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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 Methodist Medical Center		D Employer identification number 62-0636239
	Doing business as		
	Number and street (or P O box if mail is not delivered to street address)	Room/suite	E Telephone number (865) 374-6864
	1420 Centerpoint Blvd Bldg C		
	City or town, state or province, country, and ZIP or foreign postal code Knoxville, TN 379321960		G Gross receipts \$ 186,800,722
F Name and address of principal officer Anthony L Spezia 100 Ft Sanders W Blvd Knoxville, TN 37922			
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)			
I Tax-exempt status ☒ 501(c)(3) ☐ 501(c) () ◀(insert no) ☐ 4947(a)(1) or ☐ 527		H(c) Group exemption number ▶	
J Website: ▶ http //www mmcoakridge com			

K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶	L Year of formation 1959	M State of legal domicile TN
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Part I

Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities Methodist Medical Center is a 301-bed full service, acute care hospital located in Oak Ridge, TN It is a member of the Covenant Health system		
	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	22
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	17
	5 Total number of individuals employed in calendar year 2014 (Part V, line 2a)	5	1,236
	6 Total number of volunteers (estimate if necessary)	6	241
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	45,686
	b Net unrelated business taxable income from Form 990-T, line 34	7b	0
	Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year
9 Program service revenue (Part VIII, line 2g)		116,169	141,570
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)		181,774,185	180,349,836
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		2,352,816	65,031
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)		5,065,683	4,010,110
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	189,308,853	184,566,547
	14 Benefits paid to or for members (Part IX, column (A), line 4)	26,329	46,414
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0	0
	16a Professional fundraising fees (Part IX, column (A), line 11e)	63,490,930	61,360,094
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ ⁰	0	0
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	0	0
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	127,376,855	126,803,962
	19 Revenue less expenses Subtract line 18 from line 12	190,894,114	188,210,470
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	-1,585,261	-3,643,923
	21 Total liabilities (Part X, line 26)		
	22 Net assets or fund balances Subtract line 21 from line 20	102,026,182	96,197,604
		29,630,575	27,743,310
		72,395,607	68,454,294

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		2015-10-30 Date		
	JOHN T GEPPi EVP/CFO Type or print name and title				
Paid Preparer Use Only	Prnt/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no	

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

See Schedule O Methodist Medical Center provides quality healthcare, in alignment with Covenant Health's mission to serve the community by improving the quality of life through better health regardless of a patient's ability to pay

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 \$ 30,119,419	including grants of \$	(Revenue \$ 29,796,038)
Surgical Services See Schedule O Surgical Services Expenses - \$30,119,419, Revenue - \$29,796,038In 2014, surgeons at Methodist Medical Center performed procedures on 13,351 patients in various surgical specialty areas including general, gastroenterology, plastic, neurology and neurosurgery, urology, and vascular surgery Under the clinical leadership of a board-certified neurosurgeon with a doctorate in neuroscience/anatomy, Methodist Medical Center's neurosurgery staff is committed to restoring quality of life to the fullest extent possible Surgery is performed on patients with malignant, benign and metastatic brain tumors, aneurysms and malformations of the blood vessels, head and spinal injuries, herniated discs, epilepsy, and other conditions of the head, neck, and back Sophisticated imaging tools, such as Methodist Medical Center's 3Tesla MRI, provide remarkably detailed views of the central nervous system However, images of the brain, spinal cord, nerves, and muscles alone are not always enough when medical problems occur The medical center's neurodiagnostic services include a full-range of studies, such as EEGs, somatosensory and visual response tests, and nerve conduction and transcranial Doppler studies Prostate cancer is the second highest cause of cancer-related deaths in men The robotic surgical system at Methodist is striving to reduce mortality by making robotic prostatectomy available in East Tennessee Urologists at Methodist primarily perform three robotic procedures using the surgical robot radical prostatectomy for prostate cancer, radical cystoprostatectomy for bladder cancer, and partial nephrectomy for kidney cancer Board-certified surgeons on the medical staff routinely perform minimally invasive procedures at the Same Day Services Center, such as knee and shoulder repairs, hernia repair, gallbladder removal, cystoscopy and removal of bladder tumors, D&C, thermal ablation, laparoscopic tubal ligation in women, breast enlargement and reduction, sinus surgery and other ear, nose, and throat procedures Some diagnostic tests considered invasive are performed on an out-patient basis Procedures such as myelograms for diagnosis related to back pain, CT-guided biopsies of the lung and liver, heart catheters to identify problems in the heart, cardioversions to restore the heart's normal rhythm, and arteriograms to diagnose problems in the arteries are performed at the Same Day Services Center at Methodist These tests allow physicians to gather more data to better diagnose and treat problems such as stroke, Parkinson's disease, Alzheimer's, cerebral palsy, brain tumors, impaired spinal cord function, headaches, vision loss, and other conditions Vascular surgeons at Methodist perform procedures throughout the body to remove blockages in arterenes, bypass diseased arteries, and replace vascular areas weakened by aneurysms Examples include life-saving surgery for patients with carotid artery disease or inadequate blood flow to the kidneys or digestive organs, angiography, prosthetic grafts, balloon angioplasty, stents, and stent-grafts				

4b	(Code)	(Expenses \$ 29,496,406	including grants of \$	(Revenue \$ 29,549,090)
Cardiovascular Services See Schedule O Cardiovascular Services Expenses - \$29,496,406, Revenue - \$29,549,090Methodist Medical Center offers a complete continuum of heart care beginning with prevention efforts such as education, exercise programs, diet and stress management, early detection, diagnosis, treatment and rehabilitation, and advanced new treatments The hospital treated 11,195 cardiac patients in 2014 Methodist Medical Center offers the full continuum of heart-related care and service Urgent Care - One of the first chest pain centers in the area - Average door-to-balloon times under 65 minutes (compared to national goal of 90 minutes) - First hospital in the area to implement a hypothermia protocol which lowers a patient's body temperature after cardiac arrest to reduce the risk of brain damage Diagnostic - Echocardiography lab - Cardiac stress lab - 64-slice CT which can capture images of the heart and coronary arteries in as little as five heartbeats Surgical Procedures - Open-heart procedures including multi-vessel coronary artery bypass - Endoscopic vein harvesting - Minimally invasive procedure for treatment of atrial fibrillation Interventional - Cardiac catheterization lab - Electrophysiology services - Minimally invasive transradial procedures which are currently utilized by only 5% of medical centers nationwide - First medical center in East Tennessee to use the Impella device, the world's smallest heart pump, for cardio septic shock and high-risk procedures Cardiac Rehabilitation - Cardiac rehab in Methodist Medical Center's 5,000 square foot facility offers an individualized plan of monitored exercise and education in a medically supervised environment Methodist Medical Center's highly trained cardiologists, nurses, and technicians combine their extensive skills with the latest technology in the areas of bypass surgery, procedures involving pacemakers, drug-eluting stents and cardiac defibrillators, angioplasty, and emergency treatment They also perform echocardiograms, electrocardiograms, and stress tests Telemetry monitoring is available for crntical patients, and cardiac rehabilitation services, therapy, dietary consultation, and congestive heart failure education classes are also provided at the facility In addition, the facility offers heart screenings to the community and promotes cardiac education and wellness through community health fairs and seminars The organization's goal is to provide excellent care to an increasing number of cardiac patients in its service area				

4c	(Code)	(Expenses \$ 23,992,747	including grants of \$	(Revenue \$ 22,399,563)
Orthopedic Services See Schedule O Orthopedic Services Expenses - \$23,992,747, Revenue - \$22,399,563 Methodist Medical Center's board-certified orthopedic surgeons are skilled in diagnosing and treating bone, muscle, and joint disorders Specialty areas include total hip and knee replacement, spinal surgenies, fractures, complex rotator cuff/shoulder repairs, and hand reconstruction The hospital treated 4,791 orthopedic surgery patients in 2014 Using a series of best practice guidelines and standard orders, the staff treats patients efficiently and provides the best opportunity for optimal outcomes Intense inpatient rehabilitation begins after surgery in a group setting It is one way of maximizing the patient's chance for a full recovery Outpatient therapy may be continued at Methodist Therapy Center, which offers advanced physical, speech, and occupational therapies for both adults and children The therapy staff specializes in treating a variety of orthopedic, neurological and medical problems, with an emphasis on helping individuals overcome disability caused by disease, injury, developmental abnormality, or amputation The physical therapy staff at Methodist Medical Center provides care for orthopedic, neurological, and medical rehabilitation of individuals with neck, lower back, arm and leg injuries, sports and overuse injuries, arthritis, stroke, brain injury, and post-amputation needs Specialty programs include sports medicine and wound/burn care				
See Additional Data				

4d	Other program services (Describe in Schedule O)			
	(Expenses \$ 100,230,918	including grants of \$ 46,414	(Revenue \$ 100,789,865)	
4e	Total program service expenses 183,839,490			

Part IV

Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	No
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10 Yes	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d	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		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3), 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		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	Yes	
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.	241	
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	1,236
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	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	Yes

Section B. Policies

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. ☐ 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 Nancy Beck

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)	1,078,645	3,103,520	477,243

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization7

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Cardinal Health 1330 Enclave Parkway Houston, TX 77077	Pharmacy Management	9,065,279
GE Healthcare PO Box 402076 Atlanta, GA 303842076	Equipment Maintenance/Service	1,590,606
Sodexo Inc & Affiliates PO Box 536922 Atlanta, GA 303536922	Housekeeping Services	1,303,113
Accelecare Wound Centers Inc 10900 NE 4th St Ste 1900 Bellevue, WA 98004	Wound Care Services	1,087,551
Medic Regional Blood Center 1601 Ailor Avenue Knoxville, TN 379216702	Blood Processing	953,565
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization 22		

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	114,004		
	e	Government grants (contributions)	1e	27,566		
	f	All other contributions, gifts, grants, and similar amounts not included above	1f			
	g	Noncash contributions included in lines 1a-1f \$		26,760		
	h	Total. Add lines 1a-1f		141,570		
Program Service Revenue	2a	Medical Services	Business Code 622110	179,861,033	179,861,033	
	b	Community Health	900099	328,371	328,371	
	c	Rental Inc - Exempt Affiliate	531120	143,050	143,050	
	d	Service to Exempt Affiliates	900099	17,382	17,382	
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f		180,349,836		
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		59,831	
4		Income from investment of tax-exempt bond proceeds				
5		Royalties				
6a		Gross rents	(i) Real 2,935,098	(ii) Personal		
b		Less rental expenses	2,234,175			
c		Rental income or (loss)	700,923			
d		Net rental income or (loss)		700,923	145,840	555,083
7a		Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other 5,200		
b		Less cost or other basis and sales expenses		0		
c		Gain or (loss)		5,200		
d		Net gain or (loss)		5,200		5,200
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	Meaningful Use	900099	2,078,509	2,078,509		
b	Cafeteria Sales	722212	889,578		889,578	
c	Gift Shop	453220	171,639		171,639	
d	All other revenue		169,461	106,211	-100,154	
e	Total. Add lines 11a-11d		3,309,187			
12	Total revenue. See Instructions		184,566,547	182,534,556	45,686	1,844,735

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	45,950	45,950		
2	Grants and other assistance to domestic individuals See Part IV, line 22	464	464		
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	392,392		392,392	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	46,944,641	46,387,439	557,202	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,267,540	1,256,020	11,520	
9	Other employee benefits	9,350,869	9,165,910	184,959	
10	Payroll taxes	3,404,652	3,337,110	67,542	
11	Fees for services (non-employees)				
a	Management	13,322,424	12,715,232	607,192	
b	Legal	216,079		216,079	
c	Accounting				
d	Lobbying				
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees				
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	14,845,371	14,717,591	127,780	
12	Advertising and promotion	443,935	434,084	9,851	
13	Office expenses	1,482,107	1,377,739	104,368	
14	Information technology				
15	Royalties				
16	Occupancy	5,876,939	4,672,104	1,204,835	
17	Travel	24,029	19,798	4,231	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	111,190	88,465	22,725	
20	Interest	150,687	150,687		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	8,912,221	8,228,962	683,259	
23	Insurance	275,267	272,887	2,380	
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	Unrelated Business Inco	1,000		1,000	
b	Medical Supplies & Equi	40,676,454	40,676,454		
c	Charity Care	18,222,516	18,222,516		
d	Bad Debts	14,697,473	14,697,473		
e	All other expenses	7,546,270	7,372,605	173,665	
25	Total functional expenses. Add lines 1 through 24e	188,210,470	183,839,490	4,370,980	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ☐ if following SOP 98-2 (ASC 958-720)				

Part X

Balance Sheet

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

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			3,579	1	3,579
	2	Savings and temporary cash investments			-802,219	2	-809,368
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			16,180,306	4	15,301,132
	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			4,771,508	8	4,371,821
	9	Prepaid expenses and deferred charges			1,406,539	9	1,517,431
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	253,047,357	79,264,504	10c	74,914,097
	b	Less accumulated depreciation	10b	178,133,260			
	11	Investments—publicly traded securities				11	
	12	Investments—other securities See Part IV, line 11				12	
	13	Investments—program-related See Part IV, line 11			413,566	13	16,022
	14	Intangible assets				14	
	15	Other assets See Part IV, line 11			788,399	15	882,890
16	Total assets. Add lines 1 through 15 (must equal line 34)			102,026,182	16	96,197,604	
Liabilities	17	Accounts payable and accrued expenses			20,499,095	17	20,612,661
	18	Grants payable				18	
	19	Deferred revenue			72,387	19	27,237
	20	Tax-exempt bond liabilities				20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D				21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties			23,272	23	213,148
	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			9,035,821	25	6,890,264
	26	Total liabilities. Add lines 17 through 25			29,630,575	26	27,743,310
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			72,395,607	27	68,454,294
	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			72,395,607	33	68,454,294
	34	Total liabilities and net assets/fund balances			102,026,182	34	96,197,604

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	184,566,547
2	Total expenses (must equal Part IX, column (A), line 25)	2	188,210,470
3	Revenue less expenses Subtract line 2 from line 1	3	-3,643,923
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	72,395,607
5	Net unrealized gains (losses) on investments	5	
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	-297,390
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	68,454,294

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?		No
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		

Additional Data

Software ID:
Software Version:
EIN: 62-0636239
Name: Methodist Medical Center

Form 990, Part III - Line 4c: Program Service Accomplishments (See the Instructions)

(Code	) (Expenses \$	100,230,918	including grants of \$	46,414) (Revenue \$	100,789,865)
As a full-service, acute care medical center, Methodist Medical Center treats patients across a broad spectrum of medical specialties in addition to those highlighted above					

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) Anthony L Spezia President & CEO	0 00 50 00	X		X				0	1,603,983	229,665
(1) Ed Anderson Director	0 00 41 00	X						0	154,867	1,512
(2) Gerald Boyd Director	0 00 1 00	X						0	1,034	0
(3) Dr Richard Brnner Director	0 00 1 00	X						0	1,134	0
(4) Dr Mitchell Dickson Director	0 00 1 00	X						0	829	0
(5) Pamela Fansler Director	0 00 1 00	X						0	0	0
(6) James Jay Fitzsimmons Director	0 00 1 00	X						0	1,024	0
(7) Jim Johnson Jr Director	0 00 1 00	X						0	1,036	0
(8) Karla Lane Director	0 00 1 00	X						0	863	0
(9) Eddie Mannis Director	0 00 1 00	X						0	0	0
(10) Tim Matthews Director	0 00 1 00	X						0	969	0
(11) Larry Mauldin Chairman	0 00 1 00	X						0	941	0
(12) Dr Joseph Metcalf Director	0 00 3 00	X						0	16,799	0
(13) George Miller Director	0 00 1 00	X						0	641	0
(14) Alvin Nance Director	0 00 1 00	X						0	939	0
(15) Linda Ogle Director	0 00 1 00	X						0	0	0
(16) Mitchell Steenrod Director	0 00 1 00	X						0	641	0
(17) Carl Storms Director	0 00 1 00	X						0	1,173	0
(18) Joseph E Sutter Director	0 00 1 00	X						0	1,127	0
(19) Richard Swanson Director	0 00 1 00	X						0	0	0
(20) Joe Ben Turner Director	0 00 1 00	X						0	0	0
(21) David C Verble Director	0 00 1 00	X						0	1,063	0
(22) John T Geppi EVP / CFO	0 00 50 00			X				0	752,660	26,356
(23) Michael R Belbeck Jr President & CAO	55 00 0 00			X				0	400,168	34,038
(24) Julie G Utterback VP - Financial Services	32 00 23 00			X				167,130	0	30,220

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) Rick Carringer VP - Financial Services	14 00 41 00			X				0	161,629	13,031
(1) Susan K Harns VP - Chief Nursing Officer	55 00 0 00				X			173,500	0	21,542
(2) Stephen Ellis MD Medical Director, Healthworks	32 00 0 00					X		216,128	0	27,466
(3) Shane D West Sr Medical Physicist	40 00 0 00					X		180,689	0	32,124
(4) Connie B Martin VP - Support Services	55 00 0 00					X		127,683	0	20,716
(5) Samuel L Price Registered Nurse	54 00 0 00					X		110,466	0	16,398
(6) Rebecca L Rose Registered Nurse	57 00 0 00					X		103,049	0	24,175

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 Methodist Medical Center	Employer identification number 62-0636239
--	--

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.		Yes	No
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.	2a		
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.	2b		
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.	3a		
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.	3b		

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 Methodist Medical Center	Employer identification number 62-0636239
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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	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

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

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

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

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

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

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

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

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

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

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

(i) 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

► \$ _____

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 | 889,288 | 820,204 | 660,463 | 702,930 | 715,206 |
| b Contributions | 234,882 | 200,455 | 279,801 | 199,562 | 232,442 |
| c Net investment earnings, gains, and losses | 17,430 | 10,886 | 10,369 | 12,167 | 7,606 |
| d Grants or scholarships | 136,753 | 100,753 | 118,250 | 249,832 | 249,656 |
| e Other expenditures for facilities and programs | 52,783 | 41,504 | 12,178 | 4,364 | 2,668 |
| f Administrative expenses | 0 | | | | |
| g End of year balance | 952,064 | 889,288 | 820,204 | 660,463 | 702,930 |
- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as
- a Board designated or quasi-endowment ▶ 16 280 %

b Permanent endowment ▶ 40 210 %

c Temporarily restricted endowment ▶ 43 510 %
- 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)		No
3a(ii)	Yes	
3b	Yes	
- 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		8,018,800		8,018,800
b Buildings		112,238,284	67,379,934	44,858,350
c Leasehold improvements		9,204,432	6,785,778	2,418,654
d Equipment		117,048,083	100,381,813	16,666,270
e Other		6,537,758	3,585,735	2,952,023
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				74,914,097

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 V, Line 4	The endowment funds were established to provide a source of income for the following programs at Methodist Medical Center: The Hospitality Houses, The Wellness Place, and the Jane Manly Quiet Room.
Part X, Line 2	Note B to the consolidated audited financial statements of Covenant Health, parent company to Methodist Medical Center, reads in part "Income Taxes: Covenant and certain of its subsidiaries or controlled entities are exempt from income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes on qualifying activities has been made for these entities in the accompanying consolidated financial statements. However, certain entities and operations are subject to income taxes (see Note G)." Note G reads in part "Covenant had no unrecognized tax benefits at December 31, 2014 and 2013. As such, no interest or penalties were recognized in the Consolidated Statements of Operations and Changes in Net Assets related to unrecognized tax benefits. At December 31, 2014, tax returns for 2011 through 2014 are subject to examination by the Internal Revenue Service. Covenant has no uncertain tax positions that would require financial statement recognition or disclosure under GAAP at December 31, 2014 or 2013."

[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
Methodist Medical Center

Employer identification number
62-0636239

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 _____ % 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)	0	0	14,298,729	4,241,931	10,056,798	5 800 %
b Medicaid (from Worksheet 3, column a)	0	0	32,236,755	21,287,013	10,949,742	6 310 %
c Costs of other means-tested government programs (from Worksheet 3, column b)	0	0	70,431	62,338	8,093	0 %
d Total Financial Assistance and Means-Tested Government Programs			46,605,915	25,591,282	21,014,633	12 110 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	0	0	145,070	285	144,785	0 080 %
f Health professions education (from Worksheet 5)	0	0	0	0		
g Subsidized health services (from Worksheet 6)	0	0	3,295,903	0	3,295,903	1 900 %
h Research (from Worksheet 7)	0	0	0	0		
i Cash and in-kind contributions for community benefit (from Worksheet 8)	0	0	105,896	0	105,896	0 060 %
j Total Other Benefits			3,546,869	285	3,546,584	2 040 %
k Total . Add lines 7d and 7j			50,152,784	25,591,567	24,561,217	14 150 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing	0	0	0	0		
2Economic development	0	0	23,481	0	23,481	0.010 %
3Community support	0	0	19,364	0	19,364	0.010 %
4Environmental improvements	0	0	0	0		
5Leadership development and training for community members	0	0	8,822	0	8,822	0.010 %
6Coalition building	0	0	0	0		
7Community health improvement advocacy	0	0	0	0		
8Workforce development	0	0	0	0		
9Other	0	0	10,000	0	10,000	0.010 %
10Total			61,667		61,667	0.040 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

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

1

No

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

2

14,697,473

3Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.

3

4,012,410

4Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.

Section B. Medicare

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

5

44,097,002

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

6

51,953,602

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

7

-7,856,600

8Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used.

☐ Cost accounting system

☐ Cost to charge ratio

☒ Other

Section C. Collection Practices

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

9a

Yes

bIf "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI.

9b

Yes

Part IVManagement Companies and Joint Ventures

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1None				
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)

Methodist 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 If "Yes," indicate what the CHNA report describes (check all that apply)	3	Yes
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 <u>13</u>		
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) <u>www mmcoakridge com</u>		
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 <u>14</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	Yes
a If "Yes" (list url) <u>www mmcoakridge com</u>		
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

Methodist 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>200 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 Yes	
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)

Name of hospital facility or letter of facility reporting group		Methodist Medical Center	
		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 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	19	No
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 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)	21	Yes
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 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	23	No
		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? **8**

Name and address	Type of Facility (describe)
1 MMC Radiation Oncology Center 102 Vermont Avenue Oak Ridge, TN 37830	Radiation Therapy Center
2 MMC Wound Treatment Center 160A West Tennessee Avenue Oak Ridge, TN 37830	Wound Care & Hyperbaric Oxygen Clinic
3 Oak Ridge Breast Center 3rd Floor Cheyenne Ambulatory Center Oak Ridge, TN 37830	Breast Imaging Center
4 Methodist Therapy 991 Oak Ridge Turnpike Oak Ridge, TN 37830	Physical, Occupational & Speech Therapy
5 Methodist Sleep Diagnostic Center 990 Oak Ridge Turnpike Oak Ridge, TN 37830	Sleep Diagnostic Center
6 MMC Healthworks Suite L-50 988 Oak Ridge Turnpike Oak Ridge, TN 37830	Occupational Health Services
7 MMC Cardiac Rehab Center Suite 360 Westmall Medical Park Oak Ridge, TN 37830	Cardiac Rehabilitation
8 Cheyenne Outpatient Diagnostic Center 944 Oak Ridge Turnpike Oak Ridge, TN 37830	Diagnostic Imaging & Lab Services
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 6a	Covenant Health, the parent company of Methodist Medical Center and other affiliated acute care hospitals, prepares an annual Report to the Community on behalf of the entire system

Form and Line Reference	Explanation
Part I, Line 7	Amounts on Lines 7a-7c and certain program costs included on Line 7g are from the hospital's cost accounting system, which addresses all patient segments. Other community benefit expenses are at cost from the general ledger.

Form and Line Reference	Explanation
Part I, Line 7g	The organization has included \$3,295,903 in physician sponsorship fees in total subsidized health services

Form and Line Reference	Explanation
Part I, Line 7, Column (f)	The Bad Debt expense included on Form 990, Part IX, Line 25, Column (A), but subtracted for purposes of calculating the percentage in this column is \$ 14,697,473

Form and Line Reference	Explanation
Part II, Community Building Activities	Methodist Medical Center cares for the whole person and recognizes that improved social and economic conditions may lead to the improved health and well-being of the community. The hospital's community building activities and those of its parent organization, Covenant Health, address many of the root causes of health problems, such as poverty and homelessness, and help find solutions to alleviate the symptoms. An allocation of the Parent's community building expenditures has been made to each member hospital in proportion to the financial contribution of each to the health system. Covenant Health is not a hospital and does not file Schedule H with its Form 990. In 2014 contributions were made to organizations meeting the community's needs by providing: *Affordable, permanent housing and case management services to foster self-sufficiency - Habitat for Humanity *Literacy programs - Dollywood Foundation *The basic needs of life including temporary shelter, food and clothing - Catholic Charities, Ladies of Charity, United Way and others *Youth mentoring and development and after-school programs - Emerald Youth Foundation, Boys and Girls Club and Great Smoky Mountain Council, Boy Scouts of America *Business recruitment and marketing initiatives that boost economic development - Innovation Valley and East Tennessee Economic Development Agency *Leadership development programs and workshops - Leadership Knoxville *Assistance and special programs for at risk, physically challenged, abused and neglected children - Variety of Eastern Tennessee (local chapter of Variety-The Children's Charity) and East TN Tech Access Center, Inc. *Improve access to health services - Interfaith Health Clinic and Knoxville Academy of Medicine

Form and Line Reference	Explanation
Part III, Line 2	Bad debt expense on Part III, Line 2 is the amount recorded in the organization's financial statements. Discounts and payments on patient accounts are netted against bad debt.

Form and Line Reference	Explanation
Part III, Line 3	In 2011, the hospital reviewed all self-pay accounts receivable to identify patients who might have qualified for financial assistance. As of year end, the hospital could not make a final determination as to some patients' qualification for financial assistance because not all requested financial information had been received but felt strongly that they were in need of some form of assistance. Notes in the patient records were examined to see if a charity care application had been sent to the patients or guarantors or if the accounts were being analyzed by a business office employee for approval for charity care. The percentage of patient accounts being analyzed as a percent of total self-pay accounts receivable has been applied to the current year total bad debt expense on Line 2 to arrive at the amount reported on Line 3. For the year ended 2014, the hospital sampled the self-pay accounts receivable to validate the percentage used in 2011 has remained the same. This sample concluded the percentage was still valid and therefore the same percentage has been used for the year ended 2014. It is our belief that the amount of bad debt on Line 3 should be included as community benefit. As a tax-exempt hospital, we must provide necessary services regardless of the patient's ability to pay for the service provided. As a not-for-profit, patient care is provided to all, regardless of ability to pay for that care. Making quality patient care available to all in our community, regardless of economic means, qualifies bad debts as a community benefit.

Form and Line Reference	Explanation
Part III, Line 4	Note B to the 2014 Audited Consolidated Financial Statements of the Covenant Health system, of which Methodist Medical Center is a member, reads in part "Patient accounts receivable are reported net of both an estimated allowance for uncollectible accounts and an estimated allowance for contractual adjustments. The contractual allowance represents the difference between established billing rates and estimated reimbursement from Medicare, TennCare and other third-party payment programs. The allowance for uncollectible accounts is estimated based upon the age of the patient accounts receivable, prior experience and any unusual circumstances (such as local, regional or national economic conditions) which affect the collectability of receivables, including management's assumptions about conditions it expects to exist and courses of action it expects to take. Covenant's policy does not require collateral or other security for patient accounts receivable and Covenant routinely accepts assignment of, or is otherwise entitled to receive, patient benefits payable under health insurance programs, plans or policies."

Form and Line Reference	Explanation
Part III, Line 8	Medicare Shortfall Methodist Medical Center believes that all of the \$7.8 million shortfall reported in Line 7 should be considered as community benefit. The IRS Community Benefit Standard includes the provision of care to the elderly and Medicare patients. Medicare shortfalls must be absorbed by the hospital in order to continue treating the elderly in our community. This year, Medicare patients accounted for 41% of total patient days (19,590 out of 48,418 total). The hospital provides care regardless of this shortfall and thereby relieves the federal government of the burden of paying the full cost for Medicare beneficiaries. Costing Methodology Methodist Medical Center used a combination of sources in calculating Medicare allowable costs on Part III, Line 6 including its cost accounting system, general ledger accounting system, and facility-specific analyses and calculations.

Form and Line Reference	Explanation
Part III, Line 9b	Self-pay patients automatically receive a minimum 43% discount on charges. Federal poverty guidelines are utilized in the determination of charity care eligibility. Patients who are unable to pay and have exhausted all sources of payment assistance may qualify for charity care. A sliding scale is used for extending charity care utilizing the income levels reported under the federal poverty guidelines. Patients/guarantors with income that falls below 200% of the federal poverty guidelines receive 100% charity care. Patients/guarantors with income of 201-300% of the federal poverty guidelines receive 70% charity care. For catastrophic illness, exceptions to income and asset limitations may be made on a case-by-case basis. The amount considered for charity will be based upon the evaluation of the patient's/guarantor's ability to pay. Patients/guarantors who qualify for partial financial assistance are responsible for paying any balance remaining after the charity adjustment and third party payments. Once an account has been processed internally through routine collection channels, it may be assigned to an attorney or agency for collection. The patient/guarantor will be billed for all collection costs as may be applicable. Credit reports will be filed no earlier than 30 days following the assignment on all nonpaid balances.

Form and Line Reference	Explanation
Part VI, Line 2	While the Community Health Needs Assessment is a formal means by which the health system assesses the needs of the community, there are many informal linkages that give the Covenant Health hospitals a sense of community issues and needs. Methodist Medical Center obtains additional community information through the service of its employees with organizations including the Anderson County Health Advisory Committee, Chamber of Commerce, and Rotary Clubs, through its partnerships with the Free Medical Clinic of Oak Ridge and local businesses, and through its work with Ridgeview Behavioral Health Services, a local behavioral health provider.

Form and Line Reference	Explanation
Part VI, Line 3	Methodist Medical Center informs patients and other persons who may be billed for patient care about its financial assistance policies by posting signs in highly visible areas of the hospital and including information about the financial assistance policy in patient booklets placed in all inpatient rooms The following sign is posted in the main registration area, the Cheyenne Outpatient Diagnostic Center, and the Emergency Department registration entrance Financial Assistance Covenant Health is committed to providing quality health services in a caring environment It is the expressed philosophy of Covenant Health, and its member hospitals, that no one should be denied necessary medical care because of the inability to pay In conjunction with this philosophy, staffs of Methodist Medical Center are available to assist you with your financial needs If you are an uninsured person with no public or private source of payment for medical services, Methodist Medical Center, in compliance with Tennessee Code Annotated, Title 47, Chapter 18 and Title 68, will provide at a reduced rate, medically indicated services A financial counselor is available to assist you with these matters by calling 865-835-3600, Monday through Friday between the hours of 8 a m and 4 30 p m Signs are also posted at each registration desk and at Customer Service stating Financial Assistance It is Methodist Medical Center's philosophy that no one shall be denied medically necessary services based on an inability to pay Financial assistance applications for medically necessary services are available during the registration process or through our Financial Counselor's office To apply for financial aid, please ask our registration staff or contact the Counselor's office at 865-835-3600 The Financial Counselor is available Monday - Friday, 8 a m - 4 30 p m Methodist Medical Center employs full time financial counselors that meet with each uninsured patient In addition, Methodist Medical Center assists them with completion of a TennCare application and ensures the application is directed to the appropriate Department of Human Services The Charity Care Policy states that patients who are unable to pay and have exhausted all sources of payment assistance may be screened for potential charity care eligibility According to the policy, the financial counselors initiate screening of the patient and/or guarantor by obtaining income and other financial information to determine eligibility for charity care or discounted services

Form and Line Reference	Explanation
Part VI, Line 4	Methodist Medical Center defines its primary market as the counties of Anderson and Roane in East Tennessee. Anderson is a bedroom community to the metropolitan Knoxville area but is itself a rural county. Methodist is the only acute care hospital in Anderson County but shares its primary market with Roane County Medical Center in bordering Roane County. According to internal hospital data for 2014, about 43% of the inpatient discharges were Anderson County residents, and 23% were Roane County residents. The following statistics are taken from 2008 data of the U.S. Census Bureau. The combined two-county population totals about 129,307 people and is predominantly female (52%) and Caucasian (94%). Anderson County residents have a median income of \$44,872 per household, while the figures for Roane County households are \$43,129. Anderson County has a higher percentage (17.6%) of its population over the age of 65 than many of its peer counties. Twenty-one percent of the county's residents are under the age of 18. In 2010, the total percentage of persons living below the poverty level was 17.6%, and the unemployment rate was 8.4%. According to the 2014 County Health Rankings Report of the Robert Wood Johnson Foundation/ University of Wisconsin Population Health Institute, Anderson County residents have the following health indicators that are above the national benchmarks: Anderson - TN - National Adult Smoking 21% - 23% - 14% Adult Obesity 31% - 32% - 25% Excessive Drinking 11% - 10% - 9% Teen Birthrate 46 - 49 - 20 of every 1,000 teenage girls Poor or Fair Health 19% - 19% - 10% Physical Inactivity 34% - 31% - 21%

Form and Line Reference	Explanation
Part VI, Line 5	Methodist Medical Center (MMC), in conjunction with its parent company, Covenant Health, uses any available surplus of receipts over disbursements to expand and modernize the facility and to support the education of healthcare professionals, both of which serve to improve patient care and serve the unmet needs of the community Covenant Health's Board of Directors serves as MMC's board It is comprised of independent community leaders with diverse educational and professional backgrounds The board sets policies and provides oversight of MMC MMC maintains an open medical staff, with privileges available to all qualified physicians Additionally, the hospital operates an active and accessible emergency department that accepts all patients regardless of ability to pay

Form and Line Reference	Explanation
Part VI, Line 6	Methodist Medical Center (MMC), as a member of the Covenant Health system, benefits from the collaboration among all affiliated organizations to promote quality improvement, patient safety and efficient delivery of care for the communities served As a system, Covenant Health assures that business processes are in place at each facility to measure and report quality, to increase the role of compliance, and to integrate risk management, utilization review, peer review, mandatory reporting and quality improvement into one cohesive function In this way the system is able to use analytic tools to help identify any systemic inability to satisfy the various requirements on the part of the facilities MMC patients benefit from the availability of and ease of access to Covenant Health affiliated entities for services not provided by the hospital itself Transfer or referral to such services is expedited and coordinated to help create a seamless continuum of care A full range of community mental health and psychiatric hospital services are available within the system which help support the hospital's emergency room as well as provide an accessible and efficient pathway for those patients who require such services post discharge Other specialized services such as inpatient rehabilitation, home health and hospice services are provided by affiliated entities The Covenant Health system also enhances the patient's access to care through the provision of outpatient services in a variety of settings located throughout the service area --A majority of Roane Medical Center's ER patients requiring transfer are sent to Methodist --Methodist transfers a high percentage of its patients who need home health care to Covenant Homecare --Fortress Corporation manages Methodist's physician office buildings --Covenant Medical Group manages the hospital's employed physicians --Covenant Health's corporate finance department completes Methodist's tax returns and cost reports and reports financials to the Board, etc --Covenant Health's corporate billing office bills Methodist's services to patients and insurance companies --Methodist's laboratory performs certain lab testing for other Covenant facilities --Methodist's Capacity Management Center takes calls for the Covenant Rapid Access Center for the system at night Foundation Support Methodist Medical Center Foundation was established in 1990 to acquire and accept charitable gifts for Methodist Medical Center to help all those in need receive the highest quality of care regardless of the ability to pay The Foundation is a separate, non-profit corporation which is governed by a volunteer Board of Directors, each of whom is a recognized leader in the communities MMC serves Signature Foundation events such as Casino Night, Acorn Classic Golf Tournament and Holiday Lights for Health make it possible for the medical center to provide many important services and technologies to the community including --Free lodging at the Hospitality Houses for patients and families far from home,--Assistance to patients, families or employees who find themselves in desperate situations, --Support of cancer and palliative care programs, advanced cardiac and robotics technology,--Educational and scholarship support for medical center employees, and--A special fund for the greatest area of need Through this combination of resources and the collective development, implementation and monitoring clinical protocols and other improvement initiatives, the affiliated entities of Covenant Health are able to deliver higher quality care in a more efficient manner than could be achieved working independently

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
Methodist 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
62-0636239

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) Oak Ridge Chamber of Commerce 1400 Oak Ridge Turnpike Oak Ridge, TN 37830	62-0572006	501(c)(6)	10,000				Millenium Partnership Program
(2) Roane State Foundation 276 Patton Lane Harriman, TN 37748	58-1413034	501(c)(3)	15,000				Nursing scholarships

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

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

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	Contributions are distributed at the discretion of the Administration and Marketing departments for the purpose of enhancing and promoting healthcare within the local community The organization maintains records for check requests authorizing gifts and donations Recipients are trusted to use the funds for the purposes for which they were given

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
Methodist Medical Center

Employer identification number
62-0636239

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.	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?	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?		No
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	Yes	
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.		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?		No
b Any related organization? If "Yes," to line 5a or 5b, describe in Part III.		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?		No
b Any related organization? If "Yes," to line 6a or 6b, describe in Part III.		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.		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.		No
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?		

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				
1 Anthony L Spezia, President & CEO	(i)	0	0	0	0	0	0	0
	(ii)	983,682	469,288	151,013	214,200	15,465	1,833,648	0
2 Ed Anderson, Director	(i)	0	0	0	0	0	0	0
	(ii)	82,102	0	72,765	1,512	0	156,379	0
3 John T Geppi, EVP / CFO	(i)	0	0	0	0	0	0	0
	(ii)	472,919	199,500	80,241	10,200	16,156	779,016	0
4 Michael R Belbeck Jr, President & CAO	(i)	0	0	0	0	0	0	0
	(ii)	290,814	84,000	25,354	10,200	23,838	434,206	0
5 Julie G Utterback, VP - Financial Services	(i)	123,184	25,000	18,946	6,540	23,680	197,350	0
	(ii)	0	0	0	0	0	0	0
6 Rick Carrnnger, VP - Financial Services	(i)	0	0	0	0	0	0	0
	(ii)	125,795	20,000	15,834	5,884	7,147	174,660	0
7 Susan K Harns, VP - Chief Nursing Officer	(i)	125,578	16,000	31,922	6,659	14,883	195,042	0
	(ii)	0	0	0	0	0	0	0
8 Stephen Ellis MD, Medical Director, Healthworks	(i)	189,051	20,000	7,077	12,790	14,676	243,594	0
	(ii)	0	0	0	0	0	0	0
9 Shane D West, Sr Medical Physicist	(i)	180,354	0	335	11,524	20,600	212,813	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Return Reference	Explanation
Part I, Line 1a	Tax gross-up payments related to deferred compensation and reimbursement of fees for personal services for legal and financial planning are provided to certain executives and managers. These are treated as taxable compensation to the recipients.
Part I, Line 3	Covenant Health, the parent company of Methodist Medical Center, used one or more of the methods listed in establishing the compensation of Anthony L. Spezia. Please see the statement to Core Part VI, Section B, Line 15a on Schedule O.
Part I, Line 4b	Anthony Spezia was a participant in two nonqualified deferred compensation plans, which will be referred to as Plan A and Plan B. In 2011, Mr. Spezia vested in Plan A, and the accumulated balance as of August 1, 2011, was included in his 2011 taxable income. An Amendment to Plan A was adopted effective August 1, 2011, which terminated further accruals (contributions) to the plan. However, the Amendment does allow the accrual of interest on undistributed amounts which will be subject to risk of forfeiture until such time as indicated in the Amendment. Interest earned by Plan A in 2014 amounted to \$83,726 and is not required to be reported in Part II, as Mr. Spezia is not substantially vested in earnings accumulated after July 31, 2011. Plan B was established in 2011. Employer contributions to Plan B during 2014 totalled \$204,000, which is reported in Col. C of Schedule J, Part II. Interest earned by Plan B during 2014 of \$43,651 is not required to be reported in compensation in Part II, as Mr. Spezia is not substantially vested in Plan B.

Additional Data

Software ID:
Software Version:
EIN: 62-0636239
Name: Methodist 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 Anthony L Spezia, President & CEO	(i)	0	0	0	0	0	0	0
	(ii)	983,682	469,288	151,013	214,200	15,465	1,833,648	0
1 Ed Anderson, Director	(i)	0	0	0	0	0	0	0
	(ii)	82,102	0	72,765	1,512	0	156,379	0
2 John T Geppi, EVP / CFO	(i)	0	0	0	0	0	0	0
	(ii)	472,919	199,500	80,241	10,200	16,156	779,016	0
3 Michael R Belbeck Jr, President & CAO	(i)	0	0	0	0	0	0	0
	(ii)	290,814	84,000	25,354	10,200	23,838	434,206	0
4 Julie G Utterback, VP - Financial Services	(i)	123,184	25,000	18,946	6,540	23,680	197,350	0
	(ii)	0	0	0	0	0	0	0
5 Rick Carrnnger, VP - Financial Services	(i)	0	0	0	0	0	0	0
	(ii)	125,795	20,000	15,834	5,884	7,147	174,660	0
6 Susan K Harns, VP - Chief Nursing Officer	(i)	125,578	16,000	31,922	6,659	14,883	195,042	0
	(ii)	0	0	0	0	0	0	0
7 Stephen Ellis MD, Medical Director, Healthworks	(i)	189,051	20,000	7,077	12,790	14,676	243,594	0
	(ii)	0	0	0	0	0	0	0
8 Shane D West, Sr Medical Physicist	(i)	180,354	0	335	11,524	20,600	212,813	0
	(ii)	0	0	0	0	0	0	0

SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.
▶Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
Methodist Medical Center

Employer identification number
62-0636239

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods	X		26,760	FMV
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ ()				
26 Other ▶ ()				
27 Other ▶ ()				
28 Other ▶ ()				

29

Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement

30a

During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?

30a

Yes

No

b

If "Yes," describe the arrangement in Part II

31

Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

31

Yes

No

32a

Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?

32a

Yes

No

b

If "Yes," describe in Part II

33

If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II

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

Cat No 51227J

Schedule M (Form 990) (2014)

Part III

Supplemental Information. Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Return Reference	Explanation
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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

**Complete to provide information for responses to specific questions on
Form 990 or 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 Methodist Medical Center	Employer identification number 62-0636239
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Return Reference	Explanation	
Form 990, Part III, Line 1	REPORT TO THE COMMUNITY Covenant Health is a comprehensive, community-owned health system dedicated to improving the health of the people it serves. Established in 1996 by the consolidation of Fort Sanders Health System, Knoxville, Tennessee, and MMC HealthCare System in Oak Ridge, Covenant Health is governed by a voluntary board of directors made up of community leaders and medical professionals. Covenant Health includes nine acute care hospitals in East Tennessee: Claiborne Medical Center, Cumberland Medical Center, Fort Loudoun Medical Center, Fort Sanders Regional Medical Center, LeConte Medical Center, Methodist Medical Center, Morristown-Hamblen Healthcare System, Parkwest Medical Center, Roane County Medical Center. Member organizations also include Covenant HomeCare, Peninsula Hospital, The Patricia Neal Rehabilitation Center, Thompson Cancer Survival Center, Thompson Oncology Group, Fortress Corporation, Fort Sanders West Diagnostic Center, Covenant Medical Group, Inc. Philanthropic affiliates include Fort Sanders Foundation, Methodist Medical Center Foundation, Morristown-Hamblen Foundation, Thompson Cancer Survival Center Foundation. Approximately 10,000 people are employed by Covenant Health and its member organizations. Working together with nearly 1,500 affiliated physicians, these healthcare professionals deliver quality care to thousands of patients throughout East Tennessee. Kiosks for Patients' Convenience Covenant Health now has three types of kiosks available to help patients "check in" at registration, electronically sign documents, and to help family members find a patient's hospital location. The check-in kiosks are used over 5000 times per month by patients who sign in electronically, notifying registration staff of their arrival. A notable feature of the check-in kiosks is use of Covenant FastPass hand-scanning technology, which ensures positive patient identification and deters identity theft. Covenant also implemented electronic signature kiosks (eSign) at some facilities. These allow patients to review their personal and billing information and then sign registration paperwork on screen. The eSign service streamlines registration for patients with simple appointments and gives registration staff more time to spend with patients with more complex needs. For facility visitors, Covenant Wayfinding kiosks are used more than 2000 times per month to help family and friends locate patients being treated at Covenant facilities. A Legacy of Philanthropic Impact Since the first campaign of Fort Sanders Foundation to establish the Patricia Neal Rehabilitation Center (PNRC) in the late 1970s, the volunteer board members of Covenant Health's foundations have focused on raising funds to ensure the future of healthcare in its communities. The impact of the philanthropic efforts by individuals, businesses and foundations is substantial. Covenant's Office of Philanthropy coordinates fund raising efforts at four foundations: Fort Sanders Foundation, Methodist Medical Center Foundation, Morristown-Hamblen Hospital Foundation, and Thompson Cancer Survival Center Foundation. One strong example of philanthropic partnerships is the Will Rogers Institute and its 15-year history of support for the pulmonary rehabilitation programs of Covenant Health - in particular, the work of the Patricia Neal Rehabilitation Center. The Will Rogers Institute (WRI) is a national charitable organization dedicated to perpetuating the memory of one of America's best-loved entertainers. It supports cardiopulmonary research and treatment programs, neonatal care, and patient and community education on health/fitness topics. Each summer, movie theatres across the country participate in a fundraising campaign for WRI. Regal Entertainment Group, which supports the Patricia Neal Rehabilitation Center and its annual Golf Classic, helped develop the relationship between the Will Rogers Institute and Covenant Health many years ago. Over the past 15 years, WRI has granted more than \$2 million to PNRC and the hospitals of Covenant Health. Grant funds support cardiopulmonary rehabilitation and health improvement initiatives at PNRC and other Covenant facilities, including a strong focus on smoking cessation and access to pulmonary rehabilitation care. Numerous pieces of therapy equipment, oxygen piping and monitoring systems, and pulmonary testing equipment have been provided for PNRC, the hospitals and outpatient pulmonary rehabilitation centers. The grant also funds a unique telemanagement program in which respiratory therapists make follow-up contact with all patients who have expressed an interest in smoking cessation while at a Covenant Health hospital. The therapists provide support, education and information on smoking cessation classes available in the area. At the end of 2014, the smoking cessation compliance rate for patients contacted by respiratory therapists via phone at 6 months post discharge stands at 41%. The grant also funded Covenant	

Return Reference	Explanation	
	Form 990, Part III, Line 1	Health's development of a "Stop Smoking" app for Apple and Android phones. The app is offered free to the public as a tool to support efforts to break smoking addictions. The long standing partnership with the Will Rogers Institute and Regal Entertainment Group has created a legacy for the future, not only for the Patricia Neal Rehabilitation Center and Covenant's pulmonary health initiatives, but for corporate and foundation funding of its health care mission throughout the region.

Return Reference	Explanation	
Form 990, Part III, Line 1	Leadership Academy Participants Get Insider View of Healthcare For the third year, a selected group of business and community leaders from across the region have experienced an in-depth view of Covenant Health and the healthcare environment as participants in Covenant Answers A Healthcare Leadership Academy The Office of Philanthropy hosts the Academy each year in an effort to expand the cadre of healthcare-informed volunteer leaders in the community Over a five-month period, class members attended an orientation with Covenant executive leadership and half-day sessions at five different Covenant hospitals The sessions included behind-the-scenes tours and hands-on access to the latest technologies and treatments Participants had opportunities to discuss the challenges of the current healthcare environment with Covenant physicians and clinicians, communicate via a tele-stroke robot with a physician in another state and visit with a patient who received a life-saving interventional stroke treatment They also observed a TAVR heart valve replacement surgery and a Barrett's esophagus cancer laser procedure A Healthy Start for Covenant's Smallest Patients When parents are expecting a new baby, they may read books, buy new furniture and baby clothes, and consult family and friends As families prepare for their new arrivals, Covenant Health hospitals are ready and waiting with a variety of birthing options and hospital amenities to help welcome their smallest patients More than 7,000 babies got their first glimpse of life from the security and comfort of a Covenant Health hospital in 2014 Maternity suites at Covenant hospitals are designed to maximize comfort and provide immediate access to technology Room options may include private suites equipped with bassinets for "rooming in" and comfortable sleeper furniture for a family member All maternity units are secured with monitored entries and exits Additional security devices and procedures are in place to monitor babies' safety More than 50 credentialed physicians provide care to Covenant Health patients during pregnancy and while in the hospital Childbirth education classes are available to help parents prepare for their new arrival Best Practices for Babies' Healthy Start Five Covenant Health hospitals that offer obstetrics services were recognized by the Tennessee Hospital Association for reducing the number of babies born electively between 37 and 39 weeks gestation during 2011-2014 Fort Sanders Regional Medical Center, Parkwest Medical Center, LeConte Medical Center, Methodist Medical Center and Morristown-Hamblen Healthcare System received recognition from THA's Tennessee Center for Patient Safety for reducing elective early deliveries, thereby increasing babies' chances for better lifelong health The Covenant hospitals are part of a statewide Healthy Tennessee Babies Are Worth the Wait initiative to increase awareness of the benefits of full-term delivery Babies born too early are at risk for respiratory distress, jaundice, hypoglycemia and other conditions that require more medical care and put them at greater risk for death before their first birthdays Waiting until 39 weeks allows for better growth and development of vital organs and is also better for the health and safety of the mother In addition to patient and staff education programs, Covenant Health obstetrics departments adopted a policy prohibiting early elective deliveries before 39 weeks unless there is a clear medical risk to the mother or the baby For an infant, two additional weeks can mean the difference between complications leading to lifelong health issues and a healthy and robust start In 2011 about 12 percent of the hospitals' deliveries that occurred prior to 39 weeks gestation were considered elective By second quarter of 2015, the number had dropped to zero Covenant hospitals with obstetrical services also collaborate with the Tennessee Department of Health's Safe Sleep program Participating hospitals have agreed to develop and implement hospital safe sleep policies and provide education to staff and patients regarding safe sleep recommendations LeConte Medical Center has received a bronze designation from the National Safe Sleep Hospital Certification Program for its leadership in best practices and education related to safe sleep Covenant hospitals are also involved with the Tennessee Initiative for Perinatal Quality Care's breastfeeding project, which focuses on promoting and supporting breastfeeding in the delivery setting and after mothers return home Caring for Women Throughout Their Lives Covenant Health provides a full spectrum of health services for women of all ages The health system's nine breast centers, located conveniently throughout Covenant's service area, offer state-of-the-art digital mammography Two locations, Parkwest Medical Center and Morristown-Hamblen Healthcare System, provide 3D mammography services Covenant Health has addition	

Return Reference	Explanation	
	Form 990, Part III, Line 1	al technologies for the early detection of breast cancer, including breast ultrasound and MRI. The health system provides comprehensive heart and stroke care for women, and has developed educational and outreach programs to inform women about cardiovascular disease, risk factors, prevention, treatment and rehabilitation. A full range of diagnostic screenings, gynecological care, cancer care, and specialized treatment for conditions such as incontinence are offered to women in all ages and stages of life. A Heart for Excellence Covenant Health is committed to excellence in all areas of heart care - from heart disease prevention and diagnosis of heart conditions to advanced technology and treatments, emergency interventions, and cardiac rehabilitation programs for follow-up care. More than 50 affiliated cardiologists provide diagnostic testing and perform a variety of interventional procedures such as heart catheterization and techniques to clear blocked arteries and place stents to restore blood flow. Cardiologists also treat heart arrhythmias and often repair heart valves and holes in the chambers of the heart. Advanced Technology Keeps More Hearts Beating Covenant Health is at the forefront of cardiac innovations that restore health and the ability to live life to the fullest. Covenant was the first health system in the region to offer Transcatheter Aortic Valve Replacement (TAVR), in which a minimally invasive procedure places a new valve into the heart. The procedure gives new hope to patients suffering from life-threatening aortic stenosis who are not candidates for open-heart surgery. In addition to TAVR, a full spectrum of advanced cardiac procedures is available at Covenant Health's "heart hospitals" - Fort Sanders Regional Medical Center, Methodist Medical Center of Oak Ridge and Parkwest Medical Center. For patients experiencing severe coronary disease like blocked arteries and aortic enlargement, care close to home may seem like a distant hope. Covenant's cardiac services offer complex surgeries and treatments that are often only available in larger cities. When Minutes Matter If a heart attack occurs, time is critical. The heart hospitals of Covenant Health work together to make sure that patients receive the most appropriate care as quickly as possible. The American College of Cardiology and the American Heart Association have established recommended care standards for heart attack patients, specifically those identified as the "ST-Segment Elevation MI" (STEMI) population. These patients have the highest mortality (risk of death) and morbidity (risk of associated complications). They can be rapidly identified with an electrocardiogram (EKG). The standards emphasize organizing regional systems of care and patient transfer procedures to provide faster access to advanced therapies that help facilitate rapid restoration of blood flow during a heart attack. The care team - from first responders and emergency departments to cardiologists and cath lab staff - collaborate to provide efficient and effective care. They evaluate the entire process and collaborate with anyone who has contact with this patient population to develop a standardized approach to efficiently get them to a cath lab. Every 30 minutes results in nearly an eight percent increase in risk of death, so patient outcomes can be improved by having a systems approach to identification, notification, and rapid transfer.

Return Reference	Explanation	
	Form 990, Part III, Line 1	Several new Cardiac processes have been developed, including * Training EMS providers to identify STEMI patients quickly, and building relationships with emergency transporters to ensure efficient arrival at a center equipped to deal with STEMI patients * Clinical members of Covenant Rapid Access, Covenant Health's patient transfer center, are available 24 /7 to accept STEMI patients from outlying hospitals and immediately notify the cath lab team and interventional cardiologist "Rapid Access" is the coordinating center for Covenant facilities * Emergency transporters can now simultaneously notify both ED and cath lab teams of potential STEMI patients and transmit an EKG when available. This allows earlier activation of the cath lab team, with personnel available immediately when the patient arrives * A regular review process provides feedback on outcomes and helps continually improve systems and processes As a result of these efforts, Fort Sanders Regional has exceeded state and national hospitals' performance in meeting standards for "First Medical Contact- to-Device" times. Mortality and readmission rates also declined. The STEMI team collaborates with hospitals and emergency responders in Claiborne, Sevier, and Jefferson counties, and as far away as Kentucky. Cardiac Rehab Helps Pave the Road to Recovery The weeks immediately following a heart attack, angioplasty, or open heart surgery are critical for long-range rehabilitation. Several Covenant hospitals offer medically supervised Cardio-Pulmonary Rehabilitation programs that safely restore physical fitness and function for people who have recently had serious cardiac events. Through monitored exercise, education, counseling and healthy lifestyle changes, patients regain confidence in exercising their hearts, and they learn to make lifestyle changes to reduce the risk of further complications from heart disease. Cardiac rehabilitation offers effective treatment for heart attack, angina, post-infarction, angioplasty, post-coronary bypass, and patients considered to be high risk for coronary artery disease. The Region's Only Stroke Hospital Network Covenant Health has the region's only stroke hospital network for delivering advanced diagnostics and treatment to halt the devastating effects of stroke. At the hub of the network are Fort Sanders Regional Medical Center, certified as a comprehensive stroke center by The Joint Commission, and the award-winning Patricia Neal Rehabilitation Center, accredited by the Commission on the Accreditation of Rehabilitation Facilities. Covenant Health's stroke hospital network offers advanced treatments and clinical trials that are unavailable in other areas of the region. Delivering Immediate and Excellent Care When a stroke happens, timely treatment is critical. The Comprehensive Stroke Center at Fort Sanders Regional Medical Center is well above the national average in delivering prompt treatment of life-saving medication. Clot-busting drugs are given to stroke patients to improve blood flow and minimize potential disabilities. The amount of time it takes for a patient to be brought into a hospital until the moment medications are intravenously administered is referred to as "door-to-needle time." The average door-to-needle time is a little more than an hour, the door-to-needle time at Fort Sanders Regional is 30 minutes, half an hour faster than the national average. The stroke center exists to provide the highest level of stroke care for complicated stroke cases, which includes finding out why the stroke occurred to prevent it from happening again. The Comprehensive Stroke Center at Fort Sanders Regional sees patients from throughout East Tennessee and beyond. To help patients reclaim as much ability and independence as possible, the Patricia Neal Rehabilitation Center provides inpatient and outpatient stroke care. Patients are treated by a holistic team that includes physiatrists (rehab physicians), physical, occupational and speech therapists, rehab psychologists, case managers and recreation therapists. Treatment includes goal setting and interdisciplinary in range of motion, strengthening and conditioning, along with self-care and activities of daily living. Leading the Fight Against Cancer Even though cancer affects many thousands of people, a cancer diagnosis can be a lonely experience. Covenant Health is committed to helping cancer patients fight the disease with excellent medical care and a multidisciplinary team of support. At the core of Covenant Health's cancer care is an elite team of physicians, armed with the most advanced cancer tools available. Technology includes advanced imaging such as positron emission technology (PET) in Knoxville and mobile PET services in Sevierville, Tomotherapy, high-dose-rate brachytherapy and 3D radiation therapy. Fort Sanders Regional Medical Center offers Gamma Knife, the area's only non-invasive radiosurgical device that targets tumors in a single visit. A variety

Return Reference	Explanation	
	Form 990, Part III, Line 1	of clinical trials, stem cell transplantation and genetic counseling are also available. The health system recently invested \$7.6 million for equipment upgrades, expanded connectivity and growth of a highly regarded radiation therapy research program at six locations: Thompson Cancer Survival Centers in downtown and west Knoxville, Oak Ridge and Sevierville, at Morristown-Hamblen Hospital System, and at Cumberland Medical Center's radiation oncology program in Crossville. Patients receiving cancer care at Covenant Health facilities receive individualized treatment plans, and have a multidisciplinary team of specialists and "navigators" to help with the treatment process. Support is also provided by social workers, nutrition counselors, and other members of the cancer care team. Thompson Oncology Group has 10 physician offices in Sevierville, Knoxville, Blount County, Morristown and Oak Ridge. The group has been recognized by the Quality Oncology Practice Initiative Certification Program, an affiliate of the American Society of Clinical Oncology. The certification process includes each of the 10 Thompson Oncology Group locations and encompasses evaluation of treatment planning, staff training, patient education and safe chemotherapy administration.

Return Reference	Explanation
Form 990, Part III, Line 1	Connecting with Our Communities In addition to taking care of patients and families who receive direct services, Covenant Health is committed to making a positive impact in the health of the surrounding community. In all the communities Covenant Health serves, local initiatives and partnerships create opportunities to interact with people of all ages and encourage healthier lifestyles. * In April 2014 nearly 8,000 people participated in the 11th Covenant Health Knoxville Marathon, which attracted local runners and hand cyclists, as well as competitors from throughout the U.S. and other countries. Marathon events included 2- and 4-person relays, a 5K, half-marathon and full marathon. * The Covenant Health Biggest Winner Weight Loss Challenge continued as a friendly competition that encourages East Tennesseans to get moving for a fit and healthy lifestyle. Team members train together for five months, with the goal of crossing the finish line in Covenant Health Knoxville Marathon events, and challenge other East Tennesseans to start a health journey that will change their lives for the better. * Some of the funds raised through the Covenant Health Knoxville Marathon were contributed to Patricia Neal Rehabilitation Center's Innovative Recreation Cooperative. More than \$5,000 was given to the Cooperative, a collaboration of groups and individuals who help disabled persons enjoy leisure and recreation activities such as water skiing and cycling. * The Covenant Kids Run attracted nearly 1,000 children who participated in a "marathon of activities" over a period of several weeks, culminating in a run to Neyland Stadium on the day before the Covenant Health Knoxville Marathon. * Covenant HomeCare Hospice helps children grieving the loss of a loved one through Katerpillar Kids Camp, a free event offered with the support of Variety - The Children's Charity. The camp helps children in grades 1-12 express their feelings of loss in a supportive environment. * Methodist Medical Center co-sponsored the annual Baby's Best Fest, a day of family games and an ice cream social celebrating World Breastfeeding Month and supporting breastfeeding as the healthiest start for babies. * LeConte Medical Center partnered with Dollywood's Splash Country to host Water Safety Day. The event provided health and safety information to local children and families, and was held in conjunction with the "World's Largest Swimming Lesson," a national event promoting the importance of learning to swim. At the event LeConte employees educated children about water safety, representatives from Thompson Cancer Survival Center talked about the importance of sunscreen, and staff from the Patricia Neal Rehabilitation Center were on hand to talk about the Think First head injury prevention program and adaptive water sports. More than 600 children participated. * Cumberland Medical Center in Crossville co-sponsored numerous health fairs and community events throughout the year, and hosted free Mammogram Days for women who had not received a mammogram in two years and were age 40 or older without insurance coverage. * Missy Kane, health promotions coordinator for Covenant Health, led hikes in communities where Covenant Health hospitals are located and established walking clubs in Roane and Anderson counties in conjunction with Roane Medical Center and Methodist Medical Center. Parkwest Medical Center, LeConte Medical Center and Thompson Cancer Survival Center have been co-sponsors of hiking programs led by Missy Kane.

Return Reference	Explanation
Form 990, Part VI, Section B, line 11	Covenant Health is a large, integrated health system which files fourteen Forms 990. Methodist Medical Center is one of those fourteen entities. Annually, at the September Finance Committee meeting, one of the fourteen 990s is selected (a different entity each year) for distribution to each member of the Committee. Management then reviews in detail each of the Form 990 schedules and describes variances between entities, if any. The remaining thirteen Forms are made available for review by any committee member. The same presentation is made to the Covenant Health Board of Directors at the October meeting. All fourteen Forms 990 are then made available to all Board members for their review throughout the month of October.

Return Reference	Explanation
Form 990, Part VI, Section B, line 12c	Board members, officers and employees are required to adhere to rules and policies regarding conflicts of interest. Covenant Health, the parent company of the organization, distributes a board-approved Code of Conduct to all employees. The Code covers among other subjects, conflicts of interest. Additionally managers are required to complete and sign an annual management certification that addresses conflicts of interest. Board members' conflicts of interests are dealt with in the corporate bylaws and board members are required to complete and sign a conflict of interest questionnaire on an annual basis. The Integrity Compliance Office maintains records that contain conflict of interest information obtained from board members, officers and employees. These records are available to be queried prior to engaging in business transactions. The Integrity Compliance Officer initially reviews all conflict of interest data. Based on this information, the officer determines what conflicts of interest exist at that point in time. Between times when surveys are collected board members are expected to disclose any new conflicts that have arisen that affect pending board decisions. As well, managers and other employees are expected to report conflicts to the Integrity Compliance Officer as they arise. Depending on the nature of the conflict and the circumstances surrounding the conflict and transaction, the Integrity Compliance Officer, Senior Leadership, or the Board of Directors may review the conflict of interest. Where appropriate these bodies may also consult legal counsel. Restrictions imposed on persons with a conflict of interest are determined on a case by case basis. For Covenant Health employees, the Integrity Compliance Officer, in conjunction with Executive Leadership determines how to appropriately handle the conflict. In any conflict involving a board member, such member is expected to excuse himself or herself from voting on matters that give rise to the conflict.

Return Reference	Explanation
Form 990, Part VI, Section B, line 15	Overall compensation policies for Methodist Medical Center, Covenant Health (Parent Company), and affiliates are set by the Compensation Committee of the Board of Directors ("the Committee"), which is comprised of independent members of the board. The Committee is guided in its decision-making process by an independent, nationally-recognized executive compensation consultant experienced in advising nonprofit hospital boards. Compensation policies for Anthony Spezia and John Geppi are reported on the 2014 Form 990 of Covenant Health, EIN 62-1646734. Form 990, Part VI, Section B, Line 15b. Base salary and annual bonus opportunities for Michael Belbeck, Jr., President and Chief Administrative Officer, are set by the Covenant Health CEO or Executive Vice President-Human Resources, subject to approval of the Compensation Committee of the Covenant Health Board of Directors ("the Committee"), after review by and discussion with the executive compensation consultant ("the Consultant") to ensure that total compensation is reasonable and within a fair market value range. Salary ranges are based upon the recommendations of the Consultant made after comparison with similar jobs in similar size health systems across the nation. Bonuses are recommended by the CEO and approved by the Committee conditioned upon receipt of a written opinion from the Consultant that total compensation for the executive is reasonable and consistent with fair market value. Base salary is initially targeted at midpoint and may vary according to the individual's experience, market conditions and competition. Annual bonuses are designed to award 0-35% of base salary based upon system performance and accomplishment of certain targets established by the CEO. Base salaries and annual bonus opportunities for Julie Utterback and Rick Carringer, Vice-Presidents of Financial Services, and Susan Harris, Vice-President and Chief Nursing Officer, are based on targets established by an independent, nationally-recognized executive compensation consultant to ensure that total compensation for each executive is reasonable and within a fair market value range. Salary ranges are based upon comparison with similar jobs in similar size health systems across the nation. Base salaries and bonuses are approved by Executive Leadership predicated upon performance, and are reasonable and consistent with fair market value. Base salaries are initially targeted at midpoint and may vary according to the individual's experience, market conditions and competition. Annual bonuses are designed to award 0-20% of base salary based upon system performance and accomplishment of certain targets established by Executive Leadership.

Return Reference	Explanation
Form 990, Part VI, Section C, line 19	Methodist Medical Center files a Joint Annual Report containing financial information with the Tennessee Department of Health. Per its tax-exempt bond provisions, Covenant Health, the parent company of the organization, is required to file quarterly and annual consolidated and obligated group financial statements and other documentation with various bond insurers and other agencies, including the Electronic Municipal Market Access (EMMA) service of the Municipal Securities Rulemaking Board (MSRB). Any member of such a repository has access to these financial statements. The organization's governing documents and conflict of interest policy are not made publicly available.

Return Reference	Explanation
Form 990, Part VI, Section B, Line 16b	Methodist Medical Center (MMC) entered into a partnership agreement with Oak Ridge Healthcare Associates, LLC (ORHA) on October 15, 2010 for the purpose of developing, owning, and operating an assisted living community in Oak Ridge, TN. ORHA is the managing partner of the assisted living community, which goes by the name of Canterfield of Oak Ridge. The transaction, as well as any joint venture entered into by the hospital, is reviewed by executive management and legal counsel. Canterfield posted a loss for 2014 which is reported on the 2014 Form 990-T for Methodist Medical Center.

Return Reference	Explanation
Form 990, Part VI,Section A, Line 9	Contact addresses for officers, directors, etc Anthony L Spezia Covenant Health 100 Fort Sanders West Blvd Knoxville, TN 37922 John T Geppi, Larry Mauldin and all Directors Covenant Health 1420 Centerpoint Blvd Bldg C Knoxville, TN 37932 Julie Utterback Covenant Medical Group, Inc 1400 Centerpoint Blvd Suite 100 Knoxville, TN 37932 All other persons listed in Part VII, Section A may be contacted at the organization's address, which is Methodist Medical Center 990 Oak Ridge Turnpike Oak Ridge, TN 37830

Return Reference	Explanation
Form 990, Part XI, line 9	Book/Tax Difference Canterfield Schedule K-1 -297,390

Return Reference	Explanation
Form 990, Part XII, Line 2c	The Finance Committee of the Board of Directors assumes responsibility for oversight of the audit of the consolidated financial statements and selection of an independent accountant

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990.
▶ 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
Methodist Medical Center

Employer identification number
62-0636239

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) MMC Healthworks LLC 988 Oak Ridge Turnpike Ste L-50 Oak Ridge, TN 37830 02-0712412	Occupational health	TN	775,159	1,169,373	Methodist 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
See Additional Data Table						

Part III

Identification of Related Organizations Taxable as a Partnership

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproporionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) Endoscopy Center of Oak Ridge LLC 988 Oak Ridge Turnpike Ste 200 Oak Ridge, TN 37830 62-1667358	Outpatient medical facility	TN	N/A									
(2) Fort Sanders West OP Surgery Center LLC 210 Fort Sanders West Blvd Ste 200 Knoxville, TN 37922 62-1366907	Outpatient surgery center	TN	N/A									
(3) Fort Sanders West Associates 280 Fort Sanders West Blvd Ste 214 Knoxville, TN 37922 62-1384171	Building ownership	TN	N/A									
(4) KOSC Properties LLC 256 Ft Sanders W Blvd Ste 200 Knoxville, TN 37922 26-2444076	Building ownership	TN	N/A									
(5) Knoxville Orthopaedic Surgery Center LLC 256 Ft Sanders W Blvd Ste 200 Knoxville, TN 37922 26-2437385	Orthopaedic surgery	TN	N/A									
(6) KOC 260 Bldg LLC 260 Fort Sanders West Blvd Knoxville, TN 37922 46-5228440	Land & Building ownership	TN	N/A									

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) Fortress Corporation 280 Ft Sanders West Blvd Ste 214 Knoxville, TN 37922 62-1308885	Management company	TN	N/A	C				Yes	
(2) Covenant Medical Group Inc 1400 Centerpoint BlvdBldg A Suite 1 Knoxville, TN 37932 62-1282917	Physician practice management	TN	N/A	C				Yes	
(3) Knoxville Heart Group 1819 Clinch Ave Ste 108 Knoxville, TN 37916 27-1528941	Cardiology medical practice	TN	N/A	C					No
(4) East TN Cardiovascular Surgery Group Inc 9125 Cross Park Dr Ste 200 Knoxville, TN 37923 62-1018541	Cardiovascular surgery practice	TN	N/A	C				Yes	

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 Yes

1b No

1c Yes

1d No

1e No

1f No

1g No

1h No

1i No

1j Yes

1k Yes

1l Yes

1m Yes

1n Yes

1o Yes

1p Yes

1q Yes

1r Yes

1s Yes

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) Endoscopy Center of Oak Ridge LLC	A	57,306	FMV
(2) East TN Cardiovascular Surgery Group Inc	A	38,584	FMV
(3) Covenant Medical Group Inc	A	583,121	FMV
(4) Fortress Corporation	A	7,109	FMV

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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Additional Data

Software ID:

Software Version:

EIN: 62-0636239

Name: Methodist Medical Center

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity?	
						Yes	No
(1) Covenant Health 1420 Centerpoint Blvd Bldg C Knoxville, TN 379321960 62-1646734	Supporting organization	TN	501(c)(3)	Line 11b, II	N/A		No
(1) Covenant Homecare 3001 Lake Brook Blvd Ste 101 Knoxville, TN 37909 62-1623114	Home health services	TN	501(c)(3)	Line 9	Covenant Health		No
(2) Fort Loudoun Medical Center 550 Fort Loudoun Medical Ctr Dr Lenoir City, TN 37772 62-1373691	Acute care hospital	TN	501(c)(3)	Line 3	Covenant Health		No
(3) Fort Sanders Regional Medical Center 1901 W Clinch Ave Knoxville, TN 37916 62-0528340	Acute care hospital	TN	501(c)(3)	Line 3	Covenant Health		No
(4) Fort Sanders Foundation 280 Ft Sanders West Blvd Ste 202 Knoxville, TN 37922 62-1748601	Fundraising and patient outreach	TN	501(c)(3)	Line 11b, II	Covenant Health		No
(5) Fort Sanders Perinatal Center Trustees Tower Ste 304 501 19th St Knoxville, TN 37916 04-3760551	High risk obstetrical services	TN	501(c)(3)	Line 3	Fort Sanders Regional Medical Center		No
(6) LeConte Medical Center 742 Middle Creek Road Sevierville, TN 37862 62-1114867	Acute care hospital	TN	501(c)(3)	Line 3	Covenant Health		No
(7) Morristown-Hamblen Hospital Assoc dba M-H Healthcare System 908 W 4th North Street Morristown, TN 37814 62-0545814	Acute care hospital	TN	501(c)(3)	Line 3	Covenant Health		No
(8) Parkwest Medical Center 9352 Park West Blvd Knoxville, TN 37923 58-1897274	Acute care hospital and behavioral health services	TN	501(c)(3)	Line 3	Covenant Health		No
(9) Roane Co Medical Ctr dba Roane Medical Center 8045 Roane Medical Center Dr Harriman, TN 37748 68-0673354	Acute care hospital	TN	501(c)(3)	Line 3	Covenant Health		No
(10) Thompson Cancer Survival Center 1915 White Ave Knoxville, TN 37916 62-1250943	Cancer treatment facility	TN	501(c)(3)	Line 3	Covenant Health		No
(11) Thompson Oncology Group 1915 White Ave Knoxville, TN 37916 62-1619239	Oncology services	TN	501(c)(3)	Line 3	Thompson Cancer Survival Center		No
(12) Methodist Medical Center Foundation 990 Oak Ridge Turnpike Oak Ridge, TN 37830 62-1414205	Fundraising and patient outreach	TN	501(c)(3)	Line 11a, I	N/A		No
(13) Thompson Cancer Survival Center Foundation 1915 White Ave Knoxville, TN 37916 58-2130450	Fundraising and patient outreach	TN	501(c)(3)	Line 11b, II	Covenant Health		No
(14) Cumberland Medical Center 421 S Main St Crossville, TN 385555048 62-0790132	Acute care hospital	TN	501(c)(3)	Line 3	Covenant Health		No
(15) Claiborne Medical Center 1850 Old Knoxville Rd Tazewell, TN 378793625 46-4420358	Acute care hospital	TN	501(c)(3)	Line 3	Covenant Health		No