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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

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

OMB No 1545-0047

2014

Open to Public Inspection

A For the 2014 calendar year, or tax year beginning 01-01-2014 , and ending 12-31-2014

B Check if applicable ☐ Address change ☐ Name change ☐ Initial return ☐ Final return/terminated ☐ Amended return ☐ Application pending	C Name of organization OLMSTED MEDICAL CENTER		D Employer identification number 41-0855367	
	Doing business as			
	Number and street (or P O box if mail is not delivered to street address)	Room/suite	E Telephone number	
	210 NINTH STREET SE		(507) 288-3443	
	City or town, state or province, country, and ZIP or foreign postal code ROCHESTER, MN 55904		G Gross receipts \$ 197,733,984	
F Name and address of principal officer KATHRYN LOMBARDO 210 NINTH STREET SE ROCHESTER, MN 55904		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: ▶ HTTP //WWW.OLMMED.ORG				
K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶		L Year of formation 1949	M State of legal domicile MN	

Part I		Summary		
Activities & Governance	1 Briefly describe the organization’s mission or most significant activities THE DELIVERY OF EXCEPTIONAL PATIENT CARE FOCUSING ON CARING, QUALITY, SAFETY AND SERVICE			
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets			
	3 Number of voting members of the governing body (Part VI, line 1a)		3 16	
	4 Number of independent voting members of the governing body (Part VI, line 1b)		4 10	
	5 Total number of individuals employed in calendar year 2014 (Part V, line 2a)		5 1,337	
6 Total number of volunteers (estimate if necessary)		6 95		
7a Total unrelated business revenue from Part VIII, column (C), line 12		7a 100,709		
b Net unrelated business taxable income from Form 990-T, line 34		7b -33,103		
Revenue			Prior Year	Current Year
	8	Contributions and grants (Part VIII, line 1h)	2,546,060	2,739,501
	9	Program service revenue (Part VIII, line 2g)	181,842,362	182,483,969
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,571,512	1,157,747
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,315,664	1,568,327
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	189,275,598	187,949,544
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	465,778	527,999
	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)	109,446,281	108,702,045
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ☐ 407,402		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	64,957,815	66,508,964
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	174,869,874	175,739,008
	19	Revenue less expenses Subtract line 18 from line 12	14,405,724	12,210,536
Net Assets or Fund Balances			Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	218,598,004	226,978,369
	21	Total liabilities (Part X, line 26)	83,532,410	79,202,650
	22	Net assets or fund balances Subtract line 21 from line 20	135,065,594	147,775,719

Part II Signature Block

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

Sign Here	***** Signature of officer		2015-09-21 Date			
	TIM WEIR CHIEF EXECUTIVE OFFICER Type or print name and title					
Paid Preparer Use Only	Print/Type preparer's name DANIEL W EDWARDS		Preparer's signature DANIEL W EDWARDS	Date	Check ☐ if self-employed	PTIN P00043974
	Firm's name ▶ MCGLADREY LLP				Firm's EIN ▶ 42-0714325	
	Firm's address ▶ 310 BROADWAY AVENUE S SUITE 300 ROCHESTER, MN 55904				Phone no (507) 288-6476	

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

THE DELIVERY OF EXCEPTIONAL PATIENT CARE FOCUSING ON CARING, QUALITY, SAFETY AND SERVICE

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 \$ 154,269,628 including grants of \$ 527,999) (Revenue \$ 182,421,545)
	PATIENT CARE PERSONAL APPROACH TO CARE THROUGH MORE THAN 25 SPECIALTIES ALL OF OUR SPECIALTY SERVICES COMPLIMENT PRIMARY CARE AND OFFER PATIENTS GREATER CONVENIENCE AND PEACE OF MIND WE CONTINUE TO WORK TO POSITION OMC AS A PREFERRED HEALTHCARE PROVIDER FOR PRIMARY AND SECONDARY CARE AMONG SOUTHEASTERN MINNESOTA RESIDENTS OMC’S 160 CLINICIANS AND 1,000+ HEALTHCARE PROFESSIONALS SERVE AT 18 LOCATIONS, INCLUDING TWO MULTI-SPECIALTY CLINICS, PHYSICAL/OCCUPATIONAL THERAPY, SPORTS MEDICINE FACILITIES, A LEVEL IV TRAUMA HOSPITAL WITH 24-HOUR EMERGENCY ROOM AND BIRTHCENTER, TWO WALK-IN FASTCARE RETAIL CLINICS, A WALK-IN SKYWAY CLINIC IN DOWNTOWN ROCHESTER, AND 10 COMMUNITY BRANCH CLINICS RECENT EXPANSION INCLUDES CURRENT CONSTRUCTION OF A 80,000 SQUARE-FOOT WOMEN’S HEALTH PAVILION ADDITION TO OMC’S HOSPITAL IN SOUTHEAST ROCHESTER OPENED IN 2014, TWO NEW BRANCH CLINIC FACILITIES, A 15,000 SQUARE-FOOT SPORTS MEDICINE AND ATHLETIC PERFORMANCE FACILITY IN NORTHWEST ROCHESTER, AND RETAIL PHARMACIES OMC IS ADDING/EXPANDING PROGRAMS IN TELEHEALTH, WOUND CARE, ORTHOPEDICS, BARIATRIC SURGERY, WOMEN’S HEALTH, NON-SURGICAL CARDIOLOGY, NUCLEAR RADIOLOGY, PAIN MANAGEMENT, AND SPORTS MEDICINE/ATHLETIC PERFORMANCE

4b	(Code) (Expenses \$ 144,594 including grants of \$) (Revenue \$)
	COMMUNITY OUTREACH AND SUPPORT ACTIVITES OMC WELCOMES ITS MANY OPPORTUNITIES TO BE AN ACTIVE, CONTRIBUTING PARTNER TO SOUTHEASTERN MINNESOTA’S HEALTH AND WELLNESS EFFORTS AS A 501(C)3 NON-PROFIT ORGANIZATION, OMC ACTIVELY SUPPORTS SOUTHEASTERN MINNESOTA’S HEALTH AND WELLNESS EFFORTS THROUGH THE CONTRIBUTION OF STAFF TIME/TALENT, IN-KIND RESOURCES, AND FINANCIAL ASSISTANCE IN 2014, OUR COMMUNITY CONTRIBUTIONS MADE UP 29 38% OF OUR ANNUAL OPERATING EXPENSES-MORE THAN \$49 MILLION IN SUPPORT OF OUR COMMITMENT TO BE AN ACTIVE, CONTRIBUTING PARTNER IN THE COMMUNITIES WE SERVE ANOTHER WAY OMC ACTIVELY SUPPORTS COMMUNITY HEALTH IS THROUGH ITS PARTNERSHIP WITH MAYO CLINIC, OLMSTED COUNTY PUBLIC HEALTH, AND SEVERAL OTHER COMMUNITY-SERVICE ORGANIZATIONS AS TOGETHER WE IMPLEMENTED THE YEAR-ONE ACTION PLAN BASED ON OUR COLLABORATIVE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) IN 2014, OMC CONTINUED ITS TRADITION OF WELCOMING HUNDREDS OF SCHOOL-AGED CHILDREN AND COLLEGE STUDENTS FOR ON-SITE SCIENCE, TECHNOLOGY, ENGINEERING, AND MATH (STEM) EDUCATION EXPERIENCES DESIGNED TO CULTIVATE THE NEXT GENERATION OF CAREGIVERS OUR CAREGIVERS ALSO EXTENDED THEIR COMMUNITY OUTREACH DURING THE YEAR, REPRESENTING OMC AT MORE THAN 50 COMMUNITY HEALTH FAIRS AND EVENTS IN SOUTHEASTERN MINNESOTA OVER THE PAST YEAR, WE CONTINUED TO MAKE IT EASIER FOR COMMUNITY MEMBERS TO DONATE THEIR TIME AND TALENT TO OMC IN ADDITION TO ADDING AN ONLINE VOLUNTEER APPLICATION FORM TO OUR WEBSITE, WE EXPANDED OUR VOLUNTEERS IN PATIENT CARE OPPORTUNITIES LIKE CANINE COMPANIONS AND ESCORT/GREETER ROLES TO HELP PATIENTS NAVIGATE OUR EXPANDING HOSPITAL CAMPUS

4c	(Code) (Expenses \$ 865,659 including grants of \$) (Revenue \$ 1,090,375)
	OMC’S RESEARCH DEPARTMENT, LED BY DR BARBARA YAWN, MD, HELPS RESEARCHERS FROM AROUND THE WORLD STUDY DISEASES AND CONDITIONS, INCLUDING THE EFFECT OF DISEASES OF PEOPLE’S LIVES AND THE VALUE OF TREATMENT IN PREVENTING, CURING AND IMPROVING TREATMENT OUTCOMES OMC RESEARCH IS A KEY PARTNER IN STUDIES OF THE HEALTH OF POPULATIONS IN OLMSTED COUNTY AND THROUGHOUT THE UNITED STATES THE DEPARTMENT HAS INITIATED SEVERAL NATIONAL STUDIES TO IMPROVE THE HEALTH AND MEDICAL CARE OF ALL AMERICANS BEACON COMMUNITY PROJECT - OMC ASSUMED A LEADERSHIP ROLE IN THE FEDERALLY FUNDED \$12 2 MILLION SOUTHEAST MINNESOTA REGION BEACON COMMUNITY PROJECT AND ITS GOAL OF CREATING A NATIONAL MODEL FOR THE SECURE EXCHANGE OF PATIENTS’ HEALTH INFORMATION AT ANY POINT OF CLINICAL SERVICE

4d	Other program services (Describe in Schedule O)
	(Expenses \$ including grants of \$) (Revenue \$)

4e	Total program service expenses	155,279,881
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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	No
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV	16	No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	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 domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a	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), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		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.	189	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
c. Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	2a	1,337
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 FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
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. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		8	
9a. Did the sponsoring organization make any taxable distributions under section 4966?		9a	
b. Did the sponsoring 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		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O		
b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	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	Yes
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

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

Section C. Disclosure

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

MN

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, address, and telephone number of the person who possesses the organization's books and records

KEVIN HIGGINS

Part VII

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			

Part VII

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	10,236,671	0	830,035

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization170

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
CERNER CORPORATION 2800 ROCKCREEK PARKWAY KANSAS CITY, MO 64141	COMPUTER SUPPORT	1,410,504
MAYO COLLABORATIVE SERVICES 200 1ST STREET SW ROCHESTER, MN 55905	MEDICAL SERVICES	1,088,449
UNIVERSAL HOSPITAL SERVICE INC SDS 12-0940 PO BOX 86 MINNEAPOLIS, MN 554860940	EQUIPMENT MAINTENANCE	950,697
COMPHEALTH ASSOCIATES INC PO BOX 972651 DALLAS, TX 753972651	LOCUM PHYSICIAN SERVICE	891,775
ALL SYSTEMS INSTALLATION 8300 10TH AVE NORTH STE A GOLDEN VALLEY, MN 55427	ELECTRICAL SERVICES	871,631

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization65

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	1,617,883		
	e	Government grants (contributions)	1e	944,977		
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	176,641		
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f		2,739,501		
Program Service Revenue			Business Code			
	2a	NET PATIENT SERVICES	621110	181,875,426	181,875,426	
	b	PHARMACY	446110	608,543	507,834	100,709
	c					
	d					
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f		182,483,969		
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		1,354,994		1,354,994
	4	Income from investment of tax-exempt bond proceeds				
	5	Royalties				
			(i) Real	(ii) Personal		
	6a	Gross rents	76,485			
	b	Less rental expenses	0			
	c	Rental income or (loss)	76,485			
	d	Net rental income or (loss)		76,485		76,485
			(i) Securities	(ii) Other		
	7a	Gross amount from sales of assets other than inventory	9,587,193			
	b	Less cost or other basis and sales expenses	9,508,505	275,935		
	c	Gain or (loss)	78,688	-275,935		
	d	Net gain or (loss)		-197,247	-275,935	78,688
	8a	Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18	a			
	b	Less direct expenses	b			
	c	Net income or (loss) from fundraising events				
	9a	Gross income from gaming activities See Part IV, line 19	a			
	b	Less direct expenses	b			
	c	Net income or (loss) from gaming activities				
	10a	Gross sales of inventory, less returns and allowances	a			
	b	Less cost of goods sold	b			
	c	Net income or (loss) from sales of inventory				
Miscellaneous Revenue		Business Code				
11a	ELECTRONIC HEALTH RECORDS INCENTI	900099	1,551,976	1,551,976		
b	CAFETERIA REVENUE	722210	192,619		192,619	
c						
d	All other revenue		-252,753	-252,753		
e	Total. Add lines 11a-11d		1,491,842			
12	Total revenue. See Instructions		187,949,544	183,406,548	100,709	1,702,786

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 domestic organizations and domestic governments. See Part IV, line 21.	527,999	527,999		
2	Grants and other assistance to domestic individuals. See Part IV, line 22.				
3	Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16.				
4	Benefits paid to or for members.				
5	Compensation of current officers, directors, trustees, and key employees.	5,418,618	4,057,161	1,361,457	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	2,312,200	2,312,200		
7	Other salaries and wages.	77,844,154	70,132,267	7,444,186	267,701
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	5,966,231	5,484,218	454,087	27,926
9	Other employee benefits.	11,671,971	8,792,114	2,787,749	92,108
10	Payroll taxes.	5,488,871	4,704,725	764,479	19,667
11	Fees for services (non-employees):				
a	Management.	190,791	186,723	4,068	
b	Legal.	231,849	7,030	224,819	
c	Accounting.	281,360		281,360	
d	Lobbying.				
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.	84,330		84,330	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	7,086,993	5,826,266	1,260,727	
12	Advertising and promotion.	366,009	4,570	361,439	
13	Office expenses.	2,716,375	2,028,006	688,369	
14	Information technology.	748,619	219,968	528,651	
15	Royalties.				
16	Occupancy.	5,851,162	5,024,500	826,662	
17	Travel.	66,557	54,536	12,021	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	855,554	640,290	215,264	
20	Interest.	1,815,878	1,757,100	58,778	
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	7,685,206	7,685,206		
23	Insurance.	878,700	878,700		
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):				
a	MEDICAL SUPPLIES	17,164,793	17,162,877	1,916	
b	PROVISION FOR BAD DEBTS	8,586,219	8,586,219		
c	EQUIPMENT & SOFTWARE MA	5,164,389	3,602,425	1,561,964	
d	MINNESOTACARE TAX	3,629,170	3,629,170		
e	All other expenses	3,105,010	1,975,611	1,129,399	
25	Total functional expenses. Add lines 1 through 24e.	175,739,008	155,279,881	20,051,725	407,402
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)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		85,343,961	2	73,077,385
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		29,558,546	4	29,212,158
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		1,612,877	8	1,851,151
	9	Prepaid expenses and deferred charges		5,167,197	9	5,827,061
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	146,951,488		
	b	Less accumulated depreciation	10b	53,359,430	75,928,606	10c 93,592,058
	11	Investments—publicly traded securities		20,005,981	11	22,512,535
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		980,836	15	906,021
	16	Total assets. Add lines 1 through 15 (must equal line 34)		218,598,004	16	226,978,369
Liabilities	17	Accounts payable and accrued expenses		3,873,160	17	3,241,245
	18	Grants payable			18	
	19	Deferred revenue		677,797	19	185,555
	20	Tax-exempt bond liabilities		35,605,000	20	34,900,000
	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		18,987,656	23	13,822,441
	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		24,388,797	25	27,053,409
	26	Total liabilities. Add lines 17 through 25		83,532,410	26	79,202,650
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		135,065,594	27	147,775,719
	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		135,065,594	33	147,775,719
	34	Total liabilities and net assets/fund balances		218,598,004	34	226,978,369

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	187,949,544
2	Total expenses (must equal Part IX, column (A), line 25)	2	175,739,008
3	Revenue less expenses Subtract line 2 from line 1	3	12,210,536
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	135,065,594
5	Net unrealized gains (losses) on investments	5	499,589
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	0
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	147,775,719

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

Additional Data

Software ID:

Software Version:

EIN: 41-0855367

Name: OLMSTED MEDICAL CENTER

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) KATHRYN LOMBARDO MD CURRENT PRESIDENT	40 00 1 00	X		X				506,947	0	28,878
(1) MATTHEW KIRSCH MD PHYSICIAN	40 00					X		898,347	0	31,792
(2) TIM WEIR CEO	40 00 1 00			X				585,395	0	47,757
(3) KEVIN HIGGINS CFO	40 00				X			364,405	0	46,235
(4) ROXANNE FLATEN PUBLIC TRUSTEE	1 00	X						0	0	0
(5) JAY HESLEY PUBLIC TRUSTEE	1 00	X						0	0	0
(6) JUSTIN MCNEILUS PUBLIC TRUSTEE	1 00	X						0	0	0
(7) ELAINE GARRY PUBLIC TRUSTEE	1 00	X						0	0	0
(8) JULIE ANDERSON PUBLIC TRUSTEE	1 00	X						0	0	0
(9) MARY BENIKE KISILEWSKI PUBLIC TRUSTEE	1 00	X						0	0	0
(10) KIMBERLY MCKEON MD PHYSICIAN TRUSTEE	40 00	X						310,151	0	45,790
(11) MELISSA BRINKMAN PUBLIC TRUSTEE	1 00	X						0	0	0
(12) SUSAN KNUTSON PUBLIC TRUSTEE	1 00	X						0	0	0
(13) SRDAN BABOVIC MD TREASURER/SECRETARY	40 00	X		X				695,632	0	30,961
(14) STEVE YAGGY PUBLIC TRUSTEE	1 00	X						0	0	0
(15) KEN BROWN PUBLIC TRUSTEE	1 00	X						0	0	0
(16) RANDY HEMANN MD MEDICAL VICE PRESIDENT MEDICAL SERVICES	40 00				X			357,538	0	47,049
(17) DAVID WESTGARD MD CHIEF MEDICAL OFFICER(RETIRED)	40 00 1 00			X				286,588	0	34,154
(18) DAVID LOWE MD PHYSICIAN	40 00					X		605,339	0	48,837
(19) MARCO SANTAMARIA MD PHYSICIAN	40 00					X		637,235	0	49,273
(20) GRAHAM RITTS MD PHYSICIAN	40 00					X		655,091	0	43,936
(21) SUSANNE PFEFFER-KLEEMAN MD PHYSICIAN	40 00					X		579,969	0	48,929
(22) MARK WILBUR MD PHYSICIAN TRUSTEE	40 00	X						296,888	0	24,636
(23) JOSEPH TRICARICO MD TREASURER/SECRETARY	40 00	X		X				587,749	0	49,875
(24) CHARLES BRANCH MD FORMER PHYSICIAN TRUSTEE	40 00						X	549,560	0	47,746

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(26) JAMES HOFFMANN MD MEDICAL VICE PRESIDENT/SURG SVCS	40 00				X			400,124	0	47,541
(1) LINDA WILLIAMS MD FORMER PHYSICIAN TRUSTEE	40 00						X	234,261	0	32,990
(2) THOMAS ERBACH MD FORMER PHYSICIAN TRUSTEE	40 00						X	287,982	0	41,116
(3) JAY MYERS MD FORMER PHYSICIAN TRUSTEE	40 00						X	535,840	0	48,607
(4) VIDHAN CHANDRA MD PHYSICIAN TRUSTEE	40 00	X						861,630	0	33,933

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization OLMSTED MEDICAL CENTER	Employer identification number 41-0855367
--	--

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 in lines 11a through 11d that describes the type of supporting organization and complete lines 11e, 11f, and 11g

a

☐

Type I. A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization **You must complete Part IV, Sections A and B.**

b

☐

Type II. A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s) **You must complete Part IV, Sections A and C.**

c

☐

Type III functionally integrated. A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions) **You must complete Part IV, Sections A, D, and E.**

d

☐

Type III non-functionally integrated. A supporting organization operated in connection with its supported organization(s) that is not functionally integrated The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions) **You must complete Part IV, Sections A and D, and Part V.**

e

☐

Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization

f

Enter the number of supported organizations _____

g

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 listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(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 VI)						
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 section 501(c)(3) organization, check this box and stop here						▶

Section C. Computation of Public Support Percentage			
14 Public support percentage for 2014 (line 6, column (f) divided by line 11, column (f))	14		
15 Public support percentage for 2013 Schedule A, Part II, line 14	15		
16a 33 1/3% support test—2014. 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—2013. 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—2014. 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 VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization			▶
b 10%-facts-and-circumstances test—2013. 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 VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization			▶
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions			▶

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(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 VI.)						
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 section 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage		
15 Public support percentage for 2014 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2013 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2014 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2013 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2014. 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—2013. 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 Supporting Organizations

(Complete only if you checked a box on line 11 of Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.	1	
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).	2	
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer (b) and (c) below.	3a	
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in Part VI when and how the organization made the determination.	3b	
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in Part VI what controls the organization put in place to ensure such use.	3c	
4a Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes" and if you checked 11a or 11b in Part I, answer (b) and (c) below.	4a	
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations. . . .	4b	
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.	4c	
5a Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document).	5a	
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b	
c Substitutions only. Was the substitution the result of an event beyond the organization's control?	5c	
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (a) its supported organizations, (b) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (c) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in Part VI .	6	
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in IRC 4958(c)(3)(C)), a family member of a substantial contributor, or a 35-percent controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990) .	7	
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If "Yes," complete Part II of Schedule L (Form 990).	8	
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in Part VI .	9a	
b Did one or more disqualified persons (as defined in line 9(a)) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in Part VI .	9b	
c Did a disqualified person (as defined in line 9(a)) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in Part VI .	9c	
10a Was the organization subject to the excess business holdings rules of IRC 4943 because of IRC 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer b below.	10a	
b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings).	10b	
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?	11a	
b A family member of a person described in (a) above?	11b	
c A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI.	11c	

Part IV

Supporting Organizations (continued)

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised or controlled the supporting organization.		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (1) a written notice describing the type and amount of support provided during the prior tax year, (2) a copy of the Form 990 that was most recently filed as of the date of notification, and (3) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		

Section E. Type III Functionally-Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions)			
a ☐ The organization satisfied the Activities Test. Complete line 2 below.			
b ☐ The organization is the parent of each of its supported organizations. Complete line 3 below.			
c ☐ The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).			
2 <u>Activities Test</u> Answer (a) and (b) below.			
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.			
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.			
3 <u>Parent of Supported Organizations</u> Answer (a) and (b) below.			
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.			
b Did the organization exercise a substantial degree of direction over the policies, programs and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.			

Part V – Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov 20, 1970 **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6 and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year)	1	
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI) _____		
2	Acquisition indebtedness applicable to non-exempt use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	☐ Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions)		

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI) See instructions	
7 Total annual distributions. Add lines 1 through 6	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI) See instructions	
9 Distributable amount for 2014 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2014	(iii) Distributable Amount for 2014
1 Distributable amount for 2014 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2014 (reasonable cause required--see instructions)			
3 Excess distributions carryover, if any, to 2014			
a From 2009.			
b From 2010.			
c From 2011.			
d From 2012.			
e From 2013.			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2014 distributable amount			
i Carryover from 2009 not applied (see instructions)			
j Remainder Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2014 from Section D, line 7 \$			
a Applied to underdistributions of prior years			
b Applied to 2014 distributable amount			
c Remainder Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2014, if any Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions)			
6 Remaining underdistributions for 2014 Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions)			
7 Excess distributions carryover to 2015. Add lines 3j and 4c			
8 Breakdown of line 7			
a From 2010.			
b From 2011.			
c From 2012.			
d From 2013.			
e From 2014.			

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b; Part V, line 1; Part V, Section B, line 1e; Part V Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Return Reference

Explanation

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.

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization OLMSTED MEDICAL CENTER	Employer identification number 41-0855367
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Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate value of contributions to (during year)	
3	Aggregate value of 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
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register

3

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

4

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

5

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

☐ Yes ☐ No

6

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

7

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

8

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

☐ Yes ☐ No

9

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

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

1a

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

b

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

(i) Revenue 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

Revenue included in Form 990, Part VIII, line 1

▶ \$ _____

b

Assets included in Form 990, Part X

▶ \$ _____

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

Cat No 52283D

Schedule D (Form 990) 2014

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

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

b ☐ Scholarly research

c ☐ Preservation for future generations

d ☐ Loan or exchange programs

e ☐ Other
- 4 Provide a description of the organization’s collections and explain how they further the organization’s exempt purpose in Part XIII
- 5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization’s collection?

☐ Yes ☐ No

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

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes ☐ No
- b If "Yes," explain the arrangement in Part XIII and complete the following table
- c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

	Amount
1c	
1d	
1e	
1f	
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?

☐ Yes ☐ No
- b If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII

☐

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

- | | (a)Current year | (b)Prior year | b (c)Two years back | (d)Three years back | (e)Four years back |
|--|-----------------|---------------|---------------------|---------------------|--------------------|
| 1a Beginning of year balance | | | | | |
| b Contributions | | | | | |
| c Net investment earnings, gains, and losses | | | | | |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | | | | | |
| f Administrative expenses | | | | | |
| g End of year balance | | | | | |
- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as
- a Board designated or quasi-endowment ▶

b Permanent endowment ▶

c Temporarily restricted endowment ▶
- The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i) unrelated organizations

(ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		
- b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?
- 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		5,285,183		5,285,183
b Buildings		89,880,737	22,694,080	67,186,657
c Leasehold improvements				
d Equipment		51,610,787	30,513,320	21,097,467
e Other		174,781	152,030	22,751
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) ▶				93,592,058

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

Part XII

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

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

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

Part XIII

Supplemental Information

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

Return Reference	Explanation
PART X, LINE 2	OLMSTED MEDICAL CENTER AND THE OMC REGIONAL FOUNDATION ARE EXEMPT FROM FEDERAL INCOME TAXES AS TAX-EXEMPT ORGANIZATIONS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, EXCEPT FOR INCOME ON CERTAIN UNRELATED BUSINESS INCOME. THERE IS NO MATERIAL UNRELATED BUSINESS INCOME FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013. THE MEDICAL CENTER AND FOUNDATION ARE ALSO EXEMPT FROM STATE INCOME TAXES UNDER APPLICABLE MINNESOTA STATUTES. THE MEDICAL CENTER AND FOUNDATION FILE FEDERAL AND STATE INCOME TAX RETURNS. GENERALLY, THE MEDICAL CENTER AND THE FOUNDATION ARE NO LONGER SUBJECT TO STATE AND FEDERAL INCOME TAX EXAMINATIONS BY TAX AUTHORITIES FOR THE YEAR ENDED DECEMBER 31, 2010, AND PRIOR. OMC RETAIL SERVICES, LLC IS A DISREGARDED LLC UNDER IRS REGULATIONS, AND IT ACHIEVES TAX-EXEMPT TREATMENT BASED ON THE EXEMPT STATUS OF ITS PARENT, OLMSTED MEDICAL CENTER. AT DECEMBER 31, 2014, THERE WERE NO UNCERTAIN TAX POSITIONS.

[illegible]

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
OLMSTED MEDICAL CENTER

Employer identification number
41-0855367

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 <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care ☐ 100% ☐ 150% ☐ 200% ☒ Other <u>24000 0000000000 %</u> b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☒ 300% ☐ 350% ☐ 400% ☐ Other _____ % c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used 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	3a	Yes	
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 eligible 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)			1,303,227	15,304	1,287,923	0 730 %
b Medicaid (from Worksheet 3, column a)			34,473,400	18,618,348	15,855,052	9 020 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			3,347,200	728,918	2,618,282	1 490 %
d Total Financial Assistance and Means-Tested Government Programs			39,123,827	19,362,570	19,761,257	11 240 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			144,594	0	144,594	0 080 %
f Health professions education (from Worksheet 5)			0	0		
g Subsidized health services (from Worksheet 6)			1,107,913	0	1,107,913	0 630 %
h Research (from Worksheet 7)			1,265,521	1,121,618	143,903	0 080 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			613,534	0	613,534	0 350 %
j Total. Other Benefits			3,131,562	1,121,618	2,009,944	1 140 %
k Total. Add lines 7d and 7j			42,255,389	20,484,188	21,771,201	12 380 %

Part II

Community Building Activities

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

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

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

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

1

Yes

2

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

2

8,586,219

3

Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.

3

4

Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.

Section B. Medicare

5

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

5

14,894,738

6

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

6

18,061,931

7

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

7

-3,167,193

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 (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)

		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)

OLMSTED MEDICAL CENTER

Name of hospital facility or letter of facility reporting group

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A):

1

		Yes	No
Community Health Needs Assessment			
1	Was the hospital facility first licensed, registered, or similarly recognized by a State as a hospital facility in the current tax year or the immediately preceding tax year?	1	No
2	Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2	No
3	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 12	3	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 significant 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 Section C)		
4	Indicate the tax year the hospital facility last conducted a CHNA 20 13		
5	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 Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5	Yes
6a	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a	Yes
b	Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	6b	Yes
7	Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	7	Yes
a	☒ Hospital facility's website (list url) HTTP //WWW OLMMED ORG		
b	☐ Other website (list url)		
c	☐ Made a paper copy available for public inspection without charge at the hospital facility		
d	☐ Other (describe in Section C)		
8	Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	8	Yes
9	Indicate the tax year the hospital facility last adopted an implementation strategy 20 14		
10	Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	Yes
a	If "Yes" (list url) HTTP //WWW OLMMED ORG		
b	If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b	No
11	Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed		
12a	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)?	12a	No
b	If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b	
c	If "Yes" to line 12b, 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)

Name of hospital facility or letter of facility reporting group

OLMSTED MEDICAL CENTER

		Yes	No
Financial Assistance Policy (FAP)			
13 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 included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP	13	Yes	
a ☒ Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>240 000000000000</u> % and FPG family income limit for eligibility for discounted care of <u>300 000000000000</u> %			
b ☐ Income level other than FPG (describe in Section C)			
c ☐ Asset level			
d ☐ Medical indigency			
e ☐ Insurance status			
f ☐ Underinsurance discount			
g ☐ Residency			
h ☐ Other (describe in Section C)			
14 Explained the basis for calculating amounts charged to patients?	14		No
15 Explained the method for applying for financial assistance?	15	Yes	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply)			
a ☒ Described the information the hospital facility may require an individual to provide as part of his or her application			
b ☒ Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application			
c ☒ Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process			
d ☐ Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications			
e ☐ Other (describe in Section C)			
16 Included measures to publicize the policy within the community served by the hospital facility?	16	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The FAP was widely available on a website (list url) _____			
b ☐ The FAP application form was widely available on a website (list url) _____			
c ☐ A plain language summary of the FAP was widely available on a website (list url) _____			
d ☒ The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
e ☒ The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)			
f ☒ A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
g ☐ Notice of availability of the FAP was conspicuously displayed throughout the hospital facility			
h ☐ Notified members of the community who are most likely to require financial assistance about availability of the FAP			
i ☐ Other (describe in Section C)			
Billing and Collections			
17 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 all of the actions the hospital facility or other authorized party may take upon non-payment?	17	Yes	
18 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(ies)			
b ☐ Selling an individual's debt to another party			
c ☐ Actions that require a legal or judicial process			
d ☐ Other similar actions (describe in Section C)			
e ☒ None of these actions or other similar actions were permitted			

Part V

Facility Information (continued)

OLMSTED MEDICAL CENTER

Name of hospital facility or letter of facility reporting group

		Yes	No
19	Did the hospital facility or other authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged	19	No
a	☐ Reporting to credit agency(ies)		
b	☐ Selling an individual's debt to another party		
c	☐ Actions that require a legal or judicial process		
d	☐ Other similar actions (describe in Section C)		
20	Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 18 (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)		
f	☐ None of these efforts were made		
Policy Relating to Emergency Medical Care			
21	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate why	21	Yes
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 Section C)		
d	☐ Other (describe in Section C)		
Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)			
22	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 Section C)		
23	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Section C	23	No
24	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Section C	24	No

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

[illegible]

Part V

Facility Information *(continued)*

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

How many non-hospital health care facilities did the organization operate during the tax year? **18**

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

Part VI

Supplemental Information

Provide the following information

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

Form and Line Reference	Explanation
PART I, LINE 3C	FEDERAL POVERTY GUIDELINES ARE USED FOR DETERMINING FINANCIAL ASSISTANCE

Form and Line Reference	Explanation
PART I, LINE 7	LINE 7A-7C AMOUNTS SHOWN ARE BASED UPON A COST-TO-CHARGE RATIO FROM IRS WORKSHEET 2 LINE 7E-7I AMOUNTS SHOWN ARE BASED UPON THE ORGANIZATIONS COST ACCOUNTING SYSTEM

Form and Line Reference	Explanation
PART I, LINE 6A	THE OLMSTED MEDICAL CENTER ANNUAL REPORT IS MADE WIDELY AVAILABLE AND IS AVAILABLE ON THE WEBSITE

Form and Line Reference	Explanation
PART III, LINE 4	THE FOOTNOTE FROM THE ORGANIZATION'S FINANCIAL STATEMENTS THAT DESCRIBES BAD DEBT EXPENSE IS AS FOLLOWS PATIENT ACCOUNTS RECEIVABLE DUE DIRECTLY FROM THE PATIENTS ARE CARRIED AT THE ORIGINAL CHARGE FOR THE SERVICE PROVIDED, LESS AMOUNTS COVERED BY THIRD-PARTY PAYORS AND LESS AN ESTIMATED ALLOWANCE FOR DOUBTFUL RECEIVABLES MANAGEMENT DETERMINES THE ALLOWANCE FOR DOUBTFUL ACCOUNTS BY IDENTIFYING TROUBLED ACCOUNTS AND BY HISTORICAL EXPERIENCE APPLIED TO AN AGING OF ACCOUNTS PATIENT ACCOUNTS RECEIVABLE ARE WRITTEN OFF WHEN DEEMED UNCOLLECTIBLE RECOVERIES OF PATIENT ACCOUNTS RECEIVABLE PREVIOUSLY WRITTEN OFF ARE RECORDED WHEN RECEIVED

Form and Line Reference	Explanation
PART III, LINE 8	THE ORGANIZATION DERIVED ITS COSTING METHODOLOGY USED TO DETERMINE THE MEDICARE ALLOWABLE COSTS REPORTED IN THE ORGANIZATION'S MEDICARE COST REPORT BY USING COST REPORT WORKSHEETS. MEDICARE COSTS ARE DETERMINED THROUGH THE MEDICARE COST FINDING PROCESS WHICH ALLOCATES GENERAL SERVICE CENTER COSTS TO REVENUE DEPARTMENTS. THE METHODOLOGY DESCRIBED IN THE INSTRUCTIONS TO SCHEDULE H, PART III, SECTION B, LINE 6 DOES NOT TAKE INTO ACCOUNT ALL COSTS INCURRED BY THE HOSPITAL AND DOES NOT REPRESENT THE TOTAL COMMUNITY BENEFIT CONFERRED IN THIS AREA. THE REASONS MEDICARE SHORTFALL SHOULD BE TREATED AS A COMMUNITY BENEFIT ARE: ABSENT THE MEDICARE PROGRAM, IT IS LIKELY MANY OF THE INDIVIDUALS WOULD QUALIFY FOR FINANCIAL ASSISTANCE OR OTHER NEEDS-BASED GOVERNMENT PROGRAMS, BY ACCEPTING PAYMENT BELOW COST TO TREAT THESE INDIVIDUALS, THE BURDENS OF GOVERNMENT ARE RELIEVED WITH RESPECT TO THESE INDIVIDUALS, THERE IS A SIGNIFICANT POSSIBILITY THAT CONTINUED REDUCTION IN REIMBURSEMENT MAY ACTUALLY CREATE DIFFICULTIES IN ACCESS FOR THESE INDIVIDUALS, AND THE AMOUNT SPENT TO COVER MEDICARE SHORTFALL IS MONEY NOT AVAILABLE TO COVER FINANCIAL ASSISTANCE AND OTHER COMMUNITY BENEFIT NEEDS. AS REPORTED ON THE AUDITED FINANCIAL STATEMENTS, THE COMMUNITY BENEFIT OF COSTS IN EXCESS OF MEDICARE PAYMENTS WAS \$17,853,222.

Form and Line Reference	Explanation
PART III, LINE 9B	PATIENT FINANCIAL HARDSHIP POLICY TO SUPPORT THE ORGANIZATION'S MISSION AND PHILOSOPHY IN THAT THE PATIENT COMES FIRST AND PROVIDE A GUIDELINE IN IDENTIFYING PATIENT'S WHO HAVE AN EXCEPTIONAL PERSONAL FINANCIAL HARDSHIP AND REQUIRED NEEDED AND NECESSARY MEDICAL CARE AND THERE IS REMOTE OR NEGLIBLE CHANCE THAT THE INDIVIDUAL WILL BE ABLE TO REPAY PROCEDURE FACTORS THAT MAY CONTRIBUTE TO EXCEPTIONAL FINANCIAL HARDSHIP INCLUDE 1) UNEMPLOYMENT OR UNDEREMPLOYMENT THROUGH NO FAULT OF THE PATIENT AND/OR FAMILY, 2) THREATENED LOSS OF SHELTER THROUGH FORECLOSURE, ETC, 3) LOSS OF INCOME FROM FEDERAL, STATE OR OTHER GOVERNMENT BENEFITS INCLUDING, BUT NOT LIMITED TO SOCIAL SECURITY, SUPPLEMENTAL SECURITY INCOME, PUBLIC ASSISTANCE, ETC, 4) LOSS OF INCOME DUE TO DEATH OR DISABILITY, 5) EXCEPTIONAL EXPENSES INCURRED BECAUSE OF UNINSURED PROPERTY DAMAGE OR COSTLY REPAIRS TO PRINCIPAL RESIDENCE, 6) EXCEPTIONAL EXPENSES DUE TO TEMPORARY OR CHRONIC ILLNESS, 7) EXCEPTIONAL EXPENSES DUE TO INCREASE IN LIVING EXPENSES BECAUSE OF A DIVORCE, ABANDONMENT OR SEPARATION FROM SPOUSE OR INCOME EARNER, 8) LOSS OF INCOME DUE TO DECLARATION OF INCOMPETENCE OR IN PROCESS OF BEING DECLARED INCOMPETENT, 9) PATIENT OR FAMILY MEMBER IS CONFINED TO A CONVALESCENT HOME OR OTHER RESIDENCE OTHER THAN THEIR PRINCIPAL RESIDENCE, 10) NATURAL DISASTERS SUCH AS FLOODS, FIRES, HURRICANES AND EARTHQUAKES, 11) EVICTION, HOMELESSNESS, LOSS OF OWNED RESIDENCE, ARSON, THEFT, ETC, 12) DISCONTINUANCE OF UTILITIES OR HEAT, OR UNSAFE OR UNHEALTHY LIVING CONDITIONS, 13) ANY OTHER CONDITION CONSIDERED LIFE THREATENING DUE TO EXCEPTIONAL FINANCIAL HARDSHIP APPLICATION PROCESS THE FINANCIAL HARDSHIP APPLICATION, UTILIZING OMC'S FINANCIAL ASSISTANCE APPLICATION, CONTAINS THE NECESSARY INFORMATION TO DETERMINE ELIGIBILITY FOR THE OMC FINANCIAL HARDSHIP PROGRAM NO SEPARATE APPLICATION IS NECESSARY SUPPORTING DOCUMENTATION REQUIRED TO MAKE AN ELIGIBILITY DETERMINATION ARE 1) MOST RECENT TAX RETURNS, 2) CURRENT FAMILY PAYROLL STUB SHOWING YEAR-TO-DATE INCOME, 3) CURRENT TRANSUNION CREDIT REPORT AND OTHER FINANCIAL HARDSHIP DOCUMENTATION TO SUPPORT HARDSHIP, 4) EXPLANATION OF HARDSHIP SITUATION/NECESSITY AND RARE COMPLICATIONS ELIGIBILITY DETERMINATION BASED UPON PATIENT'S/FAMILY'S INCOME AND ASSETS AND COMPLETED FINANCIAL ASSISTANCE APPLICATION BASED UPON TAKING INTO CONSIDERATION ALL PERSONAL FACTORS IN DETERMINING EXCEPTIONAL FINANCIAL HARDSHIP THE BUSINESS SERVICES DEPARTMENT EVALUATES THE APPLICATIONS MEETING THE CRITERIA AND PRESENTS TO ADMINISTRATION FOR APPROVAL OMC RESERVES THE RIGHT TO MAKE ADJUSTMENT DETERMINATIONS ON A CASE-BY-CASE BASIS

Form and Line Reference	Explanation
PART III, SECTION A, LINE 1	THE FILING ORGANIZATION REPORTS BAD DEBT IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) HFMA STATEMENT 15 IS FOLLOWED TO THE EXTENT THAT IT ALIGNS WITH THE GUIDELINES SET FORTH BY GAAP

Form and Line Reference	Explanation
PART III, LINE 2	PATIENT ACCOUNTS RECEIVABLE DUE DIRECTLY FROM THE PATIENTS ARE CARRIED AT THE ORIGINAL CHARGE FOR THE SERVICE PROVIDED, LESS AMOUNTS COVERED BY THIRD-PARTY PAYORS AND LESS AN ESTIMATED ALLOWANCE FOR DOUBTFUL RECEIVABLES MANAGEMENT DETERMINES THE ALLOWANCE FOR DOUBTFUL ACCOUNTS BY IDENTIFYING TROUBLED ACCOUNTS AND BY HISTORICAL EXPERIENCE APPLIED TO AN AGING OF ACCOUNTS PATIENT ACCOUNTS RECEIVABLE ARE WRITTEN OFF WHEN DEEMED UNCOLLECTIBLE RECOVERIES OF PATIENT ACCOUNTS RECEIVABLE PREVIOUSLY WRITTEN OFF ARE RECORDED WHEN RECEIVED

Form and Line Reference	Explanation
PART VI, LINE 2	OMC ACTIVELY WORKS WITH LOCAL GOVERNMENT IN ASSESSING AND ADDRESSING COMMUNITY NEEDS THROUGH MEETINGS, WORKSHOPS, AND COMMUNITY INPUT IN ADDITION, OMC IS ACTIVELY INVOLVED WITH LOCAL GOVERNMENTS IN EMERGENCY PREPAREDNESS AND DISEASE MANAGEMENT

Form and Line Reference	Explanation
PART VI, LINE 3	OMC INFORMS PATIENTS OF THE FINANCIAL ASSISTANCE PROGRAMS AVAILABLE AND ASSISTS PATIENTS WHO INDICATE AN INABILITY TO PAY OMC INFORMS PATIENTS OF THE FINANCIAL ASSISTANCE PROGRAMS BY PROVIDING THE FINANCIAL ASSISTANCE POLICY ON BROCHURES IN THE NEW PATIENT PACKET AND AT THE FRONT DESK FOR ALL PATIENTS THE POLICY IS ALSO PROVIDED ON THE BACK OF THE HOSPITAL BILL STATEMENTS, ON THE HOSPITAL WEBSITE AND ON THE HOSPITAL'S ONLINE BILL-PAY SYSTEM OMC PATIENT FINANCIAL COUNSELORS PROVIDE INFORMATION TO PATIENTS REGARDING AVAILABLE HEALTHCARE FINANCIAL COVERAGE OPTIONS, SUCH AS 1) MEDICAL ASSISTANCE, 2) MINNESOTA CARE, 3) OTHER FINANCIAL SERVICES AVAILABLE FOR LOW INCOME FAMILIES IN THE COMMUNITY, 4) OMC'S FINANCIAL ASSISTANCE PROGRAM THE PATIENT FINANCIAL COUNSELORS ASSIST OMC PATIENTS IN THE APPLICATION PROCESS ALL APPLICATIONS ARE PROCESSED IN A TIMELY MANNER PATIENT APPLICATIONS ARE CONSIDERED FOR CURRENT PATIENT RESPONSIBLE BALANCES, AS WELL AS NEAR FUTURE SCHEDULED MEDICAL SERVICES PATIENTS MAY QUALIFY FOR FULL OR PARTIAL FINANCIAL ASSISTANCE PATIENT FINANCIAL COUNSELORS NOTE PATIENT'S ACCOUNT VIA ON-LINE NOTES REGARDING APPLICATIONS SENT, APPLICATIONS IN PROCESS, AND WHETHER APPLICATIONS HAVE BEEN APPROVED, DENIED, OR ADDITIONAL INFORMATION IS REQUIRED THE PATIENT FINANCIAL COUNSELORS INFORM THE PATIENT VIA A LETTER REGARDING THE DETERMINATION (APPROVED, DENIED, OR PARTIAL COVERAGE APPROVED) OF THE RECEIVED AND COMPLETED APPLICATION PRIOR TO TURNING ACCOUNTS OVER THE THIRD PARTY COLLECTION, THE ACCOUNT WILL BE REVIEWED FOR POSSIBLE FINANCIAL ASSISTANCE PROGRAM QUALIFICATION THROUGH THE E-BUREAU PROCESS

Form and Line Reference	Explanation
PART VI, LINE 4	OMC IS A REGIONAL HEALTH CARE FACILITY SERVING PATIENTS WITHIN A SIXTY MILE RADIUS OF ROCHESTER, MN

Form and Line Reference	Explanation
PART VI, LINE 5	THE FILING ORGANIZATION MAINTAINS AN EMERGENCY ROOM 24 HOURS A DAY, 7 DAYS A WEEK WHICH IS OPEN TO ALL WITHOUT REGARD TO THE ABILITY TO PAY MEDICAL STAFF PRIVILEGES ARE OPEN TO ALL QUALIFIED PHYSICIANS IN THE AREA THE ORGANIZATION UTILIZES ITS SURPLUS FUNDS TO INCREASE THE SERVICES OFFERED TO ITS PATIENTS THE ORGANIZATION HAS EXPANDED THE OPERATIONS AT FASTCARE FACILITIES AND ADDED CARDIOLOGY AND ENDOCRINOLOGY SERVICES FOR ITS PATIENTS

Form and Line Reference	Explanation
PART VI, LINE 6	N/A

Form and Line Reference	Explanation
PART VI, LINE 7	THE ORGANIZATION DOES NOT FILE A COMMUNITY BENEFIT REPORT WITH THE STATE OF MINNESOTA HOWEVER, COMMUNITY BENEFIT INFORMATION IS PROVIDED TO THE MINNESOTA HOSPITAL ASSOCIATION WHICH IS THEN USED IN A STATEWIDE SUMMARY REPORT OF COMMUNITY BENEFITS PROVIDED BY MINNESOTA HOSPITALS

Additional Data

Software ID:

Software Version:

EIN: 41-0855367

Name: OLMSTED MEDICAL CENTER

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)
OLMSTED MEDICAL CENTER - MAIN CLINIC 210 NINTH STREET SE ROCHESTER,MN 55904	MAIN CLINIC - OUTPATIENT PHYSICIAN CLINIC
OLMSTED MEDICAL - BYRON CLINIC 846 HIGH POINT DR NE BYRON,MN 55920	MAIN CLINIC - OUTPATIENT PHYSICIAN CLINIC
OLMSTED MEDICAL - CHATFIELD CLINIC 207 TWIFORD STREET SW CHATFIELD,MN 55923	MAIN CLINIC - OUTPATIENT PHYSICIAN CLINIC
OLMSTED MEDICAL - CANNON FALLS CLINIC 1705 HIGHWAY 20 CANNON FALLS,MN 55009	MAIN CLINIC - OUTPATIENT PHYSICIAN CLINIC
OLMSTED MEDICAL - PINE ISLAND CLINIC 111 COUNTY ROAD 11 NW PINE ISLAND,MN 55963	MAIN CLINIC - OUTPATIENT PHYSICIAN CLINIC
OLMSTED MEDICAL - PLAINVIEW CLINIC 20 2ND AVENUE NE PLAINVIEW,MN 55964	MAIN CLINIC - OUTPATIENT PHYSICIAN CLINIC
OLMSTED MEDICAL - PRESTON CLINIC 405 KANSAS STREET NW PRESTON,MN 55965	MAIN CLINIC - OUTPATIENT PHYSICIAN CLINIC
OLMSTED MEDICAL - ST CHARLES CLINIC 403 W FOURTH STREET ST CHARLES,MN 55972	MAIN CLINIC - OUTPATIENT PHYSICIAN CLINIC
OLMSTED MEDICAL - SPRING VALLEY CLINIC 302 WEST TRACY ROAD SPRING VALLEY,MN 55975	MAIN CLINIC - OUTPATIENT PHYSICIAN CLINIC
OLMSTED MEDICAL - STEWARTVILLE CLINIC 208 CENTERTOWN PLAZA STEWARTVILLE,MN 55976	MAIN CLINIC - OUTPATIENT PHYSICIAN CLINIC
OLMSTED MEDICAL - WANAMINGO CLINIC 217 MAIN STREET STE B WANAMINGO,MN 55983	MAIN CLINIC - OUTPATIENT PHYSICIAN CLINIC
OLMSTED MEDICAL - FASTCARE NORTH CLINIC 3708 HIGHWAY 63N ROCHESTER,MN 55906	MAIN CLINIC - OUTPATIENT PHYSICIAN CLINIC
OLMSTED MEDICAL - FASTCARE SOUTH CLINIC 2820 S BROADWAY ROCHESTER,MN 55904	MAIN CLINIC - OUTPATIENT PHYSICIAN CLINIC
OLMSTED MEDICAL - NW CLINIC 5067 55TH STREET NW ROCHESTER,MN 55901	MAIN CLINIC - OUTPATIENT PHYSICIAN CLINIC
OLMSTED MEDICAL - SKYWAY CLINIC 318 1ST AVENUE SW SUITE 203 ROCHESTER,MN 55902	MAIN CLINIC - OUTPATIENT PHYSICIAN CLINIC

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)
OLMSTED MEDICAL - PHYSICAL THERAPY 102 ELTON HILLS DRIVE ROCHESTER,MN 55901	MAIN CLINIC - OUTPATIENT PHYSICIAN CLINIC
OLMSTED MEDICAL - RESEARCH DEPT 829 3RD AVE SE KINGS ROW ROCHESTER,MN 55904	MAIN CLINIC - OUTPATIENT PHYSICIAN CLINIC
OLMSTED MEDICAL CENTER - SPORTS MED 5155 55TH STREET NW ROCHESTER,MN 55901	MAIN CLINIC - OUTPATIENT PHYSICIAN CLINIC

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
OLMSTED MEDICAL CENTER

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

2014

Open to Public
Inspection

Employer identification number
41-0855367

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 Domestic Organizations and Domestic Governments. 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 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) OLMSTED MEDICAL CENTER REGIONAL FOUNDATION 210 9TH STREET SE ROCHESTER, MN 55904	26-0022777	501(C)(3)	527,999				PROVIDE FUNDING TO OMC REGIONAL FOUNDATION FOR HEALTHCARE EDUCATION AND COMMUNITY PURPOSES
(2)							PROVIDE FUNDING TO UNDERWRITE CHILDREN'S PROGRAM

2

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

3

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

Part III

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

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

Part IV

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

Return Reference	Explanation
PART I, LINE 2	MOST OF GRANT EXPENDITURES ARE PROVIDED TO OLMSTED MEDICAL CENTER REGIONAL FOUNDATION, A RELATED ORGANIZATION OMC PROVIDES FUNDS TO THE FOUNDATION FOR HEALTHCARE EDUCATION AND COMMUNITY PURPOSES AS NEEDED THERE ARE NUMEROUS WAYS TO MONITOR THE USE OF THE GRANT FUNDS MANY OF THE EVENTS ARE OPEN TO THE PUBLIC AND EASILY VERIFIABLE STAFF OFTEN ASSIST AS VOLUNTEERS THE FILING ORGANIZATION CONSIDERS REQUESTS FOR FUNDING TO ORGANIZATIONS IN THE COMMUNITY WITH PROGRAMS THAT ENHANCE ITS MISSION THE FILING ORGANIZATION ONLY CONSIDERS REQUESTS FOR FUNDING TO ORGANIZATIONS IN THE COMMUNITY THAT ADDRESS COMMUNITY NEEDS IN THE HEALTH CARE AREA NO ADDITIONAL MONITORING IS PERFORMED

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.

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
OLMSTED MEDICAL CENTER

Employer identification number
41-0855367

Part I

Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Travel for companions ☒ Tax idemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ 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 Yes	
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 Yes	
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 ☒ Independent compensation consultant ☐ Form 990 of other organizations ☒ Written employment contract ☒ Compensation survey or study ☒ 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? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	4c	No
Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations 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? If "Yes," to line 5a or 5b, describe in Part III	5b	No
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? If "Yes," to line 6a or 6b, describe in Part III	6b	No
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 accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	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 in column(B) reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table							

Part III **Supplemental Information**

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

Return Reference	Explanation
SCHEDULE J PART II	COMPENSATION PAID TO PHYSICIAN TRUSTEES IS PRIMARILY FOR PROFESSIONAL RESPONSIBILITIES AS EMPLOYED PHYSICIANS OF THE ORGANIZATION
SCHEDULE J PART I	OLMSTED MEDICAL CENTER HAS A POLICY TO GROSS UP (COVER THE TAX PORTION) FOR EMPLOYEE RECOGNITION YEARS OF SERVICE GIFT CARDS AND RETIREMENT GIFT CARDS

Additional Data

Software ID:
Software Version:
EIN: 41-0855367
Name: OLMSTED MEDICAL CENTER

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

(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 in column (B) reported as deferred in prior Form 990
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 KATHRYN LOMBARDO MD, CURRENT PRESIDENT	(i) (ii)	466,292 0	37,944 0	2,711 0	25,500 0	3,378 0	535,825 0	0 0
1 MATTHEW KIRSCH MD, PHYSICIAN	(i) (ii)	896,808 0	0 0	1,539 0	25,500 0	6,292 0	930,139 0	0 0
2 TIM WEIR, CEO	(i) (ii)	456,400 0	127,250 0	1,745 0	25,500 0	22,257 0	633,152 0	0 0
3 KEVIN HIGGINS, CFO	(i) (ii)	287,733 0	65,685 0	10,987 0	25,500 0	20,735 0	410,640 0	0 0
4 KIMBERLY MCKEON MD, PHYSICIAN TRUSTEE	(i) (ii)	308,275 0	0 0	1,876 0	25,500 0	20,290 0	355,941 0	0 0
5 SRDAN BABOVIC MD, TREASURER/SECRETARY	(i) (ii)	690,501 0	0 0	5,131 0	25,500 0	5,461 0	726,593 0	0 0
6 RANDY HEMANN MD, MEDICAL VICE PRESIDENT MEDICAL SERVI	(i) (ii)	315,028 0	38,850 0	3,660 0	25,500 0	21,549 0	404,587 0	0 0
7 DAVID WESTGARD MD, CHIEF MEDICAL OFFICER (RETIRED)	(i) (ii)	174,786 0	108,400 0	3,402 0	25,500 0	8,654 0	320,742 0	0 0
8 DAVID LOWE MD, PHYSICIAN	(i) (ii)	602,896 0	0 0	2,443 0	25,500 0	23,337 0	654,176 0	0 0
9 MARCO SANTAMARIA MD, PHYSICIAN	(i) (ii)	631,590 0	0 0	5,645 0	25,500 0	23,773 0	686,508 0	0 0
10 GRAHAM RITTS MD, PHYSICIAN	(i) (ii)	650,377 0	0 0	4,714 0	25,500 0	18,436 0	699,027 0	0 0
11 SUSANNE PFEFFER-KLEEMAN MD, PHYSICIAN	(i) (ii)	575,774 0	0 0	4,195 0	25,500 0	23,429 0	628,898 0	0 0
12 MARK WILBUR MD, PHYSICIAN TRUSTEE	(i) (ii)	286,593 0	10,012 0	283 0	22,390 0	2,246 0	321,524 0	0 0
13 JOSEPH TRICARICO MD, TREASURER/SECRETARY	(i) (ii)	583,249 0	2,056 0	2,444 0	25,500 0	24,375 0	637,624 0	0 0
14 CHARLES BRANCH MD, FORMER PHYSICIAN TRUSTEE	(i) (ii)	537,025 0	0 0	12,535 0	25,500 0	22,246 0	597,306 0	0 0
15 JAMES HOFFMANN MD, MEDICAL VICE PRESIDENT/SURG SVCS	(i) (ii)	388,710 0	8,054 0	3,360 0	25,500 0	22,041 0	447,665 0	0 0
16 LINDA WILLIAMS MD, FORMER PHYSICIAN TRUSTEE	(i) (ii)	231,272 0	0 0	2,989 0	20,050 0	12,940 0	267,251 0	0 0
17 THOMAS ERBACH MD, FORMER PHYSICIAN TRUSTEE	(i) (ii)	286,231 0	0 0	1,751 0	25,500 0	15,616 0	329,098 0	0 0
18 JAY MYERS MD, FORMER PHYSICIAN TRUSTEE	(i) (ii)	533,627 0	0 0	2,213 0	25,500 0	23,107 0	584,447 0	0 0
19 VIDHAN CHANDRA MD, PHYSICIAN TRUSTEE	(i) (ii)	857,098 0	2,350 0	2,182 0	25,500 0	8,433 0	895,563 0	0 0

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
OLMSTED MEDICAL CENTER

Employer identification number
41-0855367

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 CITY OF ROCHESTER MINNESOTA	41-6005494	771902FY4	07-07-2010	20,360,000	NW CLINIC CONSTRUCTION		X		X		X
B CITY OF ROCHESTER MINNESOTA	41-6005494	771902GU1	04-01-2013	17,260,000	WOMEN'S HEALTH PAVILLION CONSTRUCTION		X		X		X

Part II

Proceeds

				A		B		C		D	
1	Amount of bonds retired										
2	Amount of bonds legally defeased										
3	Total proceeds of issue			20,202,546		19,290,018					
4	Gross proceeds in reserve funds			1,736,608							
5	Capitalized interest from proceeds			1,341,608		490,226					
6	Proceeds in refunding escrows										
7	Issuance costs from proceeds			407,200		286,285					
8	Credit enhancement from proceeds										
9	Working capital expenditures from proceeds										
10	Capital expenditures from proceeds			17,968,405		18,513,507					
11	Other spent proceeds			275,180							
12	Other unspent proceeds										
13	Year of substantial completion			2011		2014					
				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								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government								
6	Total of lines 4 and 5								
7	Does the bond issue meet the private security or payment test?		X		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, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		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 "Yes" to 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).

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2014

Open to Public Inspection

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b. ▶ Attach to Form 990 or Form 990-EZ.

▶Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

Name of the organization
OLMSTED MEDICAL CENTER

Employer identification number
41-0855367

Part I Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and 501(c)(29) 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?
				YesNo

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

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

Part II

Loans to and/or From Interested Persons.

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

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No

Total ▶ \$

Part III Grants or Assistance Benefiting 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
See Additional Data Table					

Part V Supplemental Information

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

Return Reference	Explanation
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Additional Data

Software ID:
Software Version:
EIN: 41-0855367
Name: OLMSTED MEDICAL CENTER

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) JULIE WINKELS	FAMILY MEMBER OF THOMAS WINKELS, FORMER TRUSTEE	26,150	EMPLOYEE OF ORGANIZATION		No
(2) DR LOUIS WAGNER	FAMILY MEMBER OF DR LINDA WILLIAMS, FORMER TRUSTEE	322,367	EMPLOYEE OF ORGANIZATION		No
(3) DR BARBARA YAWN	FAMILY MEMBER OF DR ROY YAWN, PAST PRESIDENT	185,581	EMPLOYEE OF ORGANIZATION		No
(4) MERCHANTS BANK	JOHN DOYLE, FORMER BOARD CHAIR, SERVES AS PRESIDENT OF MERCHANTS BANK	957,578	OPERATING LEASE PAYMENTS ON RIS/PACS SYSTEM AND THE EHR LEASE		No
(5) EXPRESS SERVICES INCTAZ INC	NORM DOTY, FORMER TRUSTEE	17,409	TEMP STAFFING SERVICES		No
(6) JUSTIN MCNEILUS	BOARD MEMBER, SON OF MAJORITY OWNER STERLING STATE BANK	104,007	BANKING RELATIONSHIP, OMC LOAN/INTEREST PAYMENTS		No
(7) TOM WINKELS	FORMER BOARD MEMBER AND MINORITY OWNER STERLING STATE BANK	104,007	BANKING RELATIONSHIP, OMC LOAN/INTEREST PAYMENTS		No

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 990-EZ 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

2014

Open to Public Inspection

Name of the organization OLMSTED MEDICAL CENTER	Employer identification number 41-0855367
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990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	THE BOARD OF GOVERNORS IS ELECTED BY PHYSICIAN VOTE
FORM 990, PART VI, SECTION B, LINE 11	THE FORM 990 IS PREPARED BY AN EXTERNAL ACCOUNTANT A DRAFT OF THE FORM 990 IS REVIEWED IN DETAIL BY THE FINANCIAL SERVICES MANAGER, CONTROLLER AND CFO ANY NECESSARY CORRECTIONS AND ADJUSTMENTS ARE MADE THE FORM 990 IS REVIEWED BY THE CEO AND CFO AND PRESENTED TO THE COMPENSATION COMMITTEE THE FINAL FORM 990 IS MADE AVAILABLE TO THE BOARD MEMBERS FOR THEIR REVIEW PRIOR TO FILING WITH THE IRS
FORM 990, PART VI, SECTION B, LINE 12C	PER OMC POLICY THE BOARD OF TRUSTEES AND PRINCIPAL OFFICERS ANNUALLY SIGN CONFLICT OF INTEREST STATEMENTS SIGNED CONFLICT OF INTEREST STATEMENTS ARE OBTAINED AND REVIEWED BY SENIOR MANAGEMENT ANNUALLY
FORM 990, PART VI, SECTION B, LINE 15	IN ORDER TO ENSURE THAT ALL OLMSTED MEDICAL CENTER (OMC) EXECUTIVE COMPENSATION DECISIONS ARE COMPETITIVE, EQUITABLE, UNIFORMLY ADMINISTERED, AND CONSISTENT WITH MARKET PRACTICES, OMC FOLLOWS RECOMMENDED BEST PRACTICES THE GOALS OF EXECUTIVE COMPENSATION ARE TO ATTRACT AND RETAIN HIGHLY QUALIFIED PERSONNEL, TO MAINTAIN COMPENSATION LEVELS COMMENSURATE WITH THE SCOPE OF RESPONSIBILITIES FOR EACH POSITION, AND TO REWARD OUTSTANDING PERFORMANCE OMC WILL SEEK MANAGEMENT TALENT BY CONDUCTING NATIONAL SEARCHES FOR QUALIFIED APPLICANTS FOR ANY VACANCIES AT THE MEDICAL VICE PRESIDENT HOSPITAL/SURGICAL SERVICES, VICE PRESIDENT MEDICAL SERVICES AND CEO POSITIONS IN ADDITION TO VICE PRESIDENT POSITIONS AS NECESSARY THE SAME PHILOSOPHY IS APPLICABLE TO THE POSITION OF OMC PRESIDENT OMC ENGAGES AN EXTERNAL CONSULTANT WHO ANNUALLY COMPILES A PEER GROUP COMPENSATION ANALYSIS AND ON A TWO YEAR BASIS COMPILES A PEER GROUP COMPENSATION AND BENEFITS ANALYSIS PEER GROUPS FOR EXECUTIVE COMPENSATION, WHICH INCLUDES BASE SALARIES, INCENTIVE AND BENEFITS, WILL BE PROVIDED FOR HEALTHCARE DELIVERY SYSTEMS WITH A MINIMUM OF A HOSPITAL AND AN EMPLOYED PHYSICIAN NETWORK AND NET REVENUES ROUGHLY SIMILAR TO THE REVENUES OF OLMSTED MEDICAL CENTER MOST RECENTLY A COMPENSATION PEER REVIEW STUDY WAS COMPLETED FOR THE CEO, PRESIDENT, MEDICAL VICE PRESIDENTS, CHIEF MEDICAL INFORMATION OFFICER AND VICE PRESIDENTS AND PRESENTED TO THE BOARD EXECUTIVE COMPENSATION COMMITTEE THE BOARD OF GOVERNORS RECEIVES AN EXECUTIVE SUMMARY THE EXECUTIVE COMPENSATION COMMITTEE RECEIVES A SUMMARY OF EVERYONE'S COMPENSATION TO ENSURE IT IS IN ALIGNMENT WITH THE SAME COMPENSATION METHODOLOGY AND AGREED UPON METHODOLOGY OF THE EXECUTIVE COMPENSATION SYSTEM OF OMC THESE POSITIONS INCLUDE THE MEDICAL VICE PRESIDENTS, CHIEF MEDICAL INFORMATION OFFICER AND VICE PRESIDENTS OF OMC THE EXECUTIVE COMPENSATION COMMITTEE WILL SET THE COMPENSATION OF THE PRESIDENT, CEO, MEDICAL VICE PRESIDENT HOSPITAL/SURGICAL SERVICES AND VICE PRESIDENT MEDICAL SERVICES AND MINUTES ARE KEPT OF THESE DISCUSSIONS THE BOARD OF TRUSTEES, ACTING THROUGH THE BOARD OF TRUSTEES COMPENSATION COMMITTEE, MUST APPROVE THE EXECUTIVE COMPENSATION POLICY AND PROCESS OF DETERMINING EXECUTIVE COMPENSATION AND BENEFITS IN ADDITION, THE PHYSICIAN SALARIES ARE CALCULATED ANNUALLY, USING REGIONAL PHYSICIAN SALARY COMPARISON GUIDES FACTORING IN PRODUCTIVITY AND QUALITY MEASURES, AND REVIEWED ON AN ANNUAL BASIS FOR MARKET REASONABLENESS BY MCGLADREY THE PHYSICIANS RECEIVE NO COMPENSATION AS ATTENDING BOARD MEMBERS THESE DISCUSSIONS ARE NOTED IN THE MINUTES OF THE BOARD OF TRUSTEES COMPENSATION COMMITTEE ANNUAL MEETING THE BOARD OF TRUSTEES COMPENSATION COMMITTEE REPORTS TO THE FULL BOARD OF TRUSTEES ON AN ANNUAL BASIS THE COMPLETION OF SUCH DUTIES AND ARE ALSO NOTED IN THE MINUTES
FORM 990, PART VI, SECTION C, LINE 19	THE GOVERNING DOCUMENTS AND CONFLICT OF INTEREST STATEMENTS ARE NOT MADE AVAILABLE TO THE PUBLIC THE ANNUAL FORM 990 & ATTACHED AUDITED FINANCIAL STATEMENT REPORT IS AVAILABLE IN ACCORDANCE WITH THE PUBLIC INSPECTION OF THE RETURN REQUIREMENTS
FORM 990, PART VII, SECTION A	BOARD MEMBERS ARE NOT COMPENSATED FOR THEIR SERVICES TO THE ORGANIZATION COMPENSATION SHOWN FOR PHYSICIAN TRUSTEES IS RELATED TO THEIR POSITION AS AN EMPLOYED PHYSICIAN OF THE ORGANIZATION
FORM 990, PART IX, LINE 6	FORMER BOARD TRUSTEES CONTINUE TO BE PAID FOR THEIR SERVICES RENDERED AS PHYSICIANS OF OLMSTED MEDICAL CENTER AND ARE NOT PAID FOR PAST SERVICES AS BOARD TRUSTEES

SCHEDULE R (Form 990)	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. ▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990 .	OMB No 1545-0047
		2014
		Open to Public Inspection

Name of the organization OLMSTED MEDICAL CENTER	Employer identification number 41-0855367
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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) OMC RETAIL SERVICES LLC 210 NINTH STREET SE ROCHESTER, MN 55904 46-0960716	PHARMACY	MN	608,546	1,392,447	OLMSTED 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	No
(1) OLMSTED MEDICAL CENTER REGIONAL FOUNDATION 210 9TH STREET SE ROCHESTER, MN 55904 26-0022777	HEALTHCARE EDUCATION AND COMMUNITY PURPOSES	MN	501(C)(3)	LINE 11A, I	OLMSTED MEDICAL CENTER	Yes	
(2) OLMSTED MEDICAL CENTER AUXILIARY 1650 4TH STREET SE ROCHESTER, MN 55904 36-3382873	SUPPORT OLMSTED MEDICAL CENTER	MN	501(C)(3)	LINE 11C, III-FI	OLMSTED MEDICAL CENTER	Yes	

Part III

Identification of Related Organizations Taxable as a Partnership

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

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

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

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

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

Part V

Transactions With Related Organizations

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

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

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

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

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

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

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

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

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

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

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

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

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

Yes

No

1a

No

1b

Yes

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

No

1k

No

1l

No

1m

No

1n

Yes

1o

Yes

1p

Yes

1q

Yes

1r

No

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) OLMSTED MEDICAL CENTER REGIONAL FOUNDATION	B	527,999	GAAP
(2) OLMSTED MEDICAL CENTER REGIONAL FOUNDATION	C	1,613,220	GAAP
(3) OLMSTED MEDICAL CENTER AUXILIARY	C	4,663	GAAP
(4) OLMSTED MEDICAL CENTER REGIONAL FOUNDATION	O	347,789	GAAP

Schedule R (Form 990) 2014

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) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Part VII

Supplemental Information

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

Return Reference	Explanation
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