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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 07-01-2014 , and ending 06-30-2015

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Final return/terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
SMDC Medical Center

% KEVIN BOREN

Doing business as
Essentia Health Duluth

Number and street (or P O box if mail is not delivered to street address) | Room/suite
502 EAST 2ND STREET

City or town, state or province, country, and ZIP or foreign postal code
DULUTH, MN 55805

D Employer identification number
41-1878730

E Telephone number
(218)727-8762

G Gross receipts $ 503,347,229

F Name and address of principal officer
Steven Jorgensen
502 East 2nd Street
DULUTH,MN 55805

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

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

H(c) Group exemption number ▶

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

J Website: ▶ www essentiahealth org

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

L Year of formation 1997

M State of legal domicile MN

Part I Summary

1 Briefly describe the organization's mission or most significant activities
WE ARE CALLED TO MAKE A HEALTHY DIFFERENCE IN PEOPLES'S LIVES

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**	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	8
5	Total number of individuals employed in calendar year 2014 (Part V, line 2a)	**5**	2,988
6	Total number of volunteers (estimate if necessary)	**6**	227
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	1,242,347
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	267,450

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	695,618	494,428
9	Program service revenue (Part VIII, line 2g)	464,652,117	491,152,059
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,131,156	3,876,585
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	6,866,490	7,156,182
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	475,345,381	502,679,254
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,468,633	1,180,498
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	291,440,412	306,566,367
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	170,970,542	174,941,211
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	463,879,587	482,688,076
19	Revenue less expenses Subtract line 18 from line 12	11,465,794	19,991,178
Net Assets or Fund Balances		**Beginning of Current Year**	**End of Year**
20	Total assets (Part X, line 16)	644,413,276	661,270,193
21	Total liabilities (Part X, line 26)	527,533,929	536,190,911
22	Net assets or fund balances Subtract line 21 from line 20	116,879,347	125,079,282

Part II Signature Block

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

Sign Here

****** | 2016-04-19
Signature of officer | Date

Kevin Boren CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
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

WE ARE CALLED TO MAKE A HEALTHY DIFFERENCE IN PEOPLE'S LIVES

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 $ 394,006,496 including grants of $ 1,180,498) (Revenue $ 494,761,288)

See schedule O

4b (Code) (Expenses $ including grants of $) (Revenue $)

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ 394,006,496

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9	Yes	
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	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		No
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? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	**24a**		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? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If "Yes," complete Schedule L, Part II*	**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? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	1		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	2,988		
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	**1a**	13		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	8		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		**2**		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .		**3**		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		**4**		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		**5**		No
6	Did the organization have members or stockholders?		**6**	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		**7a**	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		**7b**	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body?		**8b**	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*		**9**		No

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

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

Section C. Disclosure

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

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

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

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

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

▶ KEVIN BOREN
532 EAST 1ST STREET
DULUTH, MN 55805 (218) 786-1009

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) . . . . . ▶								5,252,567	7,293,134	1,667,923

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

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation

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 ▶0

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	274,997			
	e	Government grants (contributions)	1e	1,750			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	217,681			
	g	Noncash contributions included in lines 1a-1f $		5,269			
	h	**Total.** Add lines 1a-1f		494,428			
Program Service Revenue			Business Code				
	2a	PATIENT REVENUE	621110	486,335,042	485,976,292	358,750	
	b	NURSING HOME REVENUE	623000	4,817,017	4,817,017		
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		491,152,059			
	3	Investment income (including dividends, interest, and other similar amounts)		1,513,727			1,513,727
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
			(i) Real / (ii) Personal				
	6a	Gross rents	258,142 /				
	b	Less rental expenses	/				
	c	Rental income or (loss)	258,142 / 0				
	d	Net rental income or (loss)		258,142			258,142
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	2,453,747 / 19,050				
	b	Less cost or other basis and sales expenses	/ 109,939				
	c	Gain or (loss)	2,453,747 / -90,889				
	d	Net gain or (loss)		2,362,858			2,362,858
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events		0			
	9a	Gross income from gaming activities See Part IV, line 19	a 5,017				
	b	Less direct expenses	b 5,574				
	c	Net income or (loss) from gaming activities		-557			-557
	10a	Gross sales of inventory, less returns and allowances	a 1,371,804				
	b	Less cost of goods sold	b 552,462				
	c	Net income or (loss) from sales of inventory		819,342		697,166	122,176
		Miscellaneous Revenue	Business Code				
	11a	MSA REVENUE DULUTH FAMILY PRACTICE	541900	3,609,229	3,609,229		
	b	CAFETERIA REVENUE	722514	1,710,492		127,574	1,582,918
	c	CLASS ACTION SETTLEMENT	900099	295,594			295,594
	d	All other revenue		463,940		58,857	405,083
	e	**Total.** Add lines 11a–11d		6,079,255			
	12	**Total revenue.** See Instructions		502,679,254	494,402,538	1,242,347	6,539,941

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	1,169,932	1,169,932		
2 Grants and other assistance to domestic individuals See Part IV, line 22	10,566	10,566		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	8,552,248	3,512,987	5,039,261	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	697,086	666,943	30,143	
7 Other salaries and wages	241,062,964	213,976,976	27,085,988	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	12,966,930	9,794,239	3,172,691	
9 Other employee benefits	28,984,214	23,349,745	5,634,469	
10 Payroll taxes	14,302,925	12,089,245	2,213,680	
11 Fees for services (non-employees)				
a Management	0			
b Legal	358,970		358,970	
c Accounting	11,019		11,019	
d Lobbying	7,562		7,562	
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	382,760		382,760	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	29,026,973	18,602,043	10,424,930	
12 Advertising and promotion	823,362	13,928	809,434	
13 Office expenses	13,095,006	6,139,060	6,955,946	
14 Information technology	15,159,007	374,353	14,784,654	
15 Royalties	0			
16 Occupancy	9,398,987	163,922	9,235,065	
17 Travel	2,282,520	1,543,222	739,298	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	611,665	407,832	203,833	
20 Interest	-268,208		-268,208	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	18,014,458	17,215,540	798,918	
23 Insurance	6,195,943	6,195,943		
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a MEDICAL SUPPLIES	45,248,282	45,111,092	137,190	
b AFFILIATE SUPPORT FEE	34,634,122	8,468,043	26,166,079	
c BAD DEBT EXPENSE	21,506,795	21,506,795		
d UNRELATED BUSINESS TAX	97,574	97,574		
e All other expenses	-21,645,586	3,596,516	-25,242,102	
25 **Total functional expenses.** Add lines 1 through 24e	482,688,076	394,006,496	88,681,580	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		1,464,847	1	841,453
	2	Savings and temporary cash investments		91,656,457	2	55,408,125
	3	Pledges and grants receivable, net		3,500	3	31,055
	4	Accounts receivable, net		53,759,703	4	53,794,456
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		83,333	5	0
	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		0	6	0
	7	Notes and loans receivable, net		18,610	7	9,305
	8	Inventories for sale or use		5,053,553	8	5,753,158
	9	Prepaid expenses and deferred charges		6,502,580	9	7,581,874
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 231,568,197			
	b	Less accumulated depreciation	10b 144,321,788	77,625,195	10c	87,246,409
	11	Investments—publicly traded securities		0	11	0
	12	Investments—other securities See Part IV, line 11		73,072,915	12	115,544,435
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		335,172,583	15	335,059,923
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		644,413,276	16	661,270,193
Liabilities	17	Accounts payable and accrued expenses		41,455,085	17	43,649,230
	18	Grants payable		200,000	18	175,000
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability Complete Part IV of Schedule D		15,355	21	27,128
	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		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		1,305,366	23	942,672
	24	Unsecured notes and loans payable to unrelated third parties		6,148,780	24	12,031,984
	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		478,409,343	25	479,364,897
	26	**Total liabilities.** Add lines 17 through 25		527,533,929	26	536,190,911
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		116,863,073	27	125,040,546
	28	Temporarily restricted net assets		-17,726	28	4,736
	29	Permanently restricted net assets		34,000	29	34,000
		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		116,879,347	33	125,079,282
	34	Total liabilities and net assets/fund balances		644,413,276	34	661,270,193

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	502,679,254
2	Total expenses (must equal Part IX, column (A), line 25)	2	482,688,076
3	Revenue less expenses Subtract line 2 from line 1	3	19,991,178
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	116,879,347
5	Net unrealized gains (losses) on investments	5	-2,614,344
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	-9,176,899
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	125,079,282

Part XII Financial Statements and Reporting

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

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

Additional Data

Software ID:
Software Version:
EIN: 41-1878730
Name: SMDC Medical Center

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Joseph Bianco MD Board Secretary	1 7 58 3	X		X				0	322,962	52,011
(1) Alan Hodnik Board Director	1 7 8 3	X						0	0	0
(2) Sherry Mattson Board Treasurer thru 12/14	1 7 8 3	X		X				0	9,300	0
(3) Sister Donna Shroeder Board Director	1 7 8 3	X						0	0	0
(4) Sister Sarah Smedman Board Director	1 7 8 3	X						0	0	0
(5) Sister Mary Josephine Torborg Board Director	1 7 8 3	X						0	0	0
(6) Chuck Walt Board Chair	1 7 11 3	X		X				0	19,350	0
(7) DANIEL NIKCEVICH MD BOARD DIRECTOR	1 7 58 3	X						827,497	0	127,117
(8) Michael Maddy MD Board Director	1 7 58 3	X						0	335,931	42,685
(9) Laura Trombino MD Board Director	51 5 8 5	X						0	430,833	51,751
(10) Howard Klatzky Board Director	1 7 8 3	X						0	5,000	0
(11) Joseph Leoni Board Director	1 7 8 3	X						0	4,800	0
(12) Joseph Mihalek Board Vice Chair	1 7 8 3	X		X				0	8,920	0
(13) Thomas Renier Board Treasurer	1 7 8 3	X		X				0	4,500	0
(14) BARBARA WESSBERG ADMINISTRATOR Thru 4/15	58 3 1 7			X				217,273	0	23,239
(15) Kevin Boren Chief Financial Officer	1 7 58 3			X				332,251	0	80,551
(16) Steven Jorgensen Administrator	1 7 58 3			X				356,292	0	69,590
(17) MICHAEL METCALF EVP CLINICAL OPS Thru 10/14	1 7 58 3				X			814,197	0	64,498
(18) ANN WATKINS VP SURGICAL SRVCS Thru 10/14	54 9 5 1				X			236,751	0	38,930
(19) TIMOTHY ZAGER MD DULUTH CLINIC PRES Thru 1/15	1 7 58 3				X			468,975	0	78,035
(20) Scott Johnson MD Clinical Chief	53 2 6 8				X			0	630,147	53,263
(21) THERESA GUNNARSON MD CLINICAL CHIEF	1 7 58 3				X			0	619,377	44,136
(22) JUSTIN HILL MD Clinical Chief	1 7 58 3				X			0	718,586	43,633
(23) SANDRA MCCARTHY CHIEF NURSING OFF Thru 2/15	1 7 58 3				X			405,405	0	55,527
(24) BRIAN KONOWALCHUK MD CLINICAL CHIEF	58 3 1 7				X			0	522,704	35,460

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) JEFFREY LYON MD	1 7				X			0	309,784	45,783
Chief Patient Safety Officer	58 3									
(1) ANNE STEPHEN MD	58 3				X			0	285,125	49,775
CLINICAL CHIEF	1 7									
(2) HUGH RENIER MD	1 7				X			0	357,688	84,792
VP MEDICAL AFFAIRS	58 3									
(3) James Garvey	1 7				X			510,107	0	70,582
EVP Hospital Ops & SMMC Admin	58 3									
(4) Cynthia Baker	1 7				X			0	207,649	49,291
VP Med Specialties thru 10/14	58 3									
(5) HARVEY ANDERSON	1 7					X		232,597	0	44,368
VICE PRESIDENT FACILITIES	58 3									
(6) Daniel Milbridge	60 0					X		263,517	0	39,485
Regional Administrator	0 0									
(7) Michael Motley	53 6					X		229,506	0	55,088
Ops Admin-Neurosciences Div	6 4									
(8) Erik Julsrud	60 0					X		190,840	0	36,837
Manager Medical Physics	0 0									
(9) Bruce Libey	40 0					X		167,359	0	35,829
Physicist - Medical	0 0									
(10) THOMAS PATNOE MD	60 0						X	0	535,583	53,963
President & CMO thru 4/12	0 0									
(11) ROBERT NORMAN	0 0						X	0	664,588	92,183
Former CFO	60 0									
(12) THOMAS KAISER MD	60 0						X	0	389,577	46,135
CLINICAL CHIEF	0 0									
(13) BRAD DAVIS MD	0 0						X	0	477,188	52,622
SECTION CHAIR	60 0									
(14) VINCENT OHAJU MD	0 0						X	0	433,542	50,764
CLINICAL CHIEF	0 0									

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

▶ **Attach to Form 990 or Form 990-EZ.**

▶ **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
SMDC Medical Center

Employer identification number
41-1878730

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? Yes	(iv) No	(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
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 III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 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.*	1		
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.*	2		

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).*	1		

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?	1		
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).*	2		
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.*	3		

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)

			Yes	No
2	Activities Test **Answer (a) and (b) below.**			
a	Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? *If "Yes," then in* ***Part VI identify those supported organizations and explain*** *how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.*	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	Parent of Supported Organizations **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

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.

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

OMB No 1545-0047

2014

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
SMDC Medical Center	41-1878730

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

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

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		7,562
j	Total Add lines 1c through 1i			7,562
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carry over lobbying and political expenditures from the prior year?	3		

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, lines 1 and 2 (see instructions), and Part II-B, line 1 Also, complete this part for any additional information

Return Reference	Explanation
Schedule C, Part II-B	Lobbying Activity Explanation Essentia Health Duluth pays dues to certain organizations related to the industry which have lobbying expenses The amount listed is the percentage of the dues paid that were used for lobbying

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.
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
SMDC Medical Center

Employer identification number
41-1878730

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

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

2a Did the organization include an amount on Form 990, Part X, line 21, 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	34,000	34,000	34,000	34,000	34,000
b	Contributions					
c	Net investment earnings, gains, and losses					
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance	34,000	34,000	34,000	34,000	34,000

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

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

The percentages in lines 2a, 2b, and 2c should equal 100%

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

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

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		1,323,171		1,323,171
b Buildings		63,603,777	32,358,301	31,245,476
c Leasehold improvements		4,989,375	478,198	4,511,177
d Equipment		151,386,633	109,968,840	41,417,793
e Other		10,265,241	1,516,449	8,748,792
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				87,246,409

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) POOLED INVESTMENT FUND	115,544,435	F
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	115,544,435	

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

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

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

(a) Description	(b) Book value
(1) REC FROM TAX EXEMPT ORGS	335,059,923
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	335,059,923

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

1 (a) Description of liability	(b) Book value
Federal income taxes	0
PAYABLE TO RELATED TAX-EXEMPT ORG	469,592,393
DEFINED BENEFIT PENSION LIABILITY	6,861,098
ASSET RETIREMENT OBLIGATION(FIN 47)	373,687
UNCLAIMED PROPERTY	396,996
PATIENT EMERGENCY FUND	7,812
POST RETIREMENT BENEFIT-NON PENSION	1,876,576
POST RETIREMENT BENEFIT-HEALTH	256,335
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	479,364,897

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

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

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains (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
Schedule D, Part IV, Line 2B	ESSENTIA HEALTH VIRGINIA ACTS AS CUSTODIAN FOR THE FUNDS OF THE NURSING HOME RESIDENTS NURSING HOME RESIDENT TRUST FUNDS TOTALED $27,128 AT JUNE 30, 2015
Schedule D, Part V	Endowment Fund intended uses The endowment fund is a permanently restricted fund used to establish the Miller Memorial Hospital

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493120012066

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
SMDC Medical Center

Employer identification number
41-1878730

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year			
	☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☐ 100% ☐ 150% ☐ 200% ☑ Other 160 %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b	Yes	
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other 310 %			
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			
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		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
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)			2,891,759		2,891,759	0 630 %
b Medicaid (from Worksheet 3, column a)			84,205,062	48,535,595	35,669,467	7 730 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			87,096,821	48,535,595	38,561,226	8 360 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			129,632		129,632	0 030 %
f Health professions education (from Worksheet 5)			615,604	263,716	351,888	0 080 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			217,100		217,100	0 050 %
j **Total.** Other Benefits			962,336	263,716	698,620	0 160 %
k **Total.** Add lines 7d and 7j			88,059,157	48,799,311	39,259,846	8 520 %

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing			135,000		135,000	0 030 %
2	Economic development			500		500	
3	Community support			398,910		398,910	0 090 %
4	Environmental improvements			7,000		7,000	
5	Leadership development and training for community members			10,185		10,185	
6	Coalition building			525		525	
7	Community health improvement advocacy						
8	Workforce development			218,187		218,187	0 050 %
9	Other						
10	**Total**			770,307		770,307	0 170 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	21,506,795		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	82,040,946		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	89,943,043		
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-7,902,097		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☐ Cost to charge ratio ☑ Other

Section C. Collection Practices

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

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

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year? **2**

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)

Name of hospital facility or letter of facility reporting group ESSENTIA HEALTH DULUTH

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

			Yes	No
Community Health Needs Assessment				
1	Was the hospital facility first licensed, registered, or similarly recognized by a State as a hospital facility in the current tax year or the immediately preceding tax year?	1		No
2	Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2		No
3	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	3	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The significant health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☑ Other (describe in Section C)			
4	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
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		No
7	Did the hospital facility make its CHNA report widely available to the public?	7	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) See Part V, Section C			
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 12			
10	Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	Yes	
a	If "Yes" (list url) See Part V, Section C			
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)*

ESSENTIA HEALTH DULUTH

Name of hospital facility or letter of facility reporting group

			Yes	No
Financial Assistance Policy (FAP)				
	Did the hospital facility have in place during the tax year a written financial assistance policy that			
13	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	13	Yes	
	If "Yes," indicate the eligibility criteria explained in the FAP			
a	☑ Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 160 % and FPG family income limit for eligibility for discounted care of 310 %			
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) See Part V, Section C			
b	☑ The FAP application form was widely available on a website (list url) See Part V, Section C			
c	☑ A plain language summary of the FAP was widely available on a website (list url) See Part V, Section C			
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)*

ESSENTIA HEALTH DULUTH

Name of hospital facility or letter of facility reporting group

			Yes	No
19	Did the hospital facility or other authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**19**		No
	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			
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?	**21**	Yes	
	If "No," indicate why			
a	☐ The hospital facility did not provide care for any emergency medical conditions			
b	☐ The hospital facility's policy was not in writing			
c	☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)			
d	☐ Other (describe in Section C)			
Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)				
22	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a	☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b	☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c	☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d	☑ Other (describe in Section C)			
23	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	**23**		No
	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?	**24**		No
	If "Yes," explain in Section C			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or letter of facility reporting group ESSENTIA HEALTH VIRGINIA

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 2

			Yes	No
Community Health Needs Assessment				
1	Was the hospital facility first licensed, registered, or similarly recognized by a State as a hospital facility in the current tax year or the immediately preceding tax year?	1		No
2	Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2		No
3	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	3	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The significant health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☑ Other (describe in Section C)			
4	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
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		No
7	Did the hospital facility make its CHNA report widely available to the public?	7	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) See Part V, Section C			
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 12			
10	Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	Yes	
a	If "Yes" (list url) See Part V, Section C			
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)*

ESSENTIA HEALTH VIRGINIA

Name of hospital facility or letter of facility reporting group

			Yes	No
Financial Assistance Policy (FAP)				
	Did the hospital facility have in place during the tax year a written financial assistance policy that			
13	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	13	Yes	
	If "Yes," indicate the eligibility criteria explained in the FAP			
a	☑ Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 160 % and FPG family income limit for eligibility for discounted care of 310 %			
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) See Part V, Section C			
b	☑ The FAP application form was widely available on a website (list url) See Part V, Section C			
c	☑ A plain language summary of the FAP was widely available on a website (list url) See Part V, Section C			
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)*

ESSENTIA HEALTH VIRGINIA

Name of hospital facility or letter of facility reporting group

			Yes	No
19	Did the hospital facility or other authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**19**		No
	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			
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?	**21**	Yes	
	If "No," indicate why			
a	☐ The hospital facility did not provide care for any emergency medical conditions			
b	☐ The hospital facility's policy was not in writing			
c	☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)			
d	☐ Other (describe in Section C)			
Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)				
22	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a	☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b	☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c	☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d	☑ Other (describe in Section C)			
23	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	**23**		No
	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?	**24**		No
	If "Yes," explain in Section C			

Part V Facility Information *(continued)*

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.

Form and Line Reference	Explanation
See Additional Data Table	

Part V Facility Information *(continued)*

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

How many non-hospital health care facilities did the organization operate during the tax year? **11**

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

Part VI Supplemental Information

Provide the following information

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

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

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

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

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

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

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

Form and Line Reference	Explanation
Schedule H, Part VI, Line 1	Provide the description required for Part I, lines 3c, 6a, 7g, 7, column (f), 7, Part II, Part III, lines 2, 3, 4, 8, 9b Part I, Line 3c Assets will be considered along with the p atients income to determine eligibility for the Financial Assistance Program To be eligib le, reportable assets may not exceed $15,000 for a household of one (1), or $25,000 for a household of two (2) or more Assets may include, but are not limited to, such items as ch ecking and savings accounts, IRAs, 401(k)s, value of additional cars that exceed the numbe r of working members in the household, equity in recreational vehicles and additional prop erty, etc Part I, Line 6a Essentia Health Duluth's and Essentia Health Virginia's communi ty benefit information is consolidated into the Essentia Health community benefit informat ion which is included in the Essentia Health annual report The annual report is made avai lable to the public at http //www essentiahealth org/Main/Annual-Report aspx Essentia Hea lth, headquartered in Duluth, Minn , is an integrated health system serving patients in Mi nnesota, Wisconsin, North Dakota and Idaho and is Essentia Health Duluth parent corporatio n Part I, Line 7g Not Applicable Part I, Line 7, Column (f) Bad debt expense that was su btracted from total expense to obtain the % of community benefit to total expense amounted to $21,506,795 Part I, Line 7 The cost to charge ratio derived from Worksheet 2, Ratio o f Patient Care Cost-to-Charges was used to calculate the costs for the following community benefits Charity Care and Unreimbursed Medicaid Actual costs were used for the remainde r of the community benefits reported Part II About half of the community building activit ies reported are physician recruitment expenses The hospital facility is located in a fed erally-designated medically underserved area and as such includes physician recruitment as a community building activity per the recommendation of the Catholic Health Association C ommunity Benefit Guide The other half represents contributions to organizations that are performing community building activities Examples include donations to a not-for-profit o rganization that provides low income home loans, the public school system, the local soup kitchen, the local food bank, and the United Way Part III, Line 2 Discounts, charity care , and bad debt expense are accounted for as reductions to revenue Bad debt expense on pat ient accounts would be identified as any balance on the account, less any previous payment s and discounts, that has aged and is absent of any payments If, during the collection pr ocess, it becomes known that the patient qualifies for charity care, the amounts included within bad debt expense would be reclassified to charity care Part III, Line 3 Essentia H ealth Duluth and Essentia Health Virginia are a part of a larger organization, Essentia He alth Essentia Health and its member organizations incorporate the cost of bad debt as a c ommunity benefit As a tax exempt hospital, we must provide the necessary services regardl ess of the patients ability to pay for that care In doing so, Essentia Health makes quali ty patient care available to all in our community, regardless of their economic means Par t III, Line 3 Essentia Health Duluth and Essentia Health Virginia provide both full and pa rtial charity care through their traditional application process Full charity care is a c omplete write-off of eligible gross hospital and clinic charges while "partial" is a porti on of eligible charges Each are determined respectively based on the patient's income in relation to the Federal Poverty Guidelines Essentia Health also recognizes that it is not feasible, or sometimes necessary, for all patients to complete financial assistance appli cations and provide documentation required through the traditional process Essentia Healt h Duluth and Essentia Health Virginia implemented an alternative documentation and presump tive process using a tool that identifies accounts that automatically qualify for charity care and reclassified those accounts to charity care allowance As a result, we estimate $ 0 of patient accounts written off to bad debt would qualify for charity care Part III, Li ne 4 Page 13 of the audit contains the footnote describing the organization's bad debt exp ense Part III, Line 8 The hospital facility's total Medicare shortfall is $39,799,772, of which a shortfall of $7,902,097 (consisting of $82,040,946 revenue and $89,943,043 cost) is included in Part III, Section B, Lines 5-7, and a shortfall of $31,897,675 (consisting of $59,624,389 revenue and $91,522,064 cost) represent all other Medicare services not inc luded in the annual cost report Part III, Line 8 The methodology used in determining the reported Medicare Allowable Cost begins with the hospital's general ledger system The cos ts are obtained from the general ledger and then adjusted and reported in accordance with Centers for Medicare Services (CMS) "cost finding"

Form and Line Reference	Explanation
Schedule H, Part VI, Line 1	guidelines as published in their Provider Reimbursement Manual Once the Medicare allowab le costs are determined from the hospital's cost report, any costs attributed to subsidize d health services, and Medical Education, are removed and reported separately Part III, L ine 8 Each Essentia Health hospital is required to file a Medicare cost report 5 months af ter the close of their fiscal year The cost report provides Medicare with information tha t is used to determine utilization and spending trends but also is used to set future paym ent rates for most Medicare services If the interim payments paid to a hospital are highe r or lower than the filed cost report allowable reimbursement there will be a settlement f or that fiscal year This can be due to changes in utilization or cost of providing servic es for Critical Access Hospitals (CAH) or differences between interim and final payment fa ctors for Disproportionate Share, Bad Debts, or Indirect Medical Education for non-CAH hos pitals An estimate for these settlements is recorded at the close of the fiscal year If the estimate varies from the final settlement received 6-7 months after the fiscal year en ds then these amounts are recorded as prior year Medicare revenue Part III, Line 8 Essent ia Health Duluth and Essentia Health Virginia are a part of a larger organization, Essenti a Health Essentia Health and its member organizations incorporate the full value of the M edicare shortfall as a community benefit The rationale for the organization's opinion is providing care for the elderly and serving Medicare patients is an essential part of the c ommunity benefit standard Medicare, like Medicaid, does not pay the full cost of care and it is likely to get worse Many Medicare beneficiaries are poor and are eligible for Medi caid in addition to Medicare Medicare underpayment must be shouldered by the hospital in order to continue treating the community's elderly and poor These underpayments represent a real cost of serving the community Part III, Line 9b The policies and procedures for i nternal and external collection practices take into account the extent to which the patien t qualifies for the Financial Assistance Policy (FAP) and financial assistance, a patient' s good faith effort to apply for a governmental program or for financial assistance from E ssentia Health Duluth and Essentia Health Virginia and the patient's good faith effort to comply with his/her payment agreements Essentia Health Duluth and Essentia Health Virgini a offer extended payment plans to eligible patients and will not impose liens on primary r esidences nor will we report patients to a credit rating agency for outstanding patient bi lls Essentia Health Duluth and Essentia Health Virginia will not charge a patient gross a mount of charges for any uninsured treatment Uninsured discounts will be applied to the g ross charges prior to any FAP or other discounts At any time Essentia Health Duluth and E ssentia Health Virginia recognize that a patient may be eligible for State or Federal prog rams, a representative will assist the patient in obtaining information about those progra ms or provide contact information for those programs Essentia Health Duluth and Essentia Health Virginia contract with an outside patient advocacy agency, which may provide assist ance to the uninsured patient in applying to certain State and Federal programs At any st age of the patient experience and up through the collection process, the patient may expre ss a concern that they are unable to pay their bill in full or meet the payment plan requi rements At that time, the patient will be given every opportunity to complete and submit an application for financial assistance Essentia Health Duluth and Essentia Health Virgin ia train their outside debt collection agencies and attorneys about the Financial Assistan ce Policy and how a patient may obtain more information about the FAP or submit an applica tion for financial assistance Essentia

Form and Line Reference	Explanation
Part VI, line 2	Needs assessment Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B We assess and respond to the health care needs of the communities we serve through many ways including the following Marketing research - The Essentia Health Marketing Research Department conducts surveys, focus groups and reviews internal data to better understand the needs and use(s) of our services This includes access to service areas (e g Primary Care), payor information (e g Essentia Care) and overall gaps in services Assessments have resulted in internal changes both in staffing and processes Population Care Management We use their analysis of multiple populations, one specific example are ACO populations (e g St Louis County employees and their dependents) The analyses done include the identification of patients who have uncontrolled asthma, uncontrolled diabetes, are pre-diabetic or who have depression and results in targeted outreach by the Population Care Team Targeted outreach has proven to lead to better outcomes for these populations Patient and Family Advisory Councils - Each month, more than 200 patient and family partners come together to share their insights, experiences, and ideas to help Essentia Health design a health care system that is patient and family centered They provide high quality, cost-effective, and safe care, which helps patients achieve the best possible health outcomes Planned interaction with various community health, healthcare and social welfare groups - This includes gathering their perspective on community needs and the role Essentia Health can play in addressing those needs as a collaborative partner Internal Quality Indicators - They track data that lead to the improved care and treatment of patients with chronic diseases, tobacco use and mental health conditions This includes patient activity and outcomes, allowing for Essentia Health to better identify the needs of the patients, which can be utilized to assess the overall health of the communities we serve Health data provided by payor organizations, namely government and commercial health insurers - This health data typically involves medical treatment and outcomes that reflect trends of unhealthy lifestyles and behaviors Our objective is to understand these relationships and to develop action steps to intervene on the front end to prevent such medical situations from occurring Human Resources Department Their analysis of current staffing trends aides in providing healthcare access appropriately to the communities we serve Essentia Institute of Rural Health (EIRH) EIRH provides research of patient data, community data and the outcomes associated with current clinical practices as well as prevention strategies (e g falls prevention, diabetes prevention)

Form and Line Reference	Explanation
Part VI, line 3	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 Essentia Health Duluth and Essentia Health Virginia make information on its Financial Assistance Policy (FAP) readily available to the patient Information about financial assistance programs is available on the Essentia Health (parent company) website (www essentiahealth org) where the Information and application is easily accessible to be viewed, downloaded and printed at no charge to the patient Notices on the availability of financial assistance are conspicuously posted in emergency room departments Financial assistance information is available during the pre-admission financial screening, at the time of registration and prior to a hospital discharge Information about the FAP is in all collection letters and patient statements FAP information and/or applications is made available to appropriate community health services agencies and other organizations that assist people in need Essentia Health Duluth and Essentia Health Virginia educate staff members who work closely with patients providing direct patient treatment and who work in admissions, billing and collections, about the existence of the FAP and how a patient may obtain more information Annual education/awareness of the FAP is provided to ensure all employees with patient contact are aware of the program and how patients can obtain additional information Clinical and hospital staff who provide direct patient care have knowledge of the FAP and know to direct patients to a Registration Interviewer or Business Office Representative Registration staff have an understanding of the policy, knowledge of where the related documents are located and where to direct the patient for more information on the FAP Designated employees (Financial Counselors, Patient Accounts Representatives) have a thorough understanding of the FAP and offer the information on the FAP to those patients who make an inquiry about the program or are determined through a financial screening that the patient may be eligible for this program Patient advocacy services also inform the patient about the availability of assistance A request for financial assistance may be made by the patient, a patient's guarantor, a family member, close friend, or associate of the patient, subject to applicable privacy laws Essentia Health Duluth and Essentia Health Virginia respond to any oral or written requests for more general information on the FAP made by a patient or any interested party

Form and Line Reference	Explanation
Part VI, line 4	Community information Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves Essentia Health Duluth Essentia Health Duluth is located in Duluth, MN Essentia Health Duluth is a part of the larger Essentia Health system, which is defined in Part VI, line 6 Essentia Health Duluth operates 1 hospital and 8 clinics that serve the St Louis County area The overall community is classified as suburban Essentia Health Duluth covers a service region of approximately 171,000 people The service region age distribution is 23% under the age of 18, 61% between the ages of 18 and 65, and 16% over the age of 65 The racial makeup of the service region is 92% Caucasian, 2% Black or African American, 1% Asian, 1% Hispanic, and 4% other, predominantly Native American The gender split ratio is 51% women and 49% men The average income for the service area is approximately $49,000 Approximately 9 2% of the population falls below the federal poverty guidelines Essentia Health Duluth, along with Essentia Health is committed to serve patients regardless of their ability to pay Approximately 1 0% gross revenue dollars were from self pay patients In addition, approximately 17 7% of their gross revenue dollars were Medicaid recipients As mentioned above, Essentia Health Duluth is part of a larger system, Essentia Health Essentia Health staffs hospitals and clinics in federally-recognized underserved areas and supports the health of its communities through an active outreach program that brings specialists like oncologists, cardiologists, neurologists and others into its smaller communities This eliminates barriers to care for many patients, particularly those who are elderly, living on low incomes, or are faced with other challenges that make it difficult to travel long distances for care There are 13 other hospitals outside of the Essentia Health umbrella that service the community Essentia Health Virginia Essentia Health Virginia is located in Virginia, MN Essentia Health Virginia is a part of the larger Essentia Health system, which is defined in Part VI, line 6 Essentia Health Virginia operates 1 hospital, 2 clinics, and a skilled nursing facility that serve northern St Louis County The overall community is classified as rural Essentia Health Virginia covers a service region of approximately 37,000 people The service region age distribution is 22% under the age of 18, 56% between the ages of 18 and 65, and 22% over the age of 65 The racial makeup of the service region is 95% Caucasian, 1% Black or African American, 1% Hispanic, and 3% other, predominantly Native American The gender split ratio is 50% women and 50% men The average income for the service area is approximately $45,000 Essentia Health Virginia, along with Essentia Health is committed to serve patients regardless of their ability to pay 1 6% gross revenue dollars were from self pay patients In addition, approximately 15 2% of their gross revenue dollars were Medicaid recipients As mentioned above, Essentia Health Virginia is part of a larger system, Essentia Health Essentia Health staffs hospitals and clinics in federally-recognized underserved areas and supports the health of its communities through an active outreach program that brings specialists like oncologists, cardiologists, neurologists and others into its smaller communities This eliminates barriers to care for many patients, particularly those who are elderly, living on low incomes, or are faced with other challenges that make it difficult to travel long distances for care There is 1 other hospital outside of the Essentia Health umbrella that services the community

Form and Line Reference	Explanation
Part VI, line 5	Provide any other information important to describing how the organizations hospitals or o ther health care facilities further its exempt purpose by promoting the health of the comm unity Essentia Health Duluth Essentia Health Duluth's board of directors is composed of volunteer representatives from the communities it serves Essentia Health Duluth has an op en medical staff, so any qualified physician of the community is allowed to apply All app licants that apply must meet the credentialing standards and be approved by our governing board in order to come and provide services in our system In addition, the hospital facil ity provides on-site clinical experiences for medical students, nurses, therapists, techni cians and other healthcare vocations We reinvest in the organization by acquiring the lat est state of the art equipment and by investing in programs that are needed in our communi ty In addition to the activities listed in Part I, Line 7 as well as Part V, Section B, L ine 11, Essentia Health Duluth encouraged the community to get outside and be active throu gh the support of local races and other physical activity centered events Additionally, t he hospital enhanced mental fitness in the community through its support of services that enhance the quality of life for individuals who are aged, chronically ill, or disabled, an d their families and caregivers, as well as supported opportunities for youth to enrich th eir lives through science based activities Additionally, the hospital helped youth develo pment through contributions to a program that enhances student educational success and saf ety The hospital supported activities and programming that works to address the social de terminants of health in the neighborhoods of Duluth, including housing, food access, racis m, education and healthcare access Lastly, they engaged communities in coming together an d creating social connectivity through support of various local events, fundraisers and ou tings, many of which involved physical activity and supported businesses that play a major role in the health of the community Essentia Health Virginia Essentia Health Virginia's board of directors is composed of volunteer representatives from the communities it serve s Essentia Health Virginia has an open medical staff, so any qualified physician of the c ommunity is allowed to apply All applicants that apply must meet the credentialing standa rds and be approved by our governing board in order to come and provide services in our sy stem In addition, the hospital facility provides on-site clinical experiences for medical students, nurses, therapists, technicians and other healthcare vocations We reinvest in the organization by acquiring the latest state of the art equipment and by investing in pr ograms that are needed in our community In addition to the activities listed in Part I, L ine 7 as well as Part V, Section B, Line 11, Essentia Health Virginia encouraged the commu nity to get outside and be active through the support of two local 5k races Additionally, the hospital enhanced mental fitness in the community through its support of services tha t enhance the quality of life for individuals who are aged, chronically ill, or disabled, and their families and caregivers Additionally, Essentia Health Virginia helped youth dev elopment through contributions to a program that enhances student educational success Las tly, they engaged communities in coming together and creating social connectivity through support of various local events, fundraisers and outings, many of which involved physical activity and supported businesses that play a major role in the health of the community E ssentia Health Duluth and Essentia Health Virginia are a part of Essentia Health, a fully integrated health system with facilities in Minnesota, Wisconsin, North Dakota and Idaho As a non-profit organization, Essentia Health reinvests surplus revenues into medical trai ning, programs and technology that improve patient care Essentia provides services predom inantly in rural communities and is committed to eliminating geographic barriers to care We strive to provide high-quality, patient-centered care close to home for the communities we serve We continue to upgrade facilities and technology, such as MRIs, CT scanners and surgery suites, to ensure patients in rural communities have nearby access to these servi ces In addition, we have recently completed several major construction projects, which in clude a new $50 million wing for our Fargo hospital and several rural community clinics E ssentia Health was one of the first Accountable Care Organizations in the country to recei ve the highest level of accreditation from the National Committee for Quality Assurance (N CQA) As an ACO, Essentia is committed to meeting the Triple Aim of improving care and pop ulation health, while reducing the overall costs for patients and society as a whole The formation of our ACO, along with ongoing managemen

Form and Line Reference	Explanation
Part VI, line 5	t and process improvement, represents a significant investment for Essentia Since a major ity of healthcare costs are directly related to caring for patients who have chronic condi tions, Essentia has developed medical homes, which are designed to improve health outcomes for patients, especially those with chronic diseases Much of this work is not fully reim bursed by state or federal programs Essentia supports the health of our communities throu gh active research and clinical trials through the Essentia Institute of Rural Health The Institute conducts clinical, translational and health services research with a primary fo cus on the needs of rural Americans Various Essentia Health organizations contributed app roximately $4 25 million in support to the Institute during the past year

Form and Line Reference	Explanation
Part VI, Line 6	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 Essentia Health Duluth and Essentia Health Virginia are a part of Essentia Health, an integrated health system with 16 hospitals, 68 clinics, eight long-term care facilities, two assisted living facilities, five independent living facilities, five ambulance services and one research institute in four states Minnesota, Wisconsin, North Dakota and Idaho The health system serves a predominantly rural population whose median incomes generally fall below averages of the states where they live The presence of our clinics and hospitals ensures that people with few economic resources dont have to drive an hour or more to receive basic (and in some cases life-saving) medical care In addition to staffing hospitals and clinics in federally recognized underserved areas, we support the health of our communities through an active outreach program that brings specialists like oncologists, cardiologists, neurologists and others into our smaller communities This eliminates barriers to care for many patients, particularly those who are elderly, living on low incomes, or faced with other challenges that make it difficult to travel long distances for care Our size and integrated structure allow us to offer patients services often found only in larger urban settings Services ranging from chemotherapy to congestive heart failure management and hospice are available to patients in many of the rural communities we serve Essentia Health also supports the health of our rural communities through active research and clinical trials by the Essentia Institute of Rural Health The Institute conducts clinical, translational and health services research with a primary focus on the needs of rural Americans Essentia Health is also serving patients through the use of our electronic health record (EHR) The vast majority of Essentias hospitals and clinics are using a fully-integrated EHR for patient care Technology like the electronic health record and Essentias telehealth program allows health clinicians to share test results and consult with colleagues in real time across great distances Medical information is no longer lost in the shuffle of paper records an important consideration in a region where patients must often be transferred to a larger Essentia facility for complex surgeries or medical care Essentia is also actively working with government agencies and insurers to develop innovative and cost-effective approaches to care that will improve health outcomes while reducing overall costs to patients and insurers This innovation can be found in our use of remote home monitors for patients with congestive heart failure and our focus on using a team-based approach to helping patients manage chronic diseases Essentia Health is committed to helping patients and their families lead active and fulfilling lives in the small and large communities where they live We hope to become a model of healthcare delivery, particularly in rural areas, in the years to come

Form and Line Reference	Explanation
PART VI, LINE 7	If applicable, identify all states with which the organization, or a related organization, files a community benefit report Essentia Health Duluth and Essentia Health Virginia file a community benefit report in Minnesota

Additional Data

Software ID:
Software Version:
EIN: 41-1878730
Name: SMDC Medical Center

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, Line 2	Checked "No", so not applicable

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, line 3j	The Community Health Needs Assessment also includes a Community Health Profile The profile is based on data from the Behavioral Risk Factors Surveillance System and the University of Wisconsin Population Health Institute County Health Rankings

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, line 5	ESSENTIA HEALTH DULUTH COMMUNITY/PATIENT FOCUS GROUPS WERE HELD FOR COMMUNITY MEMBERS TO IDENTIFY AND PRIORITIZE THEIR COMMUNITY HEALTH NEEDS IN ADDITION, PERSONS WERE CONSULTED AT TOWN HALL MEETINGS, WHICH WAS DESIGNED TO ADDRESS EACH PRIORITIZED HEALTH NEED DURING THE TOWN HALL MEETING, INTERVENTION OPTIONS FOR MEETING THE HEALTH NEED WERE PRESENTED, AND PARTICIPANTS IDENTIFIED AN OPTION FOR THEIR COMMUNITY INDIVIDUALS FROM THE FOLLOWING ORGANIZATIONS ATTENDED THE TOWN HALL MEETING (NAMES AND TITLES AVAILABLE UPON REQUEST) ARROWHEAD REGIONAL DEVELOPMENT COMMISSION, DENFELD HIGH SCHOOL, COMMUNITY HEALTH BOARD, DULUTH COMMUNITY GARDEN PROGRAM, DULUTH LOCAL INITIATIVES SUPPORT CORPORATION, FAIR FOOD ACCESS CAMPAIGN, GENERATIONS HEALTH CARE INITIATIVES, HEALTHY DULUTH AREA COALITION, LAKE SUPERIOR COLLEGE, INSTITUTE FOR A SUSTAINABLE FUTURE, LAKE SUPERIOR COMMUNITY HEALTH CENTER, MINNESOTA DEPARTMENT OF HEALTH, ST LOUIS COUNTY PUBLIC HEALTH AND HUMAN SERVICES, ST LUKE'S, UNIVERSITY OF MINNESOTA DULUTH, WALGREENS, WHOLE FOODS CO-OP, YMCA, AND ZEPPA FAMILY FOUNDATION SEE THE CHNA POSTED ON THE WEBSITE LISTED IN PART V, LINE 7A FOR A LIST OF ORGANIZATIONS THAT WERE INVITED TO, BUT DID NOT ATTEND THE TOWN HALL MEETINGS EMPLOYEES OF THE MINNESOTA DEPARTMENT OF HEALTH, ST LOUIS COUNTY PUBLIC HEALTH AND HUMAN SERVICES, AND THE COMMUNITY HEALTH BOARD (NAMES AND TITLES AVAILABLE UPON REQUEST) ATTENDED THE TOWN HALL MEETING AND PROVIDED INPUT ON THE INTERVENTION OPTIONS FOR ADDRESSING THE HIGHEST PRIORITY HEALTH NEED A WIDE VARIETY OF INDIVIDUALS ATTENDED THE COMMUNITY/PATIENT FOCUS GROUPS, INCLUDING THOSE FROM MEDICALLY UNDERSERVED, LOW-INCOME, AND MINORITY POPULATIONS AND POPULATIONS WITH CHRONIC DISEASE NEEDS FURTHERMORE, COMMUNITY/PATIENT FOCUS GROUP PARTICIPANTS WERE INSTRUCTED TO CONSIDER THEMSELVES AS REPRESENTATIVES OF THE COMMUNITY-AT-LARGE, WHICH WOULD INCLUDE THOSE PREVIOUSLY-LISTED POPULATIONS WHILE 92% OF INDIVIDUALS IN ST LOUIS COUNTY ARE CAUCASIAN, DATA STRATIFIED BY RACE/ETHNICITY WERE ALSO PRESENTED AT THE COMMUNITY/PATIENT FOCUS GROUPS ESSENTIA HEALTH VIRGINIA A COMMUNITY/PATIENT FOCUS GROUP WAS HELD FOR COMMUNITY MEMBERS TO IDENTIFY AND PRIORITIZE THEIR COMMUNITY HEALTH NEEDS IN ADDITION PERSONS WERE CONSULTED AT TOWN HALL MEETINGS, WHICH WAS DESIGNED TO ADDRESS EACH PRIORITIZED HEALTH NEED DURING THE TOWN HALL MEETING, INTERVENTION OPTIONS FOR MEETING THE HEALTH NEED WERE PRESENTED, AND PARTICIPANTS SELECTED THE OPTION BEST SUITED TO THEIR COMMUNITY INDIVIDUALS FROM THE FOLLOWING ORGANIZATIONS ATTENDED THE TOWN HALL MEETING (NAMES AND TITLES AVAILABLE UPON REQUEST) ARROWHEAD ECONOMIC OPPORTUNITY AGENCY, COMMUNITY/PATIENT FOCUS GROUP, HIBBING HIGH SCHOOL, HOME TOWN FOCUS, MESABI COMMUNITY COLLEGE, PARKVIEW LEARNING CENTER, ANDST LOUIS COUNTY PUBLIC HEALTH AND HUMAN SERVICES DEPARTMENT SEE THE CHNA POSTED ON THE WEBSITE LISTED IN PART V, LINE 7A FOR A LIST OF ORGANIZATIONS THAT WERE INVITED TO, BUT DID NOT ATTEND THE TOWN HALL MEETINGS AN EMPLOYEE OF ST LOUIS COUNTY PUBLIC HEALTH AND HUMAN SERVICES (NAME AND TITLE AVAILABLE UPON REQUEST) ATTENDED THE TOWN HALL MEETING AND PROVIDED INPUT ON THE INTERVENTION OPTIONS FOR ADDRESSING THE HIGHEST PRIORITY HEALTH NEED WHILE ST LOUIS COUNTY IS 36 5% RURAL ACCORDING TO THE 2012 UWPHI COUNTY HEALTH RANKINGS DATA, THE MAJORITY OF ESSENTIA HEALTH VIRGINIA'S NORTHERN ST LOUIS COUNTY SERVICE AREA IS RURAL GIVEN THE KNOWN HEALTH DISPARITIES OF RURAL POPULATIONS, ALL ATTENDEES OF THE COMMUNITY/PATIENT FOCUS GROUP AND TOWN HALL MEETINGS ARE REPRESENTATIVES AND/OR MEMBERS OF MEDICALLY-UNDERSERVED AND LOW INCOME POPULATIONS, AS WELL AS POPULATIONS WITH CHRONIC DISEASE NEEDS COMMUNITY/PATIENT FOCUS GROUP PARTICIPANTS WERE SPECIFICALLY INSTRUCTED TO CONSIDER THEMSELVES AS REPRESENTATIVES OF THE COMMUNITY-AT-LARGE PARTICIPANTS AT THE TOWN HALL MEETINGS SERVED MORE FORMAL LEADERSHIP OR REPRESENTATIVE ROLES THE ARROWHEAD ECONOMIC OPPORTUNITY AGENCY IS "ESTABLISHED AS A COMMUNITY ACTION PROGRAM (CAP) FOR THE NORTHEAST MINNESOTA COUNTIES OF ST LOUIS, LAKE, AND COOK " IN ST LOUIS COUNTY, 92 0% OF INDIVIDUALS ARE CAUCASIAN HOWEVER, AS ATTENDEES AT THE COMMUNITY/PATIENT FOCUS GROUP WERE INSTRUCTED TO ACT AS REPRESENTATIVES OF THE ENTIRE COMMUNITY, AND DATA STRATIFIED BY RACE/ETHNICITY WERE PRESENTED, HEALTH NEEDS OF MINORITY POPULATIONS WERE CONSIDERED

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, line 6a	Essentia Health Duluth and Essentia Health Virginia are affiliated with Essentia Health In the interest of efficiency, cost effectiveness, and alignment with Essentia Health population health strategies, the hospital facilitys' CHNAs were conducted in a coordinated process with fourteen other Essentia Health hospital facilities While still allowing for tailoring to each particular hospital facility, procedures were standardized across hospital facilities The hospital facilities included in this coordinated process are Essentia Health Ada in Ada, MN, Clearwater Valley Hospital and Clinics, Inc in Orofino, ID, Essentia Health Deer River in Deer River, MN, Essentia Health Virginia in Virginia, MN, Essentia Health Holy Trinity Hospital in Graceville, MN, Essentia Health West in Fargo, ND, Minnesota Valley Health Center, Inc in Le Sueur, MN, Essentia Health Northern Pines in Aurora, MN, Essentia Health Sandstone in Sandstone, MN, Essentia Health Duluth in Duluth, MN, Essentia Health St Josephs Medical Center in Brainerd, MN, Essentia Health St Marys Hospital-Superior in Superior, WI, St Marys Hospital, Inc in Cottonwood, ID, Essentia Health St Marys Medical Center in Duluth, MN, and Essentia Health St Marys-Detroit Lakes in Detroit Lakes, MN Since Essentia Health West joined the collaborative effort on February 1, 2013, not all aspects of the Essentia Health West CHNA are coordinated with those of the other hospital facilities Essentia Health Duluth did and will collaborate more closely with one of the Essentia Health hospital facilities in particular Essentia Health St Mary's Medical Center in Duluth, MN by holding joint Community/Patient Focus Groups, Town Hall Meetings, and Intervention Planning Meetings Additional collaboration between the two hospital facilities will occur throughout intervention implementation as the hospital facilities will execute joint interventions for each priority health need Essentia Health Duluth and Essentia Health Virginia did not collaborate with any other hospital facility outside of the Essentia Health System

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, line 6b	Not applicable

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, line 7a	Essentia Health Duluth THE CHNA IS POSTED UNDER THE "COMMUNITY BENEFIT/CHNA" TAB ON THE HOSPITAL FACILITY'S HOMEPAGE AT http //www essentiahealth org/duluth/find-a-clinic/essentia-healthduluth-m illerdwan-building-41 aspx Essentia Health Virginia THE CHNA IS POSTED UNDER THE "COMMUNITY BENEFIT/CHNA" TAB ON THE HOSPITAL FACILITY'S HOMEPAGE AT http //www essentiahealth org/essentiahealth-virginia/find-a-clinic/essent ia-healthvirginia-211 aspx

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, line 7d	Links to the reports were emailed to the Minnesota Hospital Association (MHA) to catalog the assessments and make them available on their website to help members meet IRS requirements for wide dissemination of reports The MHA will also analyze the assessments to identify common themes, issues and needs on a statewide and regional basis Finally, the MHA will use the catalog as a vehicle for connecting hospitals with similar community needs with one another to explore joint implementation strategies, information sharing, or resources for making their community benefit activities as influential as possible

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, line 10a	Essentia Health Duluth The hospital facility's most recently adopted implementation strategy is posted under the "Community Benefit/CHNA" Tab on the Hospital Facility's homepage at http //www essentiahealth org/duluth/find-a-clinic/essentia-healthduluth-m illerdwan-building-41 aspx Essentia Health Virginia The hospital facility's most recently adopted implementation strategy is posted under the "Community Benefit/CHNA" Tab on the Hospital Facility's homepage at http //www essentiahealth org/essentiahealth-virginia/find-a-clinic/essent ia-healthvirginia-211 aspx

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, line 10b	The hospital facility's most recently adopted implementation strategy has not been attached to this return because the link has been provided above

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

Form and Line Reference	Explanation
Part V, line 11	Essentia Health Duluth Seven health needs were identified through the most recently-conducted CHNA Obesity, physical activity, and nutrition as risk factors for chronic diseases, such as type 2 diabetes was the highest priority health need identified and is addressed as a part of the hospital facilitys implementation strategy The actions taken by the hospital facility to address this significant health need include implementation of a community wide intervention, National Diabetes Prevention Program (NDPP), as well as preparatory activities for building system-wide population health improvement capacity in FY 2015 The Centers for Disease Control and Prevention-led NDPP is an evidence-based lifestyle change program for type 2 diabetes prevention The anticipated impact of NDPP is reduced body weight and increased physical activity in participants, which prior research suggests will reduce their type 2 diabetes risk The hospital facility supports a staff member to serve as the Lifestyle Coach for the NDPP sessions The sessions are held at a Duluth YMCA location, and a registered Dietitian at the YMCA is available to assist with diet log review The hospital facility works collaboratively with Essentia Health St Marys Medical Center (SMMC) as the hospital facilities share the Lifestyle Coach who also conducts an NDPP session on SMMCs behalf at a different Duluth YMCA location to honor a request from the Duluth community to hold sessions in distinct Duluth neighborhoods Essentia Healths Master Trainer trained 26 new Lifestyle Coaches during FY 2015 in the Duluth, MN area The Lake Superior Community Health Center provides referrals to the program to assist in providing the program to non-Essentia Health patients St Louis County has promoted the NDPP via an e-mail message to employees As of FY 2015, 40 participants completed the NDPP program with an average weight loss of 9 63 pounds or a 4 47% loss in body weight Participants averaged 185 5 minutes of physical activity per week at the completion of the program which is an increase of 41 5 minutes of physical activity per week or 28 82% increase in physical activity minutes The hospital facility will not directly meet the six unprioritized health needs due to resource constraints Rather than inadequately addressing all health needs, the hospital facility will focus resources, financial and otherwise, on optimizing the first intervention for the communitys highest priority health need while the Health System collectively builds the necessary resources and capacity for population health improvement in order to foster success in meeting the health need If the unprioritized health needs remain in the next CHNA cycle, they may be directly addressed at that time The six unprioritized health needs are as follows Immunizations Access to healthcare Preventative care Tobacco use primary prevention/cessation Reduction of excessive/binge drinking Secondary prevention /screening Despite not directly meeting the unprioritized needs, interventions addressing the highest prioritized health have partially addressed the unprioritized health needs that overlap with the prioritized health need Essentia Health Duluth and SMMC were key community partners in the process and implementation of the Minnesota Accountable Communities for Health grant This two year grant targets elementary school children and families and is based around bringing health services including dental and mental health services to the community school It also includes community health workers to directly interact with families and children A nonprofit Duluth organization will serve as the fiscal agent This initiative will serve as a model for other community partnerships and opportunities between Essentia Health, community healthcare organizations, public health, school districts and others Essentia Health Duluth and SMMC collaboratively sponsored Bus-Bike-Walk Month, a one-of-a-kind month long event to promote healthy and wellness through the use of people-powered modes of transportation This includes promotion amongst Essentia Health employees, an audit of the Essentia Health campuses in Duluth in order to make them friendlier for employees to use people-powered modes of transportation to commute to work Essentia Health Duluth and SMMC also partner with Grandmas Marathon, Inc to conduct the Fit-n-Fun Middle School Assemblies to discuss the importance of physical activity and wellness These assemblies included an Olympic Gold Medalist as a guest speaker to speak to area middle school aged children In regards to preventative care, Miller Dwan Rehab Services (MDRS), part of Essentia Health Duluth, is very active in the promotion of community health, safety and wellness in the areas of injury prevention This includes staff education on the Think First program to area 9th-11th grade classes on brain and spinal injury prevention MDRS is also a key partner at the Lake Superior Medical Alli

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

Form and Line Reference	Explanation
Part V, line 11	ance Health Fair This Health Fair includes all area schools 2nd and 3rd graders from Dulu th, Hermantown, Cloquet and Two Harbors MDRS provides education on health promotion and i njury prevention Essentia Health Virginia Seven health needs were identified through the most recently-conducted CHNA Obesity, physical activity, and nutrition as risk factors f or chronic diseases, such as type 2 diabetes was the highest priority health need identifi ed and is addressed as a part of the hospital facilitys implementation strategy The actio ns taken by the hospital facility to address this significant health need include implemen tation of a community wide intervention, National Diabetes Prevention Program (NDPP), as w ell as preparatory activities for building system-wide population health improvement capac ity in FY 2015 The Centers for Disease Control and Prevention-led NDPP is an evidence-bas ed lifestyle change program for type 2 diabetes prevention The anticipated impact of NDPP is reduced body weight and increased physical activity in participants, which prior resea rch suggests will reduce their type 2 diabetes risk The hospital facility committed staff member time to serve as the Lifestyle Coach, as well as space in the facility at the Diab etes Center to hold the sessions The hospital facility collaborated with several organiza tions and program brochures and prediabetes screening forms were distributed throughout th e community As of FY 2015, 19 participants, representing two groups, completed the NDPP p rogram with an average weight loss of 7 68 pounds or a 3 84% loss in body weight Particip ants averaged 105 minutes of physical activity per week at the completion of the program w hich is an increase of 41 5 minutes of physical activity per week Essentia Health Virgini a is also offering exercise programs geared towards reducing obesity and improving cardiac health, as well as weight management support groups The hospital facility will not direc tly meet the six unprioritized health needs due to resource constraints Rather than inade quately addressing all health needs, the hospital facility will focus resources, financial and otherwise, on optimizing the first intervention for the communitys highest priority h ealth need while the Health System collectively builds the necessary resources and capacit y for population health improvement in order to foster success in meeting the health need If the unprioritized health needs remain in the next CHNA cycle, they may be directly add ressed at that time The six unprioritized health needs are as follows Tobacco use Immuni zations Access to healthcare Reduction of excessive/binge drinking Preventative care Secon dary prevention/screening Despite not directly meeting the unprioritized needs, interventi ons addressing the highest prioritized health have partially addressed the unprioritized h ealth needs that overlap with the prioritized health need Essentia Health Virginia has a tobacco cessation specialist located in house during the weekdays and also utilizes a refe rral system to the Quit Plan Program The tobacco cessation specialist provides coaching, prescribes medication and works with patients to assist with tobacco cessation In regards to immunizations, Essentia Health Virginia offered flu vaccine clinics in fall 2014 and h as utilized the Minnesota Immunization Information Connection (MIIC) to keep all patients up to date on vaccines When a patient is overdue for a vaccine, Essentia Health Virginia calls them to schedule an appointment There is also a focus at ancillary appointments for missed vaccinations and to keep all patients current on vaccines The Virginia Clinic has two immunization champions that call parents of children under the age of 2 that are miss ing vaccinations Essentia Health Virginia has worked to improve access to healthcare by i ncreasing the telehealth services available to include Behavioral Health The hospital wil l also be adding Nephrology in the near

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, line 13b	This box was not checked, so not applicable

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, Line 13h	This box was not checked, so not applicable

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, line 15c	Subsequent to year end, the policy has been revised to include contact information of hospital facility staff who can provide individuals with information about the FAP and AFAP application process

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, line 15d	Subsequent to year end, the policy has been revised to include contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, line 15e	This box was not checked, so not applicable

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, line 16a, 16b, and 16c	The URL where a patient can find the financial assistance policy, the financial assistance policy application, and the plain language statement of the financial assistance policy can be found at http //www essentiahealth org/main/financial-assistance-program aspx

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, line 16d	The financial assistance policy (FAP) was made available upon request without charge to the public and available by mail without charge The FAP was not located in public places, but brochures advertising the FAP were located in such areas A plan is in place to make the FAP available in public areas of the hospital facility moving forward

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, line 16e	The financial assistance policy (FAP) application was made available upon request without charge to the public and available by mail without charge The FAP application was not located in public places, but brochures advertising the FAP were located in such areas A plan is in place to make the FAP application available in public areas of the hospital facility moving forward

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, line 16i	This box was not checked, so not applicable

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, line 18d	This box was not checked, so not applicable

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, line 19d	This box was not checked, so not applicable

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, line 20e	This box was not checked, so not applicable

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, line 21c	This box was not checked, so not applicable

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, line 21d	This box was not checked, so not applicable

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, line 22d	For patients known to qualify for the financial assistance program, they are charged the same as the hospital's most common insurance payor

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, line 23	Checked "No", so not applicable

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Part V, line 24	Checked "No", so not applicable

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

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

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

Name and address	Type of Facility (describe)
Essentia Health DULUTH CLINIC-3RD STREET 400 E 3RD ST Duluth,MN 55805	MULTI-SPECIALTY CLINIC
Essentia Health Duluth Clinic-1ST STREET 420 E 1ST ST Duluth,MN 55805	MULTI-SPECIALTY CLINIC
Essentia Health DULUTH Clinic-2ND STREET 402 E 2ND ST DULUTH,MN 55805	MULTI-SPECIALTY CLINIC
Essentia Health WEST DULUTH CLINIC 4212 GRAND AVE Duluth,MN 55807	MULTI-SPECIALTY CLINIC
Essentia Health LAKEWALK CLINIC 1502 LONDON RD Duluth,MN 55812	MULTI-SPECIALTY CLINIC
Essentia Health LAKESIDE CLINIC 4621 E SUPERIOR ST Duluth,MN 55804	MULTI-SPECIALTY CLINIC
Essentia Health HERMANTOWN Clinic 4855 W ARROWHEAD RD HERMANTOWN,MN 55811	MULTI-SPECIALTY CLINIC
Essentia Health Proctor Clinic 211 S Boundary Ave Proctor,MN 55810	MULTI-SPECIALTY CLINIC
ESSENTIA HEALTH VIRGINIA CARE CENTER 901 9TH ST N VIRGINIA,MN 55792	MULTI-SPECIALTY CLINIC
ESSENTIA HEALTH VIRGINIA CLINIC 1101 9TH ST N VIRGINIA,MN 55792	MULTI-SPECIALTY CLINIC
ESSENTIA HEALTH VIRGINIA MEDICAL ARTS CLINIC 901 9TH ST N VIRGINIA,MN 55792	MULTI-SPECIALTY CLINIC

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990.**

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
SMDC Medical Center

Employer identification number
41-1878730

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
See Additional Data Table							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . ▶ 40

3 Enter total number of other organizations listed in the line 1 table . . . ▶ 4

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
(1) Scholarships	5	4,000			
(2) Toys for Outpatient Surgery Patients	990		3,649	FMV	Toys
(3) Hats/Turbans for Oncology Patients	405		2,000	FMV	Clothing
(4) Misc Toiletries for Adult Behav Health Patients	400		800	FMV	Personal Care Items
(5) Blankets for Adolescent Patients	22		117	FMV	Blankets

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
Schedule I, Part I, Line 2	PROCEDURES FOR MONITORING USE OF GRANT FUNDS Essentia Health Duluth provides grant monies to organizations that demonstrate the mission or values of Essentia Health The Board approves grant monies to community organizations that make a healthy difference in the Northland The Board also approves grants for healthcare initiatives that make a positive difference in the lives of patients in the area it serves The Board is provided an annual report of the use of funds Grant recipients are required to provide a written report for grants over $5,000 Essentia Health Miller Dwan Medical Center Auxiliary provides scholarships to individuals in the medical field Scholarship winners are selected by the auxiliary scholarship committee based on financial needs, grade point average, and volunteerism In addition, students have to be accepted into their major/program, I E medical school, nursing program, physical therapy program, etc Essentia Health Virginia's Volunteer Service Organization (VSO) provides three $500 scholarships Scholarship winners are selected by the VSO scholarship committee based on grade point average and volunteerism In addition, students' chosen course of study must be in a health related field, the applicant shall be a senior graduating from High School in the area, and the applicant must have an accumulated grade point average not below 3 0 Eligibility and criteria are set and approved by the 3 Auxiliary board of directors for toys, clothing, personal care items, and blankets donated to patients All managers are expected to keep receipts for items purchased with grant funds and send copies back to the Auxiliary for filing All grants are approved by one of the 3 Auxiliary board of directors prior to purchase The funds are then distributed to the department managing the program, or directly to the vendor
Schedule I, Part III, Line 4, Column B	The number of recipients was estimated by assuming a value of $2 per item with each patient receiveing one item

Additional Data

Software ID:
Software Version:
EIN: 41-1878730
Name: SMDC Medical Center

Form 990,Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
BOYS & GIRLS CLUB OF the Northland102 S 29th Ave W 200 DULUTH,MN 55816	41-0969947	501(C)3	17,000				Program Support
DULUTH Area CHAMBER OF COMMERCE5 West 1 st Street DULUTH,MN 55802	41-0225910	501(C)6	9,500				Sponsorship
CHURCHES UNITED IN MINISTRY102 W 2ND ST DULUTH,MN 55802	41-1227969	501(C)3	35,175				Program Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
COLLEGE OF ST SCHOLASTICA1200 KENWOOD AVE DULUTH,MN 55811	41-0698301	501(C)3	49,500				Program Support
DULUTH SUPERIOR SYMPHONY Association331 W Superior Street DULUTH,MN 55802	41-0760835	501(C)3	25,000				Sponsorship
FIRST WITNESS Child Abuse RESOURCE CENTER4 W 5TH ST DULUTH,MN 55806	41-1737291	501(C)3	18,500				PROGRAM SUPPORT

Form 990,Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
GRANDMA's MarathonPO Box 16234 DULUTH,MN 55816	41-1573627	501(C)3	18,500				Sponsorship
KIDS CLOSET of Duluth727 Central Avenue DULUTH,MN 55807	20-1878745	501(c)3	8,000				Program Support
MEN AS PEACEMAKERS205 W 2ND ST Suite 15 DULUTH,MN 55802	41-1841689	501(C)3	10,185				Program Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
MILLER DWAN FOUNDATION502 E 2ND ST DULUTH,MN 55805	23-7396466	501(C)3	67,499				Program Support
NORTHERN WATERS PARISH NURSE MINISTRY 3500 Tower Ave SUPERIOR,WI 54880	39-2001278	501(C)3	8,000				Program Support
NORTHLAND FOUNDATION 202 W SUPERIOR ST Ste 610 DULUTH,MN 55802	41-1554455	501(C)3	50,000				Program Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
NORTHSHORE INLINE MARATHONPO BOX 22 DULUTH,MN 55802	41-1871361	501(C)3	6,000				Sponsorship
NORTHWOODS WOMEN INC PO BOX 88 ASHLAND,WI 54806	39-1364912	501(C)3	8,000				Program Support
PROGRAM FOR AID TO VICTIMS OF SEXUAL ASSAULT INC32 E 1ST ST STE 200 DULUTH,MN 55802	41-1350021	501(C)3	20,000				PROGRAM SUPPORT

Form 990,Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Range Respite Project Inc 1309 20th St S Virginia, MN 55792	41-1726790	501(C)3	25,300				Program Support
SECOND HARVEST NORTHERN LAKES FOOD BANK4503 AIRPARK BLVD DULUTH, MN 55811	36-3479964	501(C)3	27,500				Program Support
UNITED WAY OF NORTHEASTERN MINNESOTA229 W LAKE ST CHISHOLM, MN 55719	41-0908454	501(C)3	20,500				Program Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
CAMEROON HEALTHCARE DEVELOPMENT PROGRAM 3417 RILEY RD DULUTH,MN 55803	27-2513866	501(C)3	25,000				Program Support
YOUTH FOR CHRIST USA INC7670 S VAUGHN CT ENGLEWOOD,CO 80155	36-2193619	501(c)3	20,000				Program Support
CENTER AGAINST SEXUAL & DOMESTIC ABUSE INC 2231 CATLIN AVE SUPERIOR,WI 54880	39-1478768	501(c)3	45,000				Program Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
DAMIANO CENTER206 W 4TH ST DULUTH,MN 55806	41-1453521	501(c)3	34,000				Program Support
LIFE HOUSE inc102 W FIRST ST DULUTH,MN 55802	41-1704840	501(c)3	25,000				Program Support
LUTHERAN SOCIAL SERVICE OF MINNESOTA 2485 COMO AVE ST PAUL,MN 55108	41-0872993	501(c)3	49,995				Program Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
ALS ASSOCIATION MN CHAPTER333 WASHINGTON AVE N MINNEAPOLIS,MN 55401	41-1756085	501(c)3	7,500				Sponsorship
ESSENTIA HEALTH FOUNDATION502 E 2ND ST DULUTH,MN 55805	27-1984704	501(c)3	40,200				Employee Fund
JUST KIDS DENTAL IncPO BOX 146 TWO HARBORS,MN 55616	27-2311353	501(c)3	45,000				Program Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
SOAR CAREER SOLUTIONS 205 W 2ND ST 101 DULUTH,MN 55802	41-1449179	501(c)3	18,000				Program Support
GREATER DOWNTOWN COUNCIL5 WEST 1ST ST DULUTH,MN 55802	41-1467228	501(c)6	7,765				Sponsorship
ASHLAND AREA CHAMBER OF COMMERCEPO BOX 746 ASHLAND,WI 54806	39-0137565	501(c)3	10,000				Sponsorship

Form 990,Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
REGENTS OF THE UNIVERSITY OF MINNESOTAUNIVERSITY AVE SE SUITE 111 MPLS,MN 55414	41-6007513	170(C)1	76,300				Sponsorship
ONE ROOF COMMUNITY HOUSING12 EasT 4TH STREET DULUTH,MN 55805	41-1678328	501(C)3	50,000				Program Support
DULUTH LOCAL INITIATIVES SUPPORT CORP202 W SUPERIOR STREET DULUTH,MN 55802	13-3030229	501(C)3	35,000				PROGRAM SUPPORT

Form 990,Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
HARTLEY NATURE CENTER 3001 WOODLAND AVE DULUTH, MN 55803	36-3507636	501(C)3	7,000				Program Support
YMCA of Duluth32 East First St Ste 202 Duluth, MN 55802	41-0696493	501(c)3	6,000				Program Support
Bentleyville Tour of Lights Inc4313 Haines Rd Duluth, MN 55811	26-3787799	501(c)3	12,500				Sponsorship

Form 990,Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Big Top Chautauqua101 West Bayfield St Washburn, WI 54891	39-1548887	501(c)3	7,500				Sponsorship
Eldercircle1105 NW 4th St Grand Rapids, MN 55744	41-1994691	501(c)3	6,000				Program Support
Faith United Methodist Church1531 Hughitt Ave Superior, WI 54880	39-1840533	501(c)3	8,200				Program Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Gloria Dei Lutheran Church 219 N 6th Ave E Duluth, MN 55805	41-0718322	501(c)3	22,000				Program Support
Duluth Public Schools ISD 709215 N 1st Ave E Duluth, MN 55802	41-6003776	509(a)1	21,000				Program Support
Meyers-Wilkins Community School Collaborative1027 N 8th Ave E Duluth, MN 55805	41-2002724	501(c)3	25,000				Program Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Minnesota Ballet301 W 1st St 800 Duluth, MN 55802	41-6055588	501(c)3	8,000				Sponsorship
Northwoods Care Partners 328 W conan St ELy, MN 55731	41-2016401	501(c)3	5,250				Program Support

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**

▶ **Attach to Form 990.**

▶ **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
SMDC Medical Center

Employer identification number
41-1878730

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☑ First-class or charter travel	☑ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III			
	☑ Compensation committee	☑ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☐ Form 990 of other organizations	☑ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**	Yes	
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**	Yes	

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
Schedule J, Part I Line 1	Benefits provided During tax year 2014, as a new employee relocating from another area, officer, Kevin Boren, received a housing allowance This benefit was treated as taxable compensation to him During tax year 2014, charter travel was used by one key employee and one former key employee, who serve as practicing physicians for Essentia Health Duluth, for outreach travel between clinic locations Many of Essentia Health East's organizations are located in rural areas which do not have direct commercial flights available Charter travel ensures efficient use of Essentia Health Duluth's employees' time The use of charter travel is not treated as taxable compensation to these individuals as all travel was business related
Schedule J, Part I, Line 3	Establishing CEO's compensation ESSENTIA HEALTH DULUTH RELIED ON ESSENTIA HEALTH'S, RELATED ORGANIZATION OF ESSENTIA HEALTH DULUTH, METHODS FOR ESTABLISHING ESSENTIA HEALTH DULUTH'S ADMINISTRATOR'S COMPENSATION A COMPENSATION COMMITTEE, INDEPENDENT COMPENSATION CONSULTANT, WRITTEN EMPLOYMENT CONTRACT, COMPENSATION SURVEY OR STUDY, AND APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE
Schedule J, Part I, Line 4a	Severance payment Current key employee, Michael Metcalf, received payment totaling $71,614 in tax year 2014 related to his termination The termination terms are from October 10, 2014 to April 9, 2016 Mr Metcalf will receive pay totaling $585,000 & benefits totaling $62,026 related to his termination Current key employee, Ann Watkins, received payment totaling $30,125 in tax year 2014 related to her termination The termination terms are from October 19, 2014 to October 19, 2015 Ms Watkins will receive pay totaling $195,811 & benefits totaling $25,688 related to her termination Current key employee, Cynthia Baker, received payment totaling $9,888 in tax year 2014 related to her termination The termination terms are from October 14, 2014 to October 13, 2015 Ms Baker will receive pay totaling $58,427 & benefits totaling $5,395 related to her termination Other individuals listed as Formers in Form 990, Part VII, Section A, Line 1a remain employed within Essentia Health and its subsidiaries and are not receiving a termination payment
Schedule J, Part I, Line 4b	Supplemental nonqualified retirement plan Essentia Healths nonqualified retirement plan is offered to designated Essentia Health executives There is a minimum two year vesting date, or vesting is automatic upon reaching retirement age, death, disability or involuntary termination without cause Benefits are subject to income taxes upon vesting and payable from Essentia Healths general assets Reported as Other Reportable Compensation in Schedule J, Part II, Column B (iii), the following individuals listed in Form 990, Part VII, Section A, Line 1a received payment of the vested benefit from the supplemental nonqualified retirement plan during the year Barbara Wessberg $ 3,600 Michael Metcalf $303,415 Ann Watkins $ 9,714 Harvey Anderson $ 1,964 Robert Norman $ 50,165 Reported as Retirement and Other Deferred Compensation in Schedule J, Part II, Column C, Essentia Health made contributions, subject to the vesting terms, during the year into the supplemental nonqualified retirement plan on behalf of the following individuals listed in Form 990, Part VII, Section A, Line 1a Daniel Nikcevich, MD $ 82,168 Barbara Wessberg $ 5,538 Kevin Boren $ 51,311 Steven Jorgensen $ 50,849 Michael Metcalf $ 16,070 Timothy Zager, MD $ 38,611 Sandra McCarthy $ 28,797 Hugh Renier, MD $ 29,905 James Garvey $ 40,176 Harvey Anderson $ 4,629 Michael Motley $ 5,313 Robert Norman $ 54,120
Schedule J, Part I, Line 8	Initial contract exception Essentia Health Duluth's Chief Operating Officer, Steven Jorgensen, received compensation during the year under an initial employment agreement subject to the initial contract exception Through the Essentia Health Executive Compensation Committee, this compensation arrangement was reviewed and approved by independent persons using comparability data and deliberations and decisions were documented Essentia Health Duluth's Chief Financial Officer, Kevin Boren, received compensation during the year under an initial employment agreement subject to the initial contract exception Through the Essentia Health East Region Executive Compensation Committee, this compensation arrangement was reviewed and approved by independent persons using comparability data and deliberations and decisions were documented Essentia Health Duluth's Operations Administrator - Neurosciences Division, Michael Motley, received compensation during the year under an initial employment agreement subject to the initial contract exception Through an authorized body of the organization, this compensation arrangement was reviewed and approved by independent persons using comparability data and the basis for determination was documented

Additional Data

Software ID:
Software Version:
EIN: 41-1878730
Name: SMDC 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 (i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable 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
ROBERT NORMAN, Former CFO	(I)	0	0	0	0	0	0	0
	(II)	450,493	160,246	53,849	69,720	22,463	756,771	50,165
THOMAS PATNOE MD, President & CMO thru 4/12	(I)	0	0	0	0	0	0	0
	(II)	533,640	0	1,943	21,193	32,770	589,546	0
MICHAEL METCALF, EVP CLINICAL OPS Thru 10/14	(I)	317,128	117,000	380,069	41,970	22,528	878,695	303,415
	(II)	0	0	0	0	0	0	0
ANN WATKINS, VP SURGICAL SRVCS Thru 10/14	(I)	151,191	29,370	56,190	18,341	20,589	275,681	9,714
	(II)	0	0	0	0	0	0	0
THOMAS KAISER MD, CLINICAL CHIEF	(I)	0	0	0	0	0	0	0
	(II)	381,728	0	7,849	21,177	24,958	435,712	0
TIMOTHY ZAGER MD, DULUTH CLINIC PRES Thru 1/15	(I)	355,221	108,150	5,604	53,682	24,353	547,010	0
	(II)	0	0	0	0	0	0	0
Scott Johnson MD, Clinical Chief	(I)	0	0	0	0	0	0	0
	(II)	626,982	0	3,165	21,294	31,969	683,410	0
Joseph Bianco MD, Board Secretary	(I)	0	0	0	0	0	0	0
	(II)	321,655	0	1,307	21,030	30,981	374,973	0
DANIEL NIKCEVICH MD, BOARD DIRECTOR	(I)	626,034	197,281	4,182	97,571	29,546	954,614	0
	(II)	0	0	0	0	0	0	0
BARBARA WESSBERG, ADMINISTRATOR Thru 4/15	(I)	184,550	27,525	5,198	19,065	4,174	240,512	3,600
	(II)	0	0	0	0	0	0	0
THERESA GUNNARSON MD, CLINICAL CHIEF	(I)	0	0	0	0	0	0	0
	(II)	618,266	0	1,111	21,236	22,900	663,513	0
JUSTIN HILL MD, Clinical Chief	(I)	0	0	0	0	0	0	0
	(II)	717,847	0	739	21,234	22,399	762,219	0
BRAD DAVIS MD, SECTION CHAIR	(I)	0	0	0	0	0	0	0
	(II)	475,898	0	1,290	21,072	31,550	529,810	0
HARVEY ANDERSON, VICE PRESIDENT FACILITIES	(I)	181,846	27,930	22,821	25,071	19,297	276,965	1,964
	(II)	0	0	0	0	0	0	0
SANDRA MCCARTHY, CHIEF NURSING OFF Thru 2/15	(I)	307,864	93,000	4,541	43,517	12,010	460,932	0
	(II)	0	0	0	0	0	0	0
BRIAN KONOWALCHUK MD, CLINICAL CHIEF	(I)	0	0	0	0	0	0	0
	(II)	522,215	0	489	15,958	19,502	558,164	0
JEFFREY LYON MD, Chief Patient Safety Officer	(I)	0	0	0	0	0	0	0
	(II)	308,464	0	1,320	21,022	24,761	355,567	0
VINCENT OHAJU MD, CLINICAL CHIEF	(I)	0	0	0	0	0	0	0
	(II)	431,843	0	1,699	21,237	29,527	484,306	0
ANNE STEPHEN MD, CLINICAL CHIEF	(I)	0	0	0	0	0	0	0
	(II)	283,899	0	1,226	21,000	28,775	334,900	0
HUGH RENIER MD, VP MEDICAL AFFAIRS	(I)	0	0	0	0	0	0	0
	(II)	306,934	46,155	4,599	54,824	29,968	442,480	0

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				
Michael Maddy MD, Board Director	(I)	0	0	0	0	0	0	0
	(II)	334,617	0	1,314	20,978	21,707	378,616	0
Laura Trombino MD, Board Director	(I)	0	0	0	0	0	0	0
	(II)	428,785	0	2,048	21,060	30,691	482,584	0
Kevin Boren, Chief Financial Officer	(I)	288,767	33,625	9,859	51,311	29,240	412,802	0
	(II)	0	0	0	0	0	0	0
James Garvey, EVP Hospital Ops & SMMC Admin	(I)	368,560	136,000	5,547	52,165	18,417	580,689	0
	(II)	0	0	0	0	0	0	0
Daniel Milbridge, Regional Administrator	(I)	238,784	24,200	533	13,000	26,485	303,002	0
	(II)	0	0	0	0	0	0	0
Steven Jorgensen, Administrator	(I)	328,407	23,683	4,202	50,849	18,741	425,882	0
	(II)	0	0	0	0	0	0	0
Cynthia Baker, VP Med Specialties thru 10/14	(I)	0	0	0	0	0	0	0
	(II)	154,113	28,110	25,426	18,818	30,473	256,940	0
Michael Motley, Ops Admin-Neurosciences Div	(I)	193,540	30,240	5,726	26,280	28,808	284,594	0
	(II)	0	0	0	0	0	0	0
Erik Julsrud, Manager Medical Physics	(I)	190,663	0	177	9,887	26,950	227,677	0
	(II)	0	0	0	0	0	0	0
Bruce Libey, Physicist - Medical	(I)	167,015	0	344	8,597	27,232	203,188	0
	(II)	0	0	0	0	0	0	0

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

▶ **Attach to Form 990 or Form 990-EZ.**

▶ **Information about Schedule L (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
SMDC Medical Center

Employer identification number
41-1878730

Part I Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only)

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Total ▶ $			

Part III Grants or Assistance Benefiting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Sheri Mattson	Related to Sherry Mattson	47,123	See Part V		No
(2) Sarah Johnson	Related to Scott Johnson	84,427	See Part V		No
(3) Dani Raze	Related to Joseph Leoni	30,143	See Part V		No

Part V Supplemental Information

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

Return Reference	Explanation
Schedule L, Part IV, Column D, Lines 1 & 3	Description of transaction Compensation of family member of board director
Schedule L, Part IV, Column D, Line 2	Description of transaction Compensation of family member of key employee

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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	Employer identification number
SMDC Medical Center	41-1878730

Return Reference	Explanation
Form 990, Part III, Line 4	Program service accomplishments SMDC Medical Center dba Essentia Health Duluth is organized and operated exclusively for charitable, scientific, and educational purposes In furtherance of its purposes, Essentia Health Duluth provides health care services in Minnesota through its 160 bed hospital and 6 clinics The hospital offers a broad range of inpatient and outpatient services for its patients, including medical surgical care, behavioral health, rehabilitation, orthopedics, neuroscience, digestive health, family and pediatrics services, and heart and vascular services In accordance with the Federal Emergency Medical Treatment and Active Labor Act, any person who presents at the hospital seeking treatment of an emergency medical condition is given a medical screening and necessary stabilizing treatment regardless of the person's ability to pay In addition to the hospital and clinics, Essentia Health Duluth also operates pharmacies, optical centers, infusion therapy centers, outpatient surgery centers, Amberwing, and a cancer center Essentia Health Duluth's Amberwing provides caring for children, teens, young adults and families struggling to cope with mental health and substance use problems Beyond its clinical services, Essentia Health Duluth also offers educational programs for the community, such as parenting classes and child safety programs such as bicycle helmet fitting, bicycle safety, and pedestrian safety Essentia Health Duluth also participates in continuing education programs for health care professionals Essentia Health Duluth employs over 2,000 full time equivalents The hospital provided for over 26,800 hospital patient days and over 38,400 outpatient visits during the fiscal year ended June 30, 2015 The clinics had over 494,000 encounters during the same time period Essentia Health Duluth provided over $2,464,000 in charity care as well as an additional $29,264,000 of costs incurred in excess of Medicaid payments received during the fiscal year ended June 30, 2015 Further community benefits provided during the fiscal year include community services of over $106,000, cash and in-kind donations of over $216,000 and continuing education programs for health care professionals of over $253,000 Essentia Health Duluth is the sole member of Essentia Health Virginia LLC Essentia Health Virginia LLC is organized exclusively for charitable, scientific, and educational purposes In furtherance of its purposes, Essentia Health Virginia LLC provides health care services in Minnesota through its 83 bed hospital and 90 bed skilled nursing facility The hospital offers a broad range of inpatient and outpatient services for its patients, including medical surgical care, rehabilitation, orthopedics, diabetes care, sleep lab, family and pediatric services, and heart and vascular services In accordance with the Federal Emergency Medical Treatment and Active Labor Act, any person who presents at the hospital seeking treatment of an emergency medical condition is given a medical screening and necessary stabilizing treatment regardless of the person's ability to pay The clinic offers a broad range of outpatient services for its patients, including family practice, obstetrics and gynecology, cancer center, orthopedics, digestive health, family, pediatrics services, weight management, and heart and vascular services Essentia Health Virginia LLC employs over 490 full time equivalents The hospital provided for over 5,900 patient days and over 12,700 emergency visits during the fiscal year ended June 30, 2015 The clinic had over 72,100 encounters during the same time period and the skilled nursing facility provided over 28,600 resident days Essentia Health Virginia LLC provided over $427,000 in charity care as well as an additional $6,405,000 of costs incurred in excess of Medicaid payments received during the fiscal year ended June 30, 2015 Further community benefits provided during the fiscal year include community services of over $23,000 and continuing education programs for health care professionals of over $98,000

Return Reference	Explanation
Form 990, Part V, Line 1A	1099 Reporting VENDOR PAYMENTS AND FORM 1099'S WERE PROCESSED THROUGH ESSENTIA HEALTH ON BEHALF OF CERTAIN LEGAL ENTITIES COMPRISING ESSENTIA HEALTH SYSTEM ESSENTIA HEALTH VIRGINIA, LLC, DISREGARDED ENTITY OF ESSENTIA HEALTH DULUTH, PROCESSED CERTAIN VENDOR PAYMENTS AND FORM 1099'S THE NUMBER ON PART V, LINE 1A REPRESENTS THESE PAYMENTS

Return Reference	Explanation
Form 990, Part V, Line 1C	NO GAMING (GAMBLING) WINNINGS

Return Reference	Explanation
Form 990, Part VI, Line 6	Members of Organization MEMBER, ESSENTIA HEALTH EAST, MAY ELECT ONE OR MORE MEMBERS OF THE GOVERNING BODY AS DESCRIBED IN SCHEDULE O PART VI LINE 7A MEMBERS, ESSENTIA HEALTH AND ESSENTIA HEALTH EAST, HAVE RESERVED POWERS WITH RESPECT TO ESSENTIA HEALTH DULUTH AS DESCRIBED IN SCHEDULE O PART VI LINE 7B

Return Reference	Explanation
Form 990, Part VI, Line 7A	Members with right to elect governing body ESSENTIA HEALTH EAST APPOINTS AND REMOVES ESSENTIA HEALTH DULUTH'S GOVERNING BODY

Return Reference	Explanation
Form 990, Part VI, Line 7B	MEMBER WITH RIGHT TO APPROVE GOVERNING BODY DECISION ESSENTIA HEALTH DULUTH IS A SUBSIDIARY OF ESSENTIA HEALTH, WHOSE BOARD OF DIRECTORS HAS RESERVED POWERS WITH RESPECT TO THIS CORPORATION AND ITS SUBSIDIARIES, AND ALL OF THE OTHER DIRECT AND INDIRECT SUBSIDIARIES OF ESSENTIA HEALTH (COLLECTIVELY, THE "SYSTEM") ESSENTIA HEALTH'S RESERVED POWERS ARE AS FOLLOWS STRATEGIC AND BUSINESS PLANS AUTHORITY TO CREATE, AND TO APPROVE, THE SYSTEM'S STRATEGIC AND BUSINESS PLANS MISSION AUTHORITY TO CREATE, AND TO APPROVE, THE MISSION, PURPOSE AND VISION STATEMENTS FOR ALL ENTITIES IN THE SYSTEM BY THE AFFIRMATIVE VOTE OF AT LEAST 67% OF THE ESSENTIA HEALTH BOARD OF DIRECTORS DEBT APPROVAL OF THE INCURRENCE OF DEBT BY, AND THE CREATION OF ALL MORTGAGES, LIENS, SECURITY INTERESTS, OR OTHER ENCUMBRANCES ON THE ASSETS OF, ALL ENTITIES IN THE SYSTEM IN EXCESS OF THE SINGLE OR ANNUAL AGGREGATE DOLLAR LIMITS PRESCRIBED IN WRITING BY THE ESSENTIA HEALTH BOARD OF DIRECTORS, AND THE AUTHORITY TO CAUSE ALL ENTITIES IN THE SYSTEM TO PARTICIPATE IN SYSTEM BORROWING GOVERNING INSTRUMENTS AUTHORITY TO CAUSE, AND TO APPROVE, AMENDMENTS OF THE ARTICLES OF INCORPORATION AND BYLAWS OF ALL ENTITIES IN THE SYSTEM MERGERS AND ACQUISITIONS AUTHORITY TO CAUSE, AND TO APPROVE, ALL MERGERS, CONSOLIDATIONS, AND DISSOLUTIONS OF ALL ENTITIES IN THE SYSTEM AFFILIATIONS AND JOINT VENTURES AUTHORITY TO CAUSE, AND TO APPROVE, ALL AFFILIATIONS, JOINT VENTURES AND OTHER ALLIANCES WITH THIRD PARTIES OF ALL ENTITIES IN THE SYSTEM TRANSFER OF ASSETS WITHIN THE SYSTEM AUTHORITY TO TRANSFER ASSETS, INCLUDING CASH, BETWEEN AND AMONG ENTITIES WITHIN THE SYSTEM, PROVIDED, HOWEVER, THAT ESSENTIA HEALTH SHALL NOT HAVE AUTHORITY TO REQUIRE ANY ENTITY IN THE SYSTEM TO TRANSFER ASSETS (A) THAT WOULD CAUSE SUCH ENTITY TO BE IN DEFAULT OF ITS COVENANTS OR OBLIGATIONS UNDER ANY BOND OR OTHER FINANCING DOCUMENTS, (B) FROM THE CATHOLIC ENTITIES TO THE SECULAR ENTITIES OR FROM THE SECULAR ENTITIES TO THE CATHOLIC ENTITIES IN A MANNER OR TO AN EXTENT THAT WOULD CAUSE THE CATHOLIC ENTITIES TO BE IN VIOLATION OF THE ETHICAL AND RELIGIOUS DIRECTIVES FOR CATHOLIC HEALTH CARE SERVICES (ERDS) IN THE JUDGMENT OF THE LOCAL ORDINARY, OR (C) SUCH THAT MONEY GENERATED BY SERVICES AT SECULAR FACILITIES WITHIN THE SYSTEM BY PROCEDURES THAT ARE CONTRARY TO THE ERDS WOULD BE USED AT THE CATHOLIC ENTITIES OR MONEY GENERATED BY CATHOLIC ENTITIES WOULD BE USED IN THE PROVIDING OF SERVICES CONTRARY TO THE ERDS AT SECULAR FACILITIES WITHIN THE SYSTEM TRANSFER OF ASSETS OUTSIDE THE SYSTEM AUTHORITY TO CAUSE, AND TO APPROVE, THE SALE, LEASE OR OTHER TRANSFER OF ASSETS OF ALL ENTITIES IN THE SYSTEM TO PARTIES OUTSIDE OF THE SYSTEM WHEN THE ASSET'S VALUE EXCEEDS THE SINGLE OR ANNUAL AGGREGATE DOLLAR LIMITS PRESCRIBED IN WRITING BY THE ESSENTIA HEALTH BOARD OF DIRECTORS SERVICES AUTHORITY TO CAUSE, AND TO APPROVE, THE ADDITION OF NEW SERVICES AND SERVICE LOCATIONS AND THE DISCONTINUANCE OF SERVICES AND SERVICE LOCATIONS WITHIN ALL ENTITIES IN THE SYSTEM BUDGETS APPROVAL OF CAPITAL AND OPERATING BUDGETS OF ALL ENTITIES IN THE SYSTEM PROFESSIONAL SERVICES SELECTION OF THE GENERAL LEGAL COUNSEL AND EXTERNAL AUDITORS OF ALL ENTITIES IN THE SYSTEM APPROVAL OF PARENT BOARDS APPROVAL OF THE ELECTION AND REMOVAL, WITH OR WITHOUT CAUSE, OF 100% OF THE CAG AND SMDC BOARDS OF DIRECTORS (WHO SHALL BE ELECTED BY THE METHODS SET FORTH IN THE CAG AND SMDC GOVERNING DOCUMENTS, RESPECTIVELY, SUBJECT TO ESSENTIA'S APPROVAL) ACQUISITIONS AUTHORITY TO CAUSE, AND TO APPROVE, ALL ACQUISITIONS BY AND FORMATIONS OF ENTITIES IN THE SYSTEM MARKETING AUTHORITY TO IMPLEMENT SYSTEM-WIDE MARKETING AND PROMOTIONAL ACTIVITIES COMPLIANCE PLANS AUTHORITY TO CREATE, AND TO APPROVE, CORPORATE COMPLIANCE, SAFETY AND RISK MANAGEMENT PLANS FOR ENTITIES WITHIN THE SYSTEM QUALITY PLAN AUTHORITY TO CREATE, AND TO APPROVE, THE SYSTEM'S QUALITY PLAN NON-BUDGETED PURCHASES APPROVAL OF NON-BUDGETED CAPITAL PURCHASES AND LEASES IN EXCESS OF THE SINGLE OR ANNUAL AGGREGATE DOLLAR LIMITS PRESCRIBED IN WRITING BY ESSENTIA HEALTH FOR ENTITIES WITHIN THE SYSTEM HUMAN RESOURCES AUTHORITY TO CREATE HUMAN RESOURCE POLICIES AND PROCEDURES WITHIN THE SYSTEM RESERVED POWERS AUTHORITY TO CREATE ADDITIONAL ESSENTIA HEALTH RESERVED POWERS BY THE AFFIRMATIVE VOTE OF AT LEAST 80% OF THE ESSENTIA HEALTH BOARD OF DIRECTORS (EXCLUDING THE ESSENTIA HEALTH CEO), PROVIDED, HOWEVER, THAT ANY ADDITIONAL ESSENTIA HEALTH RESERVED POWERS SHALL NOT CONTRAVENE OR HINDER THE RESERVED POWERS OF BENEDICTINE SISTERS BENEVOLENT ASSOCIATION

Return Reference	Explanation
Form 990, Part VI, Line 7B Continued	ESSENTIA HEALTH EAST ALSO HAS CERTAIN RESERVED POWERS OVER ALL EAST FACILITIES WITHIN ESSENTIA HEALTH ESSENTIA HEALTH EAST'S RESERVED POWERS ARE AS FOLLOWS QUALITY, SAFETY AND SERVICE AUTHORITY TO RECOMMEND QUALITY AND SAFETY INITIATIVES AND TO REVIEW AND EXECUTE APPROVED QUALITY AND SAFETY PLANS FOR THE EAST REGION MISSION, VISION AND VALUES AUTHORITY TO CREATE A MISSION AND A VISION THAT SUPPORT THE MISSION AND VISION OF ESSENTIA HEALTH, RESPONSIBILITY TO OVERSEE THE MISSION PERFORMANCE, INCLUDING CHARITY CARE, OF ALL FACILITIES WITHIN THE EAST REGION, RESPONSIBILITY TO ADOPT THE VALUES OF ESSENTIA HEALTH OPERATING AND FINANCIAL PERFORMANCE RESPONSIBILITY TO OVERSEE THE OPERATING AND FINANCIAL PERFORMANCE OF THE EAST REGION DEVELOPMENT OF BUDGETS, STRATEGIC PLANS AND STRATEGY MAP AUTHORITY TO DEVELOP AND RECOMMEND, BASED ON ESSENTIA HEALTH TARGETS, CAPITAL AND OPERATING BUDGETS FOR THE EAST REGION AND ITS FACILITIES, AUTHORITY TO RECOMMEND, WITHIN THE ESSENTIA HEALTH CONTEXT, REGIONAL AND LOCAL STRATEGIC PLANS FOR THE EAST REGION, AUTHORITY TO DEVELOP EAST REGION GOVERNANCE STRATEGY MAP AND BALANCED SCORECARD WITHIN ESSENTIA HEALTH'S SYSTEM STRATEGY TO MEET SYSTEM GOALS EXECUTION OF APPROVED BUDGETS AND STRATEGIC PLANS RESPONSIBILITY TO EXECUTE THE APPROVED CAPITAL AND OPERATING BUDGETS AND STRATEGIC AND BUSINESS PLANS FOR THE EAST REGION NON-BUDGETED EXPENDITURES AUTHORITY TO APPROVE NON BUDGETED CAPITAL PURCHASES AND LEASES FOR EAST REGION FACILITIES WITHIN DOLLAR LIMITS DEFINED BY ESSENTIA HEALTH ACCREDITATION AND LICENSURE RESPONSIBILITY TO OVERSEE ACCREDITATION AND LICENSURE COMPLIANCE FOR THE FACILITIES OF THE EAST REGION AFFILIATIONS, ACQUISITIONS AND JOINT VENTURES AUTHORITY TO RECOMMEND PROPOSED AFFILIATIONS, ACQUISITIONS, JOINT VENTURES AND OTHER ALLIANCES, RESPONSIBILITY TO OVERSEE NEGOTIATION AND IMPLEMENTATION OF APPROVED ACQUISITIONS AND OPERATION OF ALL APPROVED AFFILIATIONS, JOINT VENTURES AND OTHER ALLIANCES WITH THIRD PARTIES WITHIN THE EAST REGION APPOINTMENT OF DIRECTORS AUTHORITY TO APPOINT OR ELECT DIRECTORS OF THE DIRECT SUBSIDIARIES, AND TO REMOVE SUCH DIRECTORS, WITH OR WITHOUT CAUSE PRESIDENT AUTHORITY TO ADVISE THE CEO OF ESSENTIA HEALTH REGARDING THE APPOINTMENT, REMOVAL AND PERIODIC EVALUATION OF THE PRESIDENT OF SMDC SATISFACTION RESPONSIBILITY TO EXECUTE, EVALUATE AND OVERSEE PATIENT, FAMILY AND CUSTOMER SATISFACTION WITH RESPECT TO SERVICES PROVIDED WITHIN THE EAST REGION AND TO ENSURE ESTABLISHED GOALS ARE MET JOB SATISFACTION RESPONSIBILITY TO OVERSEE JOB SATISFACTION AND STAFF MORALE WITHIN THE EAST REGION FACILITIES HUMAN RESOURCES RESPONSIBILITY TO OVERSEE IMPLEMENTATION OF ESSENTIA HEALTH HUMAN RESOURCE POLICIES AND PROCEDURES THROUGHOUT THE EAST REGION COMPLIANCE RESPONSIBILITY TO EXECUTE THE APPROVED ESSENTIA HEALTH CORPORATE COMPLIANCE AND RISK MANAGEMENT PLANS FOR THE EAST REGION CREDENTIALING RESPONSIBILITY TO PERFORM MEDICAL STAFF CREDENTIALING FOR THE EAST REGION FACILITIES NOMINATIONS AUTHORITY TO NOMINATE PERSONS FOR APPOINTMENT TO THE SMDC BOARD OF DIRECTORS BY BENEDICTINE SISTERS BENEVOLENT ASSOCIATION AND ESSENTIA HEALTH AMENDMENTS AUTHORITY TO SUGGEST PROPOSED AMENDMENTS TO THE ARTICLES OF INCORPORATION AND BYLAWS OF THIS CORPORATION, THE DIRECT SUBSIDIARIES, AND ANY SUBSIDIARIES THEREOF COMPENSATION PLANS RESPONSIBILITY TO REVIEW AND APPROVE COMPENSATION OF EAST REGION EXECUTIVES AND PHYSICIANS FOR REASONABLENESS AND CONSISTENCY WITH THE LAW AND ESSENTIA HEALTH'S COMPENSATION PHILOSOPHY PRESIDENT/CHIEF MEDICAL OFFICER BY ACTION OF THE PRESIDENT OF THIS CORPORATION, AUTHORITY TO APPOINT AND REMOVE, WITH OR WITHOUT CAUSE, THE PRESIDENT/CHIEF MEDICAL OFFICER OF ANY OF THE DIRECT SUBSIDIARIES PUBLIC POLICY RESPONSIBILITY TO SUPPORT ESSENTIA HEALTH PUBLIC POLICY AND ADVOCACY PLANS MARKETING RESPONSIBILITY TO COORDINATE REGIONAL MARKETING AND PROMOTIONAL ACTIVITIES CONSISTENT WITH ESSENTIA HEALTH MARKETING PLANS PHILANTHROPY RESPONSIBILITY TO COORDINATE PHILANTHROPY WITHIN THE EAST REGION CONSISTENT WITH ESSENTIA HEALTH FOUNDATION POLICIES PROFESSIONAL SERVICES RESPONSIBILITY TO OVERSEE EAST REGION MANAGEMENT'S COOPERATION WITH EXTERNAL AUDITORS AND GENERAL LEGAL COUNSEL SELECTED BY ESSENTIA HEALTH AND COORDINATION OF LEGAL SERVICES THROUGH THE ESSENTIA HEALTH OFFICE OF GENERAL COUNSEL CATHOLIC FACILITIES RESPONSIBILITY TO OVERSEE IMPLEMENTATION OF BSBA-APPROVED METHODS, POLICIES AND PROCEDURES PERTAINING TO ADHERENCE BY THE EAST REGION CATHOLIC FACILITIES WITH THE ETHICAL AND RELIGIOUS DIRECTIVES FOR CATHOLIC HEALTH CARE SERVICES AND USE OF RELIGIOUS SYMBOLS, DISTINGUISHING ELEMENTS AND PRAYERS PROJECTS INVOLVING REAL ESTATE AUTHORITY TO RECOMMEND FACILITY DEVELOPMENT PROJECTS, SUBJECT TO THE APPROVAL OF ESSENTIA HEALTH, RESPONSIBILITY TO OVERSEE EXECUTION OF APPROVED DEVELOPMENT PROJECTS ACCORDING TO ESSENTIA HEALTH POLICIES

Return Reference	Explanation
Form 990, Part VI, Line 11A	Form 990 review process THE 2014 FORM 990, INCLUDING ALL SCHEDULES, WAS REVIEWED BY ESSENTIA HEALTH DULUTH'S MANAGEMENT AND GOVERNING BODY ON FEBRUARY 24, 2016 PRIOR TO FILING WITH THE INTERNAL REVENUE SERVICE. EACH CURRENT DIRECTOR OF THE GOVERNING BODY RECEIVED A COPY OF THE 2014 FORM 990 ESSENTIA HEALTH DULUTH'S CHIEF FINANCIAL OFFICER LED THE REVIEW OF THE FORM AND SCHEDULES AND ANY QUESTIONS WERE DISCUSSED

Return Reference	Explanation
Form 990, Part VI, Line 12c	Monitoring and enforcing Conflict of Interest policy Essentia Health's comprehensive conflict of interest program prevents, detects and resolves actual conflicts of interests or the actual or potential appearance of such Fiduciaries, defined as an Essentia Health board member/trustee, officer, board committee member, senior management employee, or any others considered to be in a position of influence, are covered under Essentia's conflict of interest program Upon initial appointment, each fiduciary must complete an initial conflict of interest statement and disclosure questionnaire At the conclusion of each fiscal year, each fiduciary must complete an annual conflict of interest statement and disclosure questionnaire As needed, a fiduciary will update his/her most recently completed questionnaire each time the fiduciary becomes aware of a financial interest, a potential conflict, or change to any information that the fiduciary previously reported Essentia Health's Chief Compliance Officer will collect the questionnaires and evaluate the disclosures If a fiduciary has a potential conflict of interest, the Chief Compliance Officer or designee may request additional information from the fiduciary, the management team, and others During the evaluation process, the Chief Compliance Officer may also consult with Essentia Health's Board and Audit Committee Chairs, senior management, legal department, or appropriate representatives from Essentia Health The Chief Compliance Officer reports to the Essentia Health Audit Committee and the Essentia Health Board of Directors any actual or potential conflicts of interest disclosed by the fiduciary, along with recommended actions The Essentia Health Board of Directors (or designee) will then determine whether to approve the situation or to implement special controls to manage the potential conflict of interest The Chief Compliance Officer will then officially notify the fiduciary in writing of the board's decision The decision of whether or not the disclosure constitutes a conflict will be at the Essentia Health Board of Director's (or designee) sole discretion, and its concern must be the welfare of Essentia Health and its affiliate(s) and the advancement of its purposes When the Essentia Health Board of Directors (or designee) considers a Fiduciary's disclosure as a Conflict of Interest, special controls will be identified to manage, eliminate or reduce the likelihood and/or appearance of a conflict arising Controls may include, but are not limited to A If the conflict involves an on-going matter or relationship, the Fiduciary must not participate in Board, Board committee or management discussions related to the conflict and must recuse themselves and if appropriate, withdraw, from any Board meeting or portion thereof where the matter is being discussed and during the vote on the potential Conflict of Interest The Fiduciary may answer questions at the Board's or the Board Committee's request B If the conflict involves a specific transaction or decision, the Fiduciary will fully disclose their interest and all related material facts The Board or committee of the Board will determine whether the contemplated transaction may be authorized as just, fair, and reasonable to Essentia Health or its affiliate (s) If the Board determines a conflict does not exist, the Fiduciary may proceed with the transaction, however, he or she will not be eligible to vote on related issues should they arise If the Board determines a conflict does exist, the Fiduciary will be notified of the decision regarding whether the contemplated transaction will be authorized as just, fair, and reasonable

Return Reference	Explanation
Form 990, Part VI, Line 12	POLICY APPLIES TO DISREGARDED ENTITY, ESSENTIA HEALTH VIRGINIA, LLC FORM 990, PART VI, LINE 13 POLICY APPLIES TO DISREGARDED ENTITY, ESSENTIA HEALTH VIRGINIA, LLC FORM 990, PART VI, LINE 14 POLICY APPLIES TO DISREGARDED ENTITY, ESSENTIA HEALTH VIRGINIA, LLC FORM 990, PART VI, LINE 15 POLICY APPLIES TO DISREGARDED ENTITY, ESSENTIA HEALTH VIRGINIA, LLC

Return Reference	Explanation
Form 990, Part VI, Line 15 A & B	PROCESS FOR DETERMINING COMPENSATION The Executive Compensation Committee of Essentia Health's board of directors is authorized to fulfill the board's responsibilities regarding executive compensation consistent with Essentia's mission, values and tax-exempt status, and the Executive Compensation Committee's Charter The Executive Compensation Committee meets at least twice annually to carry out its responsibilities, which include, but are not limited to, establishing, reviewing and modifying, as appropriate, reasonable compensation and benefits for designated Essentia executives who are officers or key employees of Essentia or any of its affiliates which may be paid by related organizations The Executive Compensation Committee engages qualified independent compensation advisors to provide objective and impartial comparative data and to express opinions on total compensation reasonableness The Executive Compensation Committee may request its independent advisors to monitor comparability data and marketplace trends, make appropriate recommendations regarding salary ranges, and periodically review the market competitiveness of Essentia executive compensation packages Prior to establishing or adjusting executive compensation, the Executive Compensation Committee will obtain and rely upon appropriate data as to comparability of the proposed compensation or adjustments The Executive Compensation Committee will adequately document the basis for its determination concurrently with making those determinations The Executive Compensation Committee minutes will include the terms of the approved compensation and the date approved, the Executive Compensation Committee members present during the review, discussion and approval of the proposed compensation and those who voted on the proposed compensation, identification of the comparability data obtained and relied upon by the Executive Compensation Committee and how the data was obtained, any actions by a member of the Executive Compensation Committee having a conflict of interest, and documentation of the basis for the determination The year this process was last undertaken for Essentia Health Duluth's Administrator and Executive Vice President Hospital Operations was 2015 The year this process was last undertaken for Essentia Health Duluth's Executive Vice President of Clinical Operations thru 10/14, Chief Nursing Officer thru 2/15, and Duluth Clinic's President thru 1/15 was 2014 The Essentia Health East Region Executive Compensation Committee of the Region's board of directors is authorized to fulfill the board's responsibilities regarding executive compensation consistent with Essentia's mission, values and tax-exempt status, and the Executive Compensation Committee's Charter The Executive Compensation Committee meets annually to carry out its responsibilities, which include, but are not limited to, establishing, reviewing and modifying, as appropriate, reasonable compensation and benefits for designated Essentia executives who are officers or key employees of Essentia or any of its affiliates which may be paid by related organizations The Executive Compensation Committee engages qualified independent compensation advisors to provide objective and impartial comparative data and to express opinions on total compensation reasonableness The Executive Compensation Committee may request its independent advisors to monitor comparability data and marketplace trends, make appropriate recommendations regarding salary ranges, and periodically review the market competitiveness of Essentia executive compensation packages Prior to establishing or adjusting executive compensation, the Executive Compensation Committee will obtain and rely upon appropriate data as to comparability of the proposed compensation or adjustments The Executive Compensation Committee will adequately document the basis for its determination concurrently with making those determinations The Executive Compensation Committee minutes will include the terms of the approved compensation and the date approved, the Executive Compensation Committee members present during the review, discussion and approval of the proposed compensation and those who voted on the proposed compensation, identification of the comparability data obtained and relied upon by the Executive Compensation Committee and how the data was obtained, any actions by a member of the Executive Compensation Committee having a conflict of interest, and documentation of the basis for the determination The year this process was last undertaken for Essentia Health Duluths Administrator thru 4/15, Chief Financial Officer, Vice President Surgical Services thru 10/14, Vice President Medical Specialties, and Vice President Medical Affairs was 2014

Return Reference	Explanation
Form 990, Part VI, Line 19	Availability of governing documents, conflict of interest policy, and financial statements to the public Governing documents, conflict of interest policy, and financial statements are made available to the public upon request The organization is part of Essentia Health's consolidated financial statements which are included in Essentia Health's annual report posted on Essentia Health's web site

Return Reference	Explanation
Form 990, Part IX, Line 24E	Affiliate Expense and Revenue Allocation ESSENTIA HEALTH DULUTH ALLOCATES OUT CERTAIN REVENUE AND EXPENSES TO ESSENTIA HEALTH ST MARY'S MEDICAL CENTER, THE DULUTH CLINIC, LTD, ESSENTIA HEALTH POLINSKY MEDICAL REHABILITATION CENTER, AND ESSENTIA HEALTH ST MARY'S HOSPITAL-SUPERIOR, RELATED ORGANIZATIONS NET AFFILIATE (REVENUE) AND EXPENSE ALLOCATION OF ($36,566,289) INCLUDES THE FOLLOWING Grants $ 31,508 Program Service Revenue $ 53,824 Investment Income $ (80,639) Misc Revenue $ (187,544) Contributions $ (626,178) Compensation $(15,201,655) Payroll Taxes $ (880,601) Pension Plan Contributions $ (802,209) Legal Fees $ (183,039) Interest $ 3,783,057 Other Purchased Services $ (5,222,612) Advertising $ (428,027) Conferences/Conventions/Meetings $ (342,171) Depreciation & Amortization $ (1,093,312) Information Technology $ (9,158,270) Insurance $ (155,948) Medical Supplies $ 90,895 Occupancy $ 656,721 Office Expenses $ (2,392,465) Travel $ (363,216) Other Expenses $ (1,704,853) Other Employee Benefits $ (2,359,556)

Return Reference	Explanation
Form 990, Part XI, Line 9	Other Changes in Net Assets The total amount of other changes in net assets includes Change in discount on City of Virginia Payable ($6,001,431) Change in minimum pension liability $255,716 Net Asset transfers with related organizations, reallocated Balance Sheet items transferred to align with organizational structure ($930,806) Net Asset transfers with related organization, reallocated Income Statement items transferred to align with organizational structure ($2,500,378) Total ($9,176,899)

Return Reference	Explanation
Form 990, Part XII, Line 3	Consolidated A-133 ESSENTIA HEALTH DULUTH, as part of Essentia Health's consolidated financial statements, was required and underwent a consolidated audit set forth in the Single Audit Act and OMB Circular A-133 The consolidated audit is reviewed by the Essentia Health Audit Committee

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493120012066

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
SMDC Medical Center

Employer identification number
41-1878730

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) Essentia Health Virginia LLC 502 E 2nd St Duluth, MN 55805 46-0909870	Clinic/Hosp	DE	5,996,707	35,028,388	SMDCMC

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
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) Disproprtionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) PMC-Gateway Imaging 109 Court Ave S Sandstone, MN 55072 26-1634764	Imaging Services	MN	NA	N/A	0	0			0			

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	(i) No
(1) ESSENTIA HEALTH INSURANCE SERVICES SPC PO Box 1159 GRAND CAYMAN CJ 000000000	Self Indemnity	CJ	NA	FOREIGN CORP	0	0		Yes	
(2) East Range Clinics Ltd 910 6th Ave N Virginia, MN 55792 41-0909915	Clinics	MN	NA	C Corp	0	0		Yes	

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

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

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

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

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

Part VII Supplemental Information

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

Return Reference	Explanation
SCHEDULE R, PART II, COLUMN (A)	Name The following Essentia Health entities have a doing business as name Legal Name, Doing Business As Name Brainerd Lakes Integrated Health System, Essentia Health Central Brainerd Medical Center, Inc , Essentia Health Brainerd Specialty Clinic Bridges Medical Center, Essentia Health Ada Deer River Healthcare Center, Inc , Essentia Health Deer River First Care Medical Services, Essentia Health Fosston Graceville Health Center, Essentia Health Holy Trinity Hospital Innovis Health, LLC, Essentia Health West Midwest Medical Equipment and Supplies, Inc , Essentia Health Medical Equipment & Supplies Northern Pines Medical Center, Essentia Health Northern Pines Pine Medical Center, Essentia Health Sandstone Polinsky Medical Rehabilitation Center, Essentia Health Polinsky Medical Rehabilitation Center SMDC Medical Center, Essentia Health Duluth St Joseph's Medical Center, Essentia Health St Joseph's Medical Center St Mary's Duluth Clinic Health System, Essentia Health East St Mary's EMS, Essentia Health St Mary's Emergency Medical Services-Detroit Lakes St Mary's Hospital of Superior, Essentia Health St Mary's Hospital-Superior St Mary's Medical Center, Essentia Health St Mary's Medical Center St Mary's Regional Health Center, Essentia Health St Mary's-Detroit Lakes

Additional Data

Software ID:
Software Version:
EIN: 41-1878730
Name: SMDC 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) BRAINERD LAKES INTEGRATED HEALTH SYSTEM 2024 S 6TH ST BRAINERD, MN 56401 37-1532145	SUPPORT ORG	MN	501(c)(3)	11 Type II	Essentia	Yes	
(1) BRAINERD MEDICAL CENTER INC 2024 S 6TH ST BRAINERD, MN 56401 37-1532148	CLINIC	MN	501(c)(3)	3	BLIHS	Yes	
(2) BRIDGES MEDICAL CENTER 503 E 3rd St Suite 400 Duluth, MN 55805 20-0479568	CLINIC/HOSP	MN	501(c)(3)	3	Innovis	Yes	
(3) CLEARWATER VALLEY HOSPITAL & CLINICS INC 301 CEDAR Ave OROFINO, ID 83544 82-0497771	CLINIC/HOSP	ID	501(c)(3)	3	CAG	Yes	
(4) Critical Access Group 503 E 3RD ST SUITE 400 DULUTH, MN 55805 26-1219624	SUPPORT ORG	MN	501(c)(3)	11 Type II	ESSENTIA	Yes	
(5) FIRST CARE MEDICAL SERVICES 900 HILLIGOSS BLVD SE FOSSTON, MN 56542 41-0706143	CLINIC/HOSP	MN	501(c)(3)	3	Innovis	Yes	
(6) MINNESOTA VALLEY HEALTH CENTER Inc 621 S 4TH ST LE SUEUR, MN 56058 41-0837659	HOSPITAL/NURS	MN	501(c)(3)	3	CAG	Yes	
(7) ST JOSEPH'S MEDICAL CENTER 523 N 3RD ST BRAINERD, MN 56401 41-0695602	Clinic/Hosp	MN	501(c)(3)	3	BLIHS	Yes	
(8) ST MARY'S EMS 1027 WASHINGTON AVE DETROIT LAKES, MN 56501 41-1805811	EMERG Svcs	MN	501(c)(3)	9	SMRHC	Yes	
(9) ST MARY'S HOSPITAL INC P O BOX 137 COTTONWOOD, ID 83522 82-0226453	CLINIC/HOSP	ID	501(c)(3)	3	CAG	Yes	
(10) ST MARY'S INNOVIS HEALTH 1027 WASHINGTON AVE DETROIT LAKES, MN 56501 26-2861321	pharmacy	MN	501(c)(3)	3	Innovis	Yes	
(11) ST MARY'S REGIONAL HEALTH CENTER 1027 WASHINGTON AVE DETROIT LAKES, MN 56501 41-1620386	CLINIC/HOSP	MN	501(c)(3)	3	Innovis	Yes	
(12) ESSENTIA HEALTH 502 E 2ND ST DULUTH, MN 55805 20-0360007	SUPPORT ORG	MN	501(c)(3)	11TypeIIIFI	NA		No
(13) ESSENTIA INSTITUTE OF RURAL HEALTH 502 E 2ND ST DULUTH, MN 55805 27-1291124	RESEARCH	MN	501(c)(3)	4	DC	Yes	
(14) INNOVIS HEALTH LLC 3000 32nd Ave S FARGO, ND 58103 26-1175213	CLINIC/HOSP	DE	501(c)(3)	3	ESSENTIA	Yes	
(15) Essentia HEALTH FOUNDATION 502 E 2ND ST DULUTH, MN 55805 27-1984704	FOUNDATION	MN	501(c)(3)	7	Essentia	Yes	
(16) MIDWEST MEDICAL EQUIP AND SUPPLIES INC 4418 HAINES RD DULUTH, MN 55811 47-1674021	MEDical EQUIP	MN	501(c)(3)	9	SMMC	Yes	
(17) PINE MEDICAL CENTER 109 COURT AVE S SANDSTONE, MN 55072 41-1884597	Hospital/Nurs	MN	501(c)(3)	3	SMDCHS	Yes	
(18) POLINSKY MEDICAL REHABILITATION CENTER 530 E 2ND ST DULUTH, MN 55805 41-0691275	Rehab Service	MN	501(c)(3)	3	SMMC	Yes	
(19) ST MARY'S DULUTH CLINIC HEALTH SYSTEM 407 E 3RD ST DULUTH, MN 55805 41-1836633	Support Org	MN	501(c)(3)	11 Type II	ESSENTIA	Yes	

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
(21) ST MARY'S HOSPITAL OF SUPERIOR 3500 TOWER AVE SUPERIOR, WI 54880 41-1811073	CLINIC/HOSP	MN	501(c)(3)	3	SMMC	Yes	
(1) ST MARY'S MEDICAL CENTER 407 E 3RD ST DULUTH, MN 55805 41-0695604	HOSPITAL	MN	501(c)(3)	3	SMDCHS	Yes	
(2) THE DULUTH CLINIC LTD 400 E 3RD ST DULUTH, MN 55805 41-0883623	CLINIC	MN	501(c)(3)	3	SMDCHS	Yes	
(3) Northern Pines Medical Center 5211 Hwy 110 Aurora, MN 55705 41-0841441	Hospital/Nurs	MN	501(c)(3)	3	SMDCHS	Yes	
(4) Graceville Health Center 115 W 2nd St Graceville, MN 56240 41-0726173	Clinic/Hosp	MN	501(c)(3)	3	Innovis	Yes	
(5) DEER RIVER HEALTHCARE CENTER INC 115 10TH AVE NE DEER RIVER, MN 56636 41-0844574	Hosp/CLin/NH	MN	501(c)(3)	3	SMDCHS	Yes	

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of related organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
Brainerd Medical Center Inc	Q	170,527	Actual costs
The Duluth Clinic Ltd	J	65,088	Actual costs
The Duluth Clinic Ltd	K	113,874	Actual costs
The Duluth Clinic Ltd	P	42,044,962	Actual costs
The Duluth Clinic Ltd	Q	43,927,265	Actual costs
The Duluth Clinic Ltd	R	63,259	Actual costs
Deer River Healthcare Center INC	P	135,668	Actual costs
DEER RIVER HEALTHCARE CENTER INC	Q	3,056,008	Actual costs
DEER RIVER HEALTHCARE CENTER INC	R	1,169,906	Actual costs
Essentia Health	I	217,763	Actual costs
Essentia Health	M	34,634,122	Actual costs
Essentia Health	P	21,701,721	Actual costs
Essentia Health	Q	18,631,395	Actual costs
Essentia Health	R	469,644	Actual costs
Essentia Health Foundation	C	269,065	Actual costs
Essentia Health Foundation	P	114,415	Actual costs
Essentia Health Foundation	Q	101,319	Actual costs
Essentia Health Virginia LLC	J	1,348,415	Actual costs
Essentia Health Virginia LLC	P	514,860	Actual costs
Essentia Health Virginia LLC	Q	12,041,983	Actual costs
Essentia Institute of Rural Health	P	51,323	Actual costs
Essentia Institute of Rural Health	Q	1,059,546	Actual costs
First Care Medical Services	Q	105,279	Actual costs
Graceville Health Center	Q	420,077	Actual costs
Innovis Health LLC	P	119,713	Actual costs

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of related organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
Innovis Health LLC	Q	3,152,436	Actual costs
Midwest Medical Equip and Supplies Inc	Q	623,887	Actual costs
Northern Pines Medical Center	P	55,806	Actual costs
Northern Pines Medical Center	Q	1,759,886	Actual costs
Pine Medical Center	P	66,844	Actual costs
Pine Medical Center	Q	1,671,948	Actual costs
Polinsky Medical Rehabilitation Center	P	143,868	Actual costs
Polinsky Medical Rehabilitation Center	Q	2,192,869	Actual costs
St Joseph's Medical Center	P	58,856	Actual costs
St Joseph's Medical Center	Q	645,314	Actual costs
St Mary's Hospital of Superior	P	180,024	Actual costs
St Mary's Hospital of Superior	Q	8,987,840	Actual costs
St Mary's Medical Center	O	312,909	Actual costs
St Mary's Medical Center	P	19,116,812	Actual costs
St Mary's Medical Center	Q	64,830,951	Actual costs