PATIENTS THE FUEL, MAINTENANCE, AND SUPPLIES ARE AL L PAID FOR BY SKY LAKES MEDICAL CENTER THE SUM EXCEEDS $6,000 A YEAR SKY LAKES CONTRIBUTES $10,000 A YEAR AND PROVIDES STAFF TO HELP COORDINATE AND PROVIDE COLLATERAL SUPPORT IN TH E WAY OF ADDITIONAL MULTI-MEDIA ADVERTISING TO FURTHER THE MESSAGE OF THE LOCAL STOP THE H URT AND PERIODS OF PURPLE CRYING CAMPAIGNS THE PROGRAMS ARE AIMED AT STOPPING INCIDENTS O F INFANT AND CHILD ABUSE AT THE HANDS OF ADULTS SIMILARLY, SKY LAKES IS AMONG THE COMMUNIT Y PARTNERS INVESTING IN THE SOUTHERN OREGON METH PROJECT, WHICH TARGETS DRUG USE BY TEENS THE MEDICAL CENTER ANNUALLY CONTRIBUTES $9,000 TO THE PUBLIC AWARENESS CAMPAIGN IN ADDITI ON, KLAMATH COUNTY IS A PHYSICIAN-SHORTAGE AREA SO PHYSICIAN RECRUITMENT EFFORTS ARE ALSO UNDERWRITTEN BY THE MEDICAL CENTER RATHER THAN LOCAL MEDICAL PRACTICES INCURRING THAT EXPE NSE THE MEDICAL CENTER INVESTED ALMOST $400,000 IN 2014 IN RECRUITING ACTIVITIES AND $3 4 MILLION IN CLINIC START-UP AND SUPPORT SKY LAKES PROVIDES FREE EDUCATION IN OR FOR THE SC HOOLS THROUGH ITS PARTNERSHIP WITH OREGON STATE UNIVERSITY EXTENSION'S NUTRITION EDUCATION PROGRAM AND A NUMBER OF SKY LAKES MEDICAL CENTER EMPLOYEES PROVIDE VOLUNTEER EDUCATIONAL SUPPORT IN THE FORM OF TEACHING, MENTORING, PROGRAM DEVELOPMENT, AND TOURS AND DEMONSTRAT IONS FOR LOCAL SCHOOLS AND COLLEGES OTHER PARTNERSHIPS HELP ENSURE THE SUCCESS OF PROGRAMS SUCH AS - THE LOCAL KLAMATH AND LAKE COMMUNITY ACTION SERVICES PROGRAM BY DONATING MATER IAL FOR ITS PROGRAM TO PROVIDE QUALIFYING INDIVIDUALS AND FAMILIES ACCESS TO MEDICAL AND D ENTAL CARE, HYGIENE RESOURCES AND THE LIKE - THE KLAMATH COUNTY RELAY FOR LIFE BY CONTRIBU TING $2,000 TOWARD CANCER RESEARCH AND PROVIDING SOME 700 SERVINGS OF HOME-MADE SOUP TO TH OSE AT THE EVENT - THE RED CROSS BY GIVING AT NO-CHARGE SPACE IN SKY LAKES FACILITIES FOR COMMUNITY BLOOD DRIVES - THE LOCAL CHAPTERS OF THE MARCH OF DIMES, MUSCULAR SCLEROSIS ORGA NIZATIONS, FRIENDS OF THE CHILDREN-KLAMATH FALLS, AND LOCAL CASA (COURT APPOINTED SPECIAL ADVOCATES) BY CONTRIBUTING THOUSANDS OF DOLLARS EACH TO SUPPORT THEIR MISSIONS - THE AMERI CAN LUNG ASSOCIATION'S FREEDOM FROM SMOKING CLASSES BY PROVIDING TRAINING FOR EDUCATORS, A ND FREE MEETING SPACE FOR THE CLASSES - FREE SWIMMING LESSONS FOR AREA THIRD-GRADERS THROU GH A GRANT TO THE CITY OF KLAMATH FALLS, WHICH OPE

Form and Line Reference	Explanation
PART VI, LINE 5	RATES THE ELLA REDKEY MUNICIPAL POOL AMONG THE PAST PROGRAMS SUPPORTED BY THE MEDICAL CENT ER INCLUDE BASIN HEALTHY CHOICES INITIATIVE COORDINATED BY THE KLAMATH COUNTY HEALTH DEPAR TMENT AND THE HEALTHY ACTIVE KLAMATH COALITION, WHICH INCLUDES SKY LAKES MEDICAL CENTER S KY LAKES CONTRIBUTED COUNTLESS HOURS OF STAFF TIME AND TALENT, AS WELL AS FACILITY AND OTH ER RESOURCES, IN THE CAMPAIGN AIMED AT IMPROVING THE HEALTH OF PEOPLE IN THE REGION BY PRO MOTING WORKPLACE WELLNESS, BETTER NUTRITION THROUGH FOOD CHOICES, AND INCREASED PHYSICAL A CTIVITY HERE ARE SOME OTHER SKY LAKES COMMUNITY PARTNERSHIPS - AMERICAN ASSOCIATION OF UN IVERSITY WOMEN - AMERICAN CANCER SOCIETY - AMERICAN LUNG ASSOCIATION - GOSPEL MISSION - HE ALTHY ACTIVE KLAMATH - KLAMATH FALLS CITY SCHOOLS AND STUDENTS - KLAMATH COUNTY SCHOOL DIS TRICT AND STUDENTS - KLAMATH COMMUNITY COLLEGE AND STUDENTS - KLAMATH COUNTY CASA - KLAMAT H COUNTY CHAMBER OF COMMERCE - KLAMATH CRISIS CENTER - KLAMATH FIRE PREVENTION COOPERATIVE - KLAMATH HOSPICE - KLAMATH-LAKE FOOD BANK - KLAMATH TRIBAL HEALTH AND FAMILY SERVICES - MULTIPLE SCLEROSIS SOCIETY - OPERATION PROM NIGHT TO PREVENT DISTRACTED DRIVING - OREGON A IR NATIONAL GUARD AT KINGSLEY FIELD - OREGON INSTITUTE OF TECHNOLOGY AND STUDENTS (CLINICA L PRECEPTING, ETC) - OREGON TECH VETERANS ASSOCIATION - PREGNANCY HOPE CENTER - SANFORD H EALTH FOUNDATION - UNITED WAY OF THE KLAMATH BASIN - AREA 4-H PROGRAMS - CITIZENS FOR SAFE SCHOOLS - ELLA REDKEY MUNICIPAL SWIMMING POOL - KLAMATH FALLS LITTLE LEAGUE - BABE RUTH B ASEBALL - KLAMATH TRAILS ALLIANCE - SAGE BRUSH RENDEZVOUS (A FUNDRAISER FOR AMERICAN CANCE R SOCIETY) - KLAMATH BASIN UNITED SOCCER - KLAMATH ICE SPORTS - KLAMATH COUNTY FOOD BANK

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

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
SKY LAKES MEDICAL CENTER	PART V, SECTION B, LINE 1J WHAT BEGAN AS A CONVERSATION BETWEEN THE COMMUNITY HEALTH OUTR EACH MANAGER AT SKY LAKES MEDICAL CENTER, KLAMATH FALLS, ORE , AND THE HEALTH PROMOTION/DI SEASE PREVENTION COORDINATOR AT KLAMATH COUNTY (ORE) PUBLIC HEALTH BECAME THE SEED THAT T OOK ROOT AND THEN FLOURISHED INTO A MAJOR COLLABORATION AMONG LOCAL PUBLIC AND PRIVATE PAR TNERS THE COLLABORATION OF COMMUNITY PARTNERS SEEKING BETTER HEALTH EVOLVED INTO HEALTHY K LAMATH, A SEMI-FORMAL ORGANIZATION REPRESENTING A WIDE VARIETY OF PUBLIC-SECTOR AGENCIES A ND DEPARTMENTS AS WELL AS PRIVATE PARTIES WITH INFLUENCE IN LOCAL HEALTH AT ITS CORE IS S KY LAKES MEDICAL CENTER, THE LOCAL HEALTH DEPARTMENT, A MANAGED CARE ORGANIZATION FOR THE MEDICAID POPULATION, AND A FEDERALLY QUALIFIED HEALTHCARE PRACTICE WITH TWO FAMILY PRACTIC E CLINICS IN THE COUNTY KLAMATH FALLS CITY AND KLAMATH COUNTY GOVERNMENT, STATE OF OREGON AGENCIES, AND LOCAL SCHOOL DISTRICTS AND HIGHER EDUCATION ARE ALSO REPRESENTED FURTHER, T HE PARTNERSHIP ALSO INCLUDES CASCADES EAST FAMILY MEDICINE CENTER, A RURAL RESIDENCY PROGR AM AND CLINIC, OREGON STATE UNIVERSITY'S EXTENSION IN KLAMATH COUNTY, OREGON HEALTH & SCIE NCE UNIVERSITY'S NURSING PROGRAM AT OREGON INSTITUTE OF TECHNOLOGY, THE LOCAL NEWSPAPER AN D THE REGION'S LARGEST RADIO STATION THE ASSESSMENT LAUNCHED AS A RESULT OF SKY LAKES LEAD ERSHIP RECOGNIZING THERE ARE MYRIAD CAUSES FOR POOR HEALTH AND THE PROBLEM IS TOO LARGE FO R ANY ONE ORGANIZATION TO TAKE ON ALONE, AND SO WORKED AS A COMMUNITY CONVENER TO GET OTHE RS TO THE TABLE TO PLAN AND IMPLEMENT CHANGE THE INTENT WAS TO HEAR FROM MANY VOICES AND TO STRIVE FOR HARMONY AS WE WORKED TOGETHER TO MAKE IMPROVEMENTS THAT WOULD LAST AT THE SA ME TIME, MEDICAL CENTER LEADERS RIGHTLY UNDERSTOOD THERE ARE POTENTIAL SOLUTIONS TO THE PR OBLEMS OF POOR HEALTH THAT ARE BEYOND THEIR PURVIEW THE MEDICAL CENTER TOOK THE LEAD TO H ELP FIND WAYS EACH OF THE PARTNERS COULD USE THEIR UNIQUE EXPERTISE TO IMPROVE THE HEALTH OF OUR COMMUNITY OUR SUCCESS IS MONITORED AND MEASURED BY THE HEALTHY COMMUNITIES INSTITU TE (HCI) INDICATORS AND DISPLAYED ON A PUBLIC WEBSITE, HEALTHYKLAMATH ORG WITHIN TWO MONTH S OF THE INITIAL MEETING, UNDER THE LEADERSHIP OF THE MEDICAL CENTER AND WITH THE FULL COO PERATION OF THE PARTNERS, THE CORE FOUR HAD AGREED TO A PLAN TO DEPLOY THE HCI WEB-BASED I NDICATORS TOOL (HEALTHKLAMATH ORG) AND A FRAMEWORK TO ACCOMMODATE THE VARIOUS OTHER COMMUN ITY PARTNERS IN THE PROCESS THE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) COORDINATED BY SK Y LAKES MEDICAL CENTER DONE IN CONCERT WITH KLAMATH COUNTY HEALTH REPRESENTS THE COLLABORA TIVE WORK BETWEEN SKY LAKES MEDICAL CENTER AND ITS LOCAL PARTNERS THIS CHNA IS THE FIRST OF ITS KIND TO FORMALLY ASSESS AND DOCUMENT THE HEALTH OF OUR COMMUNITY UTILIZING A COORDI NATED AND COLLABORATIVE PROCESS IT IS THE FIRST STEP TO THE ONGOING PROCESS OF COMMUNITY HEALTH IMPROVEMENT THE COMMUNITY ASSESSMENT IS UPDATED WHENEVER MORE DATA ARE RECEIVED TO POPULATE MORE THAN 100 HEALTH INDICATORS THE HEALTHY KLAMATH ORGANIZATION MEETS REGULARL Y TO EVALUATE DATA AND PROGRESS OF STRATEGIES TO IMPROVE HEALTH ACCORDING TO THE PREVIOUSL Y IDENTIFIED PRIORITIES THE PRIMARY GOAL OF THE CHNA IS TO BETTER UNDERSTAND THE HEALTH OF OUR COMMUNITY AND TO DEVELOP LOCAL STRATEGIES TO ADDRESS OUR COMMUNITY'S SPECIFIC NEEDS A ND IDENTIFIED PRIORITY ISSUES THE CHNA INFORMS THE GROUP AND HELPS SET COMMUNITY PRIORITI ES, ESTABLISH BENCHMARKS AND MONITOR TRENDS IN THE HEALTH STATUS OF KLAMATH COUNTY RESIDEN TS THERE IS AN ADDED BENEFIT IN THAT THE IMPROVEMENT EFFORTS EXTEND TO OTHER REGIONS IN T HE CATCHMENT AREA OUTSIDE THE DEFINED COMMUNITY WE ACKNOWLEDGE THAT THE CHNA IS A LIVING D OCUMENT, ALLOWING US TO SEEK CONTINUOUS IMPROVEMENT AND FURTHER ANALYZE THE DATA AND, ULTI MATELY, IMPROVE THE HEALTH OF OUR COMMUNITY UNDERSTANDING THAT HEALTH IS A PRODUCT OF MAN Y CONDITIONS AND FACTORS, AN ADAPTED VERSION OF THE STRATEGIC PLANNING FRAMEWORK DEVELOPED BY THE NATIONAL ASSOCIATION OF COUNTY AND CITY HEALTH OFFICIALS (NACCHO) IN COOPERATION W ITH THE CENTERS FOR DISEASE CONTROL AND PREVENTION (CDC) WAS MADE TO CREATE THIS CHNA THE STRATEGIC PLANNING FRAMEWORK THAT WAS ADAPTED FOR KLAMATH COUNTY IS KNOWN AS MOBILIZING AC TION THROUGH PLANNING AND PARTNERSHIPS (MAPP) MAPP IS A COMMUNITY-DRIVEN PROCESS THAT RES ULTS IN THE IDENTIFICATION OF HEALTH ISSUES AND HEALTH IMPROVEMENT STRATEGIES THROUGH COMM UNITY MEMBER AND STAKEHOLDER ENGAGEMENT FACILITATED BY COMMUNITY HEALTH LEADERS, MAPP IS I NTENDED TO IMPROVE THE EFFICIENCY, EFFECTIVENESS, AND PERFORMANCE OF LOCAL HEALTHCARE SYST EMS SKY LAKES IS A PRINCIPAL PART OF THAT LOCAL SYSTEM MAPP ALLOWS FOR AN ENHANCED UNDERS TANDING OF THE INFLUENCES ON COMMUNITY HEALTH THROUGH THE ANALYSIS OF POPULATION-BASED QUA NTITATIVE DATA, LOCALLY GATHERED QUALITATIVE DATA, AND THE EXPERTISE OF KEY STAKEHOLDERS THESE VARIOUS DATA-COLLECTION METHODS ALLOW FOR A BETTER UNDERSTANDING OF THE SOCIAL DETER MINANTS OF HEALTH THE SOCIAL DETERMINANTS OF HEAL

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
SKY LAKES MEDICAL CENTER	TH ARE THE CIRCUMSTANCES IN WHICH PEOPLE ARE BORN, RAISED, LIVE, AND WORK, IN ADDITION TO AVAILABLE RESOURCES THE SOCIAL DETERMINANTS OF HEALTH PROVIDE A LENS THROUGH WHICH TO VIEW DIFFERENT POPULATIONS AND COMMUNITIES AND IDENTIFY CONDITIONS THAT PROMOTE HEALTH, RATHER THAN LIMIT IT WITH THIS INFORMATION WE CAN COLLECTIVELY BETTER UNDERSTAND THE DRIVERS OF HEALTH OUTCOMES IN KLAMATH COUNTY AND DEVELOP STRATEGIES FOR HEALTH IMPROVEMENT WHILE TH E STANDARD MAPP INCLUDES FOUR ASSESSMENTS (COMMUNITY HEALTH STATUS ASSESSMENT, COMMUNITY T HEMES AND STRENGTHS ASSESSMENT, LOCAL PUBLIC HEALTH SYSTEM ASSESSMENT, AND THE FORCES OF C HANGE ASSESSMENT), THE LOCAL PARTNERS AS HEALTHY KLAMATH TAILORED MAPP TO BETTER FIT OUR C OMMUNITY THE PARTNERS DECIDED TO COMBINE THE LOCAL PUBLIC HEALTH SYSTEM ASSESSMENT AND FO RCES OF CHANGE ASSESSMENT INTO A SINGLE ASSESSMENT THIS SPECIFIC COMBINATION INCREASED EF FICIENCY AND UTILIZES RESOURCES MOST EFFECTIVELY THE INFORMATION FOR THIS COMBINED ASSESS MENT WAS COLLECTED FROM STAKEHOLDERS WITH THE ABILITY TO SPEAK TO THE CURRENT SYSTEM AS WE LL AS THE FUTURE OPPORTUNITIES AND UNCERTAINTIES THAT MAY AFFECT THE CURRENT SYSTEM COLLEC TING AND ANALYZING THE VOLUME OF DATA NECESSARY TO FULLY UNDERSTAND COMMUNITY HEALTH IS TI ME- AND RESOURCE-INTENSIVE HEALTHY KLAMATH PARTNERS COLLABORATIVELY SOUGHT A SOLUTION TO U TILIZE RESOURCES IN THE MOST EFFECTIVE MANNER THE PARTNERS AGREED TO UTILIZE THE HEALTHY COMMUNITIES INSTITUTE (HCI), WHICH MANAGES AND CONTINUALLY UPDATES A CENTRALIZED PUBLICALL Y AVAILABLE WEB-BASED SOURCE OF POPULATION DATA AND COMMUNITY HEALTH INFORMATION HCI PROVI DES A PLATFORM FOR CONTINUAL MONITORING AND TRACKING ON MORE THAN 100 INDICATORS SELECTED BY THE COMMUNITY PARTNERS THE INDICATORS ARE ROUTINELY UPDATED THESE INDICATORS WERE ASSE SSED ON FOUR FACTORS 1) COMPARISON TO OREGON AND NATIONAL BENCHMARKS,2) TRENDS OVER TIME,3) HEALTH DISPARITIES, AND4) SEVERITY OF HEALTH ISSUE THE HEALTH INDICATORS SELECTED MET AT LEAST THREE OF THE FOUR CONDITIONS - KLAMATH COUNTY RATE IS HIGHER THAN THE OREGON STATE AVERAGE AND/OR DOES NOT MEET THE NATIONAL HEALTHY PEOPLE 2020 BENCHMARK - THE TREND IS WO RSENING - CERTAIN POPULATIONS ARE EXPERIENCING A DISPARITY OR - LONG-TERM CONSEQUENCE, PRE MATURE DEATH, AND/OR HIGH HEALTH-RELATED EXPENDITURES ARE ASSOCIATED THE FORMULATION OF TH E CHNA COORDINATED BY SKY LAKES MEDICAL CENTER WAS STRONGLY INFLUENCED BY INPUT FROM COMMU NITY PARTNERS AND STAKEHOLDERS AS WELL AS INDIVIDUALS IN KLAMATH COUNTY COMMUNITIES COMMU NITY INVOLVEMENT IS ESSENTIAL TO SUCCESSFUL PUBLIC HEALTH ACTION, AND THE PRIORITY AREAS F OR HEALTH IMPROVEMENT SHOULD REFLECT THE PROBLEMS OF GREATEST CONCERN TO THE LOCAL COMMUNI TIES HEALTHY KLAMATH PARTNERS REGULARLY SEEK COMMUNITY INPUT VIA LISTENING SESSIONS, FOCU S GROUPS, AND SURVEYS COMMUNITY PERCEPTIONS REGARDING HEALTH NEEDS ARE CAPTURED IN NON-SCI ENTIFIC SURVEYS AND INTERVIEWS CONDUCTED AT THE CONCLUSION OF FREE HEALTH- AND WELLNESS-RE LATED SEMINARS AND SIMILAR COMMUNITY EVENTS HOSTED BY THE MEDICAL CENTER INFORMATION FROM THESE ACTIVITIES HELP INFORM FOLLOW-ON STRATEGIES AND PROGRAMS

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

Form and Line Reference	Explanation
SKY LAKES MEDICAL CENTER	PART V, SECTION B, LINE 3 THE KLAMATH COUNTY CHNA COORDINATED BY SKY LAKES MEDICAL CENTER IN PARTNERSHIP WITH OTHER PUBLIC AGENCIES IN THE COMMUNITY TAKES INTO ACCOUNT AN UNDERSTANDING OF THE ENVIRONMENT WITHIN WHICH WE OPERATE UNDERSTANDING THE STRENGTHS AND WEAKNESSES OF THE CURRENT LOCAL HEALTHCARE SYSTEM, IN ADDITION TO ANY UPCOMING SOCIAL, POLITICAL, OR ECONOMIC CHANGES THAT COULD AFFECT THE SYSTEM, IS INTEGRAL TO DEVELOPING PRIORITY AREAS OF FOCUS HEALTHCARE REFORM AND THE CURRENT ECONOMIC CLIMATE ARE LARGELY IMPACTING THE LOCAL HEALTHCARE SYSTEM AND THESE STRUCTURAL CHANGES MUST BE ACCOUNTED FOR THE HEALTHY KLAMATH PARTNERS IDENTIFIED A LIST OF KEY STAKEHOLDERS ORGANIZED BY SECTOR TO INTERVIEW FOR THIS ASSESSMENT THE ORIGINAL STAKEHOLDERS WERE SELECTED FOR THEIR ORGANIZATIONS INFLUENCE ON COMMUNITY HEALTH AND THEIR ROLE IN THE PUBLIC HEALTH SYSTEM THE STAKEHOLDERS, IN ADDITION TO SKY LAKES MEDICAL CENTER, INCLUDE KLAMATH COUNTY PUBLIC HEALTH, CASCADE COMPREHENSIVE CARE, CASCADE HEALTH ALLIANCE, KLAMATH OPEN DOOR CLINICS, THE CITY OF KLAMATH FALLS, KLAMATH FALLS PUBLIC SCHOOLS AND KLAMATH COUNTY SCHOOL DISTRICT, KLAMATH COMMUNITY COLLEGE, OREGON INSTITUTE OF TECHNOLOGY, AND APPROXIMATELY 16 OTHER AGENCIES AND ORGANIZATIONS AS PART OF THE ASSESSMENT, THE PARTNERS CONDUCTED 20 INTERVIEWS WITH MORE THAN 25 LOCAL STAKEHOLDERS EACH INTERVIEW BEGAN WITH AN EXPLANATION OF THE CHNA USING THE CHNA FRAMEWORK AND WITH A WRITTEN AND VISUAL DEFINITION OF HEALTH THIS IS THE WRITTEN DEFINITION OF HEALTH USED IN THE INTERVIEWS HEALTH IS A STATE OF COMPLETE PHYSICAL, MENTAL AND SOCIAL WELL-BEING AND NOT MERELY THE ABSENCE OF DISEASE OR INFIRMITY (WORLD HEALTH ORGANIZATION) FURTHER, HEALTH IS NOT SIMPLY A STATE FREE FROM DISEASE BUT IS THE CAPACITY OF PEOPLE TO BE RESILIENT AND MANAGE LIFE'S CHALLENGES AND CHANGES (PUBLIC HEALTH ACCREDITATION BOARD) AFTER ANY QUESTIONS REGARDING THE CHNA WERE ANSWERED, THREE INTERVIEW QUESTIONS FOLLOWED 1 HOW DOES YOUR ORGANIZATION CONTRIBUTE TO THE HEALTH OF THE COMMUNITY?2 WHAT DO YOU SEE AS YOUR ORGANIZATION'S ROLE IN THE LOCAL PUBLIC HEALTH SYSTEM?3 WHAT CHALLENGES DO YOU SEE THAT MAY AFFECT YOUR WORK (UPCOMING CHANGES IN LEGISLATION, FUNDING, TECHNOLOGY, NEW COLLABORATIONS, AND THE LIKE)?COMPLETE ANALYSIS OF THOSE INTERVIEWS AND THEIR RECOMMENDATIONS INFORMS THE ONGOING STRATEGY ALSO, OREGON HEALTH & SCIENCE UNIVERSITY SCHOOL OF NURSING STUDENTS CONDUCTED LISTENING SESSIONS AND FOCUS GROUPS IN SIX OUTLYING COMMUNITIES (MERRILL, MALIN, BONANZA, CHILOQUIN, MIDLAND, AND KENO) IN RURAL KLAMATH COUNTY INFORMATION FROM THOSE SESSIONS AND INTERVIEWS ARE IN APPENDIX A OF THE CHNA FURTHER QUALITATIVE ANALYSIS IN THE FORM OF A WEB-BASED SURVEY WAS CONDUCTED BY THE PARTNERS AND SPONSORED BY SKY LAKES MEDICAL CENTER NEARLY 900 SELF-SELECTED RESPONDENTS TO THAT SURVEY PROVIDED ADDITIONAL COMMUNITY PERSPECTIVE FOR THE CHNA AND WILL BE USEFUL TO DEFINE STRATEGIES AND TACTICS GOING FORWARD RESULTS FROM THE SURVEY ARE INCLUDED IN THE FULL CHNA REPORT, WHICH IS AVAILABLE UPON REQUEST VIA WEBMASTER@SKYLAKES ORG

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
SKY LAKES MEDICAL CENTER	PART V, SECTION B, LINE 5D BESIDES THE SKY LAKES MEDICAL CENTER WEBSITE (SKYLAKES ORG), THE CHNA CONDUCTED BY THE HEALTHY KLAMATH PARTNERS AND COORDINATED BY THE MEDICAL CENTER ALSO WILL RESIDE ON THE HEALTHY KLAMATH WEBSITE (HEALTHYKLAMATH ORG), ON THE KLAMATH COUNTY HEALTH DEPARTMENT WEBSITE, AND WILL BE AVAILABLE IN PRINT FORM AT SKY LAKES MEDICAL CENTER, AT THE HEALTH DEPARTMENT, AT THE LOCAL NEWSPAPER OFFICE (HERALD AND NEWS, 2701 FOOTHILLS ROAD, KLAMATH FALLS, OR), AND AT THE KLAMATH COUNTY LIBRARY

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
SKY LAKES MEDICAL CENTER	PART V, SECTION B, LINE 7 AS EARLIER NOTED, THERE ARE SOME SOCIO-ECONOMIC AND INFRASTRUCT URE NEEDS IDENTIFIED IN THE ASSESSMENT THAT ARE BEYOND THE PURVIEW OF THE MEDICAL CENTER THE ORGANIZATION, HOWEVER, STRIVES TO PROVIDE LEADERSHIP TO FACILITATE PROGRESS AND COOPER ATION AMONG THE PUBLIC AND NGO AGENCIES THAT CAN ADDRESS THOSE NEEDS INFORMATION GATHERED IN THE COMMUNITY HEALTH NEEDS ASSESSMENT PROCESS FACILITATED BY THE COMMUNITY PARTNERS SEE KING BETTER HEALTH AND USING THE HEALTHY KLAMATH INITIATIVE INDICATES A STRATIFICATION OF PRIORITIES DATA COLLECTED BY VARIOUS SURVEYS AGGREGATED BY THE HEALTHY COMMUNITIES INSTITU TE AND ORGANIZED AT HEALTHYKLAMATH ORG INDICATE A RANGE OF NEEDS AMONG THE TOP ARE - ADU LTS 65+ WITH INFLUENZA VACCINATION - ADULTS 65+ WITH PNEUMONIA VACCINATION - BABIES WITH L OW BIRTH WEIGHT - MOTHERS WHO RECEIVED EARLY PRENATAL CARE - DEATH RATE DUE TO COLORECTAL CANCER (AGE ADJUSTED) FURTHER, THE NUMBER OF LOCAL RESIDENTS WHO SELF-REPORTED THEIR HEALT H AS GOOD OR BETTER IS SIGNIFICANTLY LOWER THAN THE COMPARISON GROUP WITH THAT AS A BACKDR OP, THE COMMUNITY PARTNERS BROKE THE KEY DRIVERS OF HEALTH ACCORDING TO THE DATA INTO BROA DER CATEGORIES, AND ASKED AREA RESIDENTS TO ASSIGN PRIORITY RANKS TO THEM NEARLY 1,000 PEO PLE PARTICIPATED IN THE ONLINE, SELF-SELECT SURVEY DATA COLLECTION REMAINED OPEN NINE DAY S (ONE WORK WEEK AND TWO WEEKENDS) ACCORDING TO THE DATA, RESIDENTS IDENTIFIED OBESITY, AC CESS TO MENTAL HEALTH AND LIMITING THE EFFECTS OF SUBSTANCE AND ALCOHOL ABUSE AND TOBACCO USE TOP SHORT-TERM (12-18 MONTHS) PRIORITIES SIMILARLY, THE PRIORITIES FOR AN INTERMEDIAT E TERM (18-36 MONTHS) LEFT IN PLACE THREE OF THE SHORT-TERM PRIORITIES AND ADDED TO THE TO P PRIORITIES LIST HEALTH INSURANCE COVERAGE AND YOUTH MENTORING THE LONG-TERM (3+ YEARS) P RIORITIES CLOSELY ALIGN WITH THE OTHER CATEGORIES WITH THE TOP PRIORITY TO DECREASE POVERT Y WHILE INCREASING THE HIGH SCHOOL GRADUATION RATE, ENCOURAGING HEALTHIER LIFESTYLES WITH BETTER NUTRITION AND MORE EXERCISE OPPORTUNITIES, AND BROADER HEALTH INSURANCE COVERAGE CO MPRISING THE TOP SPOTS IT IS CLEAR TO MOST THAT THOSE WHO PARTICIPATED IN THE SURVEY RECO GNIZE THAT OBESITY AND ITS ASSOCIATED COMPONENTS, PRIMARILY HEALTHIER EATING HABITS AND IN CREASED ACTIVITY, ARE CLOSELY LINKED TO A VARIETY OF OTHER UNHEALTHFUL CONDITIONS FURTHER , THERE IS A RECOGNITION THAT IN ORDER FOR THE CHANGES TO BE MORE OR LESS PERMANENT REQUIR ES BROAD-BASED SYSTEMIC CHANGES RATHER THAN SO-CALLED INSTANT FIXES THE COMMUNITY COALITIO N, LED IN NO SMALL MEASURE BY SKY LAKES MEDICAL CENTER AND RESPONSIBLE FOR ENSURING THERE IS PROGRESS TOWARD MAKING IMPROVEMENTS IN THE PRIORITIES, BROKE THE SHORT-, INTERMEDIATE- AND LONG-TERM PRIORITIES INTO AN EIGHT-POINT PROJECT LIST SUCCESS ON ANY OF THE POINTS SU PPORTS PROGRESS ON OTHER POINTS COMMUNITY PARTNERS SEEKING BETTER HEALTH TEAMS PARTICIPATI NG IN THE HEALTHY KLAMATH INITIATIVE WERE FORMED AROUND 1 OBESITY, HEALTHY EATING, EXERCI SE2 ACCESS TO MENTAL HEALTH3 SUBSTANCE AND ALCOHOL ABUSE4 TRANSPORTATION5 YOUTH MENTOR ING6 INFRASTRUCTURE7 DECREASING POVERTY, AND8 HEALTH POLICY CHANGES NONE OF THE ISSUES CAN BE RESOLVED WITHOUT CONSIDERABLE ENERGY AND RESOURCES, YET PROGRESS IS BEING MADE FOR INSTANCE, SKY LAKES MEDICAL CENTER HIRED A PHYSICIAN AND NURSE, BOTH WITH PUBLIC HEALTH C REDENTIALS, TO OPEN AND OPERATE A FIRST-EVER WELLNESS CENTER AIMED SPECIFICALLY AT IMPROVI NG OBESITY-RELATED HEALTH AT THE SAME TIME, SKY LAKES MEDICAL CENTER HAS MADE SIGNIFICANT CONTRIBUTIONS TO SUPPORT BETTER NUTRITION AND INCREASED PHYSICAL ACTIVITY ALSO, SKY LAKES MEDICAL CENTER HAS COMMITTED TO BE A MAJOR SOURCE OF ALTERNATE REVENUE TO ENSURE THE MUNI CIPAL POOL CONTINUES TO HAVE SWIMMING OPPORTUNITIES, RECOGNIZING IT AS AN IMPORTANT TYPE O F ACTIVITY FOR MANY PEOPLE, PARTICULARLY MOBILITY IMPAIRED INDIVIDUALS SKY LAKES MEDICAL C ENTER AND COMMUNITY PARTNERS ARE ACTIVELY IMPROVING ACCESS TO MENTAL HEALTH THROUGH A VARI ETY OF MECHANISMS THE MEDICAL CENTER, FOLLOWING A RIGOROUS RECRUITING EFFORT, HAS ATTRACT ED TO THE COMMUNITY A PSYCHIATRIST TO PRACTICE AT THE NEWLY FORMED KLAMATH BASIN BEHAVIORA L HEALTH THE ADDITION OF THE PROVIDER WILL LEVERAGE ADDITIONAL MENTAL HEALTH SERVICES FOR THE REGION EFFORTS ARE UNDER WAY TO INCREASE - THE AWARENESS AND THE FREQUENCY OF CANCER SCREENING OPPORTUNITIES TO ENCOURAGE AND SUPPORT THE EARLY DETECTION OF TUMORS - DIRECT I NTERVENTIONS FOR PEOPLE AT RISK OF DIABETES OR WHO HAVE BEEN DIAGNOSED WITH DIABETES TO IM PROVE THEIR CONDITIONS WITHOUT HOSPITALIZATION AND - AWARENESS OF THE BENEFITS OF REGULAR LOW-IMPACT EXERCISES TO IMPROVE HEALTH AS WELL AS TO CONTROL AN ASSORTMENT OF CHRONIC DISE ASES WORKING WITH PHYSICIANS AND OTHER MEDICAL PROFESSIONALS, SKY LAKES MEDICAL CENTER ACT IVELY PROMOTES PRE-NATAL EDUCATION AMONG THE TARGET DEMOGRAPHIC BY OFFERING NO-CHARGE CHIL DBIRTH PREPARATION CLASSES THE MEDICAL CENTER ALSO HAS UNDERWAY A MORE EXPANSIVE PROGRAM USING NON-TRADITIONAL METHODS TO GET APPROPRIATE N

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
SKY LAKES MEDICAL CENTER	UTRITION, EXERCISE AND CHILDBIRTH PREPARATION INFORMATION TO FIRST-TIME MOTHERS MEASUREMEN T DATA COLLECTED ON THE PROGRAMS ARE INCOMPLETE SO FIRM CONCLUSIONS REGARDING THEIR SUCCES S WOULD NOT BE APPROPRIATE

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
SKY LAKES MEDICAL CENTER	PART V, SECTION B, LINE 12I HOUSEHOLD SIZE AND A MAXIMUM OUT-OF-POCKET EXPENDITURE

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
SKY LAKES MEDICAL CENTER	PART V, SECTION B, LINE 18E SKY LAKES EMPLOYS A FIRM, CHAMBERLIN EDMONDS, THAT QUALIFIES PATIENTS FOR BENEFIT PROGRAMS THEY SCREEN ALL OF SKY LAKES UNINSURED PATIENTS FOR POSSIBLE MEDICAID, MEDICARE AND/OR DISABILITY BENEFITS

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
SKY LAKES MEDICAL CENTER	PART V, SECTION B, LINE 20D SKY LAKES IS AWAITING CLARIFICATION ON 501(R) REGULATIONS, WHICH ARE PROPOSED

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
SKY LAKES MEDICAL CENTER	PART V, SECTION B, LINE 22 SOME PATIENTS ARE ONLY ELIGIBLE FOR AN ANNUAL MAXIMUM OUT-OF-POCKET REDUCTION

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

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

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

Name and address	Type of Facility (describe)
CANCER TREATMENT CENTER 2610 UHRMANN ROAD KLAMATH FALLS,OR 97601	MEDICAL CLINIC
OUTPATIENT IMAGING 2900 DAGGETT AVENUE KLAMATH FALLS,OR 97601	MEDICAL CLINIC
FAMILY MEDICINE RESIDENCY 2801 DAGGETT AVENUE KLAMATH FALLS,OR 97601	MEDICAL CLINIC
MEDICAL OFFICE BUILDING I 2200 BRYANT WILLIAMS DRIVE KLAMATH FALLS,OR 97601	MEDICAL CLINIC
CENTER FOR OCCUPATIONAL HEALTH 2621 CROSBY AVENUE KLAMATH FALLS,OR 97603	MEDICAL CLINIC
MEDICAL OFFICE BUILDING II 3000 BRYANT WILLIAMS DRIVE KLAMATH FALLS,OR 97601	MEDICAL CLINIC
FAMILY PRACTICE CLINIC 1905 MAIN KLAMATH FALLS,OR 97601	MEDICAL CLINIC
FAMILY PRACTICE CLINIC 2617 ALMOND STREET KLAMATH FALLS,OR 97601	MEDICAL CLINIC
COMMUNITY HEALTHEDUCATION 2200 NORTH ELDORADO AVENUE KLAMATH FALLS,OR 97601	MEDICAL CLINIC
UROLOGY CLINIC 2630 CAMPUS DRIVE KLAMATH FALLS,OR 97601	MEDICAL CLINIC
MEDICAL OFFICE BUILDING III 2680 UHRMANN ROAD KLAMATH FALLS,OR 97601	MEDICAL CLINIC
ADULT MEDICINE & FAMILY PRACTICE 3001 DAGGETT AVENUE KLAMATH FALLS,OR 97601	MEDICAL CLINIC
PULMONARY MEDICINE 2301 CLAIRMONT DRIVE KLAMATH FALLS,OR 97601	MEDICAL CLINIC
FAMILY PRACTICE CLINIC 2600 CLOVER KLAMATH FALLS,OR 97601	MEDICAL CLINIC
HUGH CURRIN HOUSE 2601 DAGGETT AVENUE KLAMATH FALLS,OR 97601	MEDICAL CLINIC

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990**

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SKY LAKES MEDICAL CENTER

Employer identification number
93-0508781

Part I General Information on Grants and Assistance

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

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

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

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) KLAMATH COUNTY SCHOOL DISTRICT 10501 WASHBURN WAY KLAMATH FALLS, OR 97603	93-6000543	KLAMATH COUNTY, OR	32,333				HOSA PROGRAM ASSISTANCE

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

3 Enter total number of other organizations listed in the line 1 table . . . . ▶ 0

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
(1) EMPLOYEE STUDENT LOAN FORGIVENESS	11	54,938			
(2) EXTERNSHIP STIPENDS	7	21,200			
(3) STUDENT LOAN ASSISTANCE TO EMPLOYEES	12	43,396			
(4) PATIENT ASSISTANCE	118	26,774			

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	THE BOARD OF DIRECTORS MAKES DECISIONS ON LARGE GRANT AWARDS SCHOLARSHIP AWARDS ARE BASED ON A WRITTEN POLICY OTHER STIPENDS AND EDUCATIONAL SUPPORT REQUIRE, RESPECTIVELY, WORKED HOURS OR MINIMUM GRADING CRITERIA PATIENT ASSISTANCE GRANTS ARE BASED ON ASSESSMENT OF NEED BY ASSIGNED PERSONNEL

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**
▶ **Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SKY LAKES MEDICAL CENTER

Employer identification number
93-0508781

Part I Questions Regarding Compensation

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

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1)PAUL R STEWART PRESIDENT/CEO/SECRETARY/TREASURER	(i) (ii)	347,702 0	219,000 0	0 0	26,173 0	15,813 0	608,688 0	0 0
(2)RICHARD RICO VP/CFO	(i) (ii)	300,364 0	57,540 0	0 0	27,715 0	22,023 0	407,642 0	0 0
(3)NASSER ABU-ERREISH MD MEDICAL PROVIDER	(i) (ii)	429,663 0	0 0	0 0	12,750 0	15,813 0	458,226 0	0 0
(4)PATRICK MAVEETY MD MEDICAL PROVIDER	(i) (ii)	413,436 0	0 0	0 0	12,750 0	9,581 0	435,767 0	0 0
(5)RICHARD DEVORE MD MEDICAL PROVIDER	(i) (ii)	376,830 0	0 0	0 0	12,750 0	21,564 0	411,144 0	0 0
(6)STANTON SMITH MD MEDICAL PROVIDER	(i) (ii)	371,635 0	0 0	0 0	12,750 0	21,781 0	406,166 0	0 0
(7)ZEINA EL-AMIL MD MEDICAL PROVIDER	(i) (ii)	356,836 0	0 0	0 0	12,750 0	14,617 0	384,203 0	0 0

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

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SKY LAKES MEDICAL CENTER

Employer identification number
93-0508781

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	KLAMATH FALLS INTERCOMMUNITY HOSPITAL AUTHORITY	93-1061020	498413DQ3	08-31-2006	39,329,258	REVENUE AND REFUNDING MERLE WEST MEDICAL CENTER PROJECT	X		X			X
B	KLAMATH FALLS INTERCOMMUNITY HOSPITAL AUTHORITY	93-1061020	498413EF6	11-29-2012	18,288,334	REFUNDING OF 2002 BONDS ENERGY EFFICIENCY COSTS RESERVE FUND		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	2,065,000	840,000		
2	Amount of bonds legally defeased		11,772,436		
3	Total proceeds of issue	39,329,258	18,288,334		
4	Gross proceeds in reserve funds		59,879		
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	558,445	257,477		
8	Credit enhancement from proceeds	1,170,952			
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	15,000,000	6,198,542		
11	Other spent proceeds	22,599,861			
12	Other unspent proceeds				
13	Year of substantial completion	2007	2013		

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

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

Part IV Arbitrage

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

Part IV Arbitrage *(Continued)*

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

Part V Procedures To Undertake Corrective Action

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

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

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SKY LAKES MEDICAL CENTER

Employer identification number
93-0508781

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	No
(1) PAUL STEWART	PRES/CEO	LIFE INSURANCE POLICY PURCHASE		X	300,000	304,981		No	Yes		Yes	
Total		▶ $				304,981						

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

Part V Supplemental Information

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

Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SKY LAKES MEDICAL CENTER

Employer identification number
93-0508781

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	FORM 990 IS REVIEWED BY THE CONTROLLER, CFO, CEO AND OTHER STAFF BEFORE FILING
FORM 990, PART VI, SECTION B, LINE 12C	IT IS THE DUTY OF THE BOARD OF DIRECTORS OF SKY LAKES MEDICAL CENTER TO SAFEGUARD THE TAX EXEMPT STATUS OF SKY LAKES MEDICAL CENTER, AND AS SUCH THE BOARD WILL TAKE SERIOUSLY ANY C ONFLICT OF INTEREST ON THE PART OF ANY BOARD MEMBER OR POTENTIAL BOARD MEMBER ALL BOARD M EMBERS AND POTENTIAL MEMBERS MUST DISCLOSE THE EXISTENCE OF ANY ACTUAL OR POTENTIAL CONFLI CT OF INTEREST AN UPDATED STATEMENT OF SUCH POTENTIAL CONFLICTS SHALL BE SUBMITTED YEARLY BY ALL BOARD MEMBERS FOR REVIEW AT THE BOARD'S ANNUAL MEETING AFTER DISCLOSURE OF THE PO TENTIAL CONFLICT OF INTEREST AND AFTER ANY DISCUSSION WITH THE INTERESTED PARTY, HE/SHE SH ALL LEAVE THE BOARD OR COMMITTEE MEETING WHILE THE DETERMINATION OF A CONFLICT OF INTEREST IS DISCUSSED AND VOTED UPON THE REMAINING BOARD MEMBERS SHALL DECIDE IF A CONFLICT OF IN TEREST EXISTS THE MINUTES OF THE BOARD AND ALL COMMITTEES OF THE BOARD SHALL CONTAIN 1) T HE NAMES OF THE PERSONS WHO DISCLOSED OR OTHERWISE WERE FOUND TO HAVE A FINANCIAL INTEREST IN CONNECTION WITH AN ACTUAL OR POSSIBLE CONFLICT OF INTEREST 2) THE NATURE OF THE FINANC IAL INTEREST 3) THE NAMES OF THE PERSONS WHO WERE PRESENT FOR THE DISCUSSIONS AND VOTES RE LATING TO THE TRANSACTION OR ARRANGEMENT 4) THE CONTENT OF THE DISCUSSION INCLUDING ANY AL TERNATIVES TO THE PROPOSED TRANSACTION OR ARRANGEMENT 5) ANY ACTION TAKEN TO DETERMINE WHE THER A CONFLICT OF INTEREST WAS PRESENT AND, 6) THE BOARD OR COMMITTEE'S DECISION AS TO WH ETHER A CONFLICT OF INTEREST IN FACT EXISTED
FORM 990, PART VI, SECTION B, LINE 15	THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS REVIEWS COMPARATIVE DATA FOR CEO AND ALL VP POSITIONS FOR THE CEO POSITION, THE COMPENSATION COMMITTEE COMPLETES A PERSONNEL A CTION FORM, WHICH IS SIGNED BY THE BOARD CHAIR FOR ALL VP POSITIONS, THE COMMITTEE ACTS O N THE RECOMMENDATIONS MADE BY THE CEO THIS PROCESS WAS LAST UNDERTAKEN IN MARCH 2015
FORM 990, PART VI, SECTION C, LINE 19	GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE ALL MADE AVAILABLE TO THE PUBLIC UPON REQUEST
FORM 990, PART XI, LINE 9	BOOK/TAX DIFFERENCE ON PASSTHROUGH INCOME -39,634

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SKY LAKES MEDICAL CENTER

Employer identification number
93-0508781

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) SOUTHERN OREGON EMERGENCY CARE LLC 2865 DAGGETT AVENUE KLAMATH FALLS, OR 97601 61-1595709	PHYSICIAN SERVICES	OR	0	-5,688	SKY LAKES MEDICAL CENTER

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) SKY LAKES MEDICAL CENTER FOUNDATION 2865 DAGGETT AVENUE KLAMATH FALLS, OR 97601 93-0946020	FUNDRAISING AND STEWARDSHIP SUPPORT MED CENTER	OR	501(C)(3)	LINE 11A, I	SKY LAKES MEDICAL CENTER		No
(2) KLAMATH CARE SERVICES INC 2865 DAGGETT AVENUE KLAMATH FALLS, OR 97601 93-0946018	SUPPORT MED CENTER (INACTIVE)	OR	501(C)(3)	LINE 11C, III-FI	SKY LAKES MEDICAL CENTER		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) KLAMATH MEDICAL BUSINESS CENTER LLC 2865 DAGGETT AVENUE KLAMATH FALLS, OR 97601 02-0731372	REAL AND PERSONAL PROPERTY RENTAL	OR	SKY LAKES MEDICAL CENTER	INVESTMENT	91,943	540,594		No	8,710	Yes		50 000 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) WEST PHYSICIAN SERVICES LLC 2865 DAGGETT AVENUE KLAMATH FALLS, OR 97601 87-0696029	PHYSICIAN SERVICES	OR	SKY LAKES MEDICAL CENTER	C	-4,054,564	2,524,497	100 000 %	Yes	

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

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

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) WEST PHYSICIAN SERVICES LLC	D	147,834	BOOK CHANGE IN LIABILITY
(2) KLAMATH MEDICAL BUSINESS CENTER LLC	K	120,571	CASH TRANSFERRED

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

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

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

Part VII Supplemental Information

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

Return Reference	Explanation