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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](http://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

Memorial Health Care System Inc

Doing business as

Number and street (or P O box if mail is not delivered to street address)

Room/suite

2525 DeSales Avenue

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

Chattanooga, TN 37404

F Name and address of principal officer

James Hobson

2525 DeSales Avenue

Chattanooga, TN 37404

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

0928

D Employer identification number

62-0532345

E Telephone number

(423) 495-7878

G Gross receipts \$ 613,222,917

I Tax-exempt status

☒ 501(c)(3)

☐ 501(c) ( )

☐ (insert no )

☐ 4947(a)(1) or

☐ 527

J Website: www memorial org

K Form of organization

☒ Corporation

☐ Trust

☐ Association

☐ Other

L Year of formation 1952

M State of legal domicile TN

Part I	Summary																																										
Activities & Governance	<div><div>1</div><div>Briefly describe the organization’s mission or most significant activities</div><div>Emphasize human dignity and social justice as we create healthier communities by providing health care services regardless of ability to pay, for those in Chattanooga, TN and the surrounding area</div><div></div><div></div><div></div></div>																																										
	<div><div>2</div><div>Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets</div></div>																																										
	<table><tr><td>3</td><td>Number of voting members of the governing body (Part VI, line 1a)</td><td>21</td></tr><tr><td>4</td><td>Number of independent voting members of the governing body (Part VI, line 1b)</td><td>16</td></tr><tr><td>5</td><td>Total number of individuals employed in calendar year 2014 (Part V, line 2a)</td><td>3,713</td></tr><tr><td>6</td><td>Total number of volunteers (estimate if necessary)</td><td>600</td></tr><tr><td>7a</td><td>Total unrelated business revenue from Part VIII, column (C), line 12</td><td>13,372,853</td></tr><tr><td>7b</td><td>Net unrelated business taxable income from Form 990-T, line 34</td><td>-950,278</td></tr></table>	3	Number of voting members of the governing body (Part VI, line 1a)	21	4	Number of independent voting members of the governing body (Part VI, line 1b)	16	5	Total number of individuals employed in calendar year 2014 (Part V, line 2a)	3,713	6	Total number of volunteers (estimate if necessary)	600	7a	Total unrelated business revenue from Part VIII, column (C), line 12	13,372,853	7b	Net unrelated business taxable income from Form 990-T, line 34	-950,278																								
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Revenue	<table><tr><th></th><th>Prior Year</th><th>Current Year</th></tr><tr><td>8</td><td>Contributions and grants (Part VIII, line 1h)</td><td>2,620,591</td></tr><tr><td>9</td><td>Program service revenue (Part VIII, line 2g)</td><td>540,313,182</td></tr><tr><td>10</td><td>Investment income (Part VIII, column (A), lines 3, 4, and 7d )</td><td>6,294,525</td></tr><tr><td>11</td><td>Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)</td><td>8,153,432</td></tr><tr><td>12</td><td>Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)</td><td>557,381,730</td></tr><tr><td>13</td><td>Grants and similar amounts paid (Part IX, column (A), lines 1–3 )</td><td>1,059,841</td></tr><tr><td>14</td><td>Benefits paid to or for members (Part IX, column (A), line 4)</td><td>0</td></tr><tr><td>15</td><td>Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)</td><td>194,983,470</td></tr><tr><td>16a</td><td>Professional fundraising fees (Part IX, column (A), line 11e)</td><td>0</td></tr><tr><td>b</td><td>Total fundraising expenses (Part IX, column (D), line 25) 0</td><td></td></tr><tr><td>17</td><td>Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)</td><td>335,762,456</td></tr><tr><td>18</td><td>Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)</td><td>531,805,767</td></tr><tr><td>19</td><td>Revenue less expenses Subtract line 18 from line 12</td><td>25,575,963</td></tr></table>		Prior Year	Current Year	8	Contributions and grants (Part VIII, line 1h)	2,620,591	9	Program service revenue (Part VIII, line 2g)	540,313,182	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d )	6,294,525	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	8,153,432	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	557,381,730	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3 )	1,059,841	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	194,983,470	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	b	Total fundraising expenses (Part IX, column (D), line 25) 0		17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	335,762,456	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	531,805,767	19	Revenue less expenses Subtract line 18 from line 12	25,575,963
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Part II

Signature Block

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

Sign Here

Signature of officer

Troy Hammet CFO

2016-05-16

Date

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name

Donald Neal Jr

Preparer's signature

Donald Neal Jr

Date

Check ☐ if self-employed

PTIN

P00798244

Firm's name

Catholic Health Initiatives

Firm's EIN

47-0617373

Phone no

(303) 298-9100

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes

☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2014)

Part III

Statement of Program Service Accomplishments

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

1

Briefly describe the organization’s mission

The mission of the Corporation is to nurture the healing ministry of the Church, supported by education and research Fidelity to the Gospel urges the Corporation to emphasize human dignity and social justice as it creates healthier communities (continued in schedule O)

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

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?

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 \$ 523,617,174 including grants of \$ 40,293,152 ) (Revenue \$ 586,170,194 )

SEE SCHEDULE H

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 523,617,174

Part IV

Checklist of Required Schedules

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> 	Yes	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? 	Yes	
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		No
<b>4</b> <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> 	Yes	
<b>5</b> 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? <i>If "Yes," complete Schedule C, Part III</i>		No
<b>6</b> 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? <i>If "Yes," complete Schedule D, Part I</i>		No
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		No
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		No
<b>9</b> 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? <i>If "Yes," complete Schedule D, Part IV</i>		No
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		No
<b>11</b> 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		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> 	Yes	
<b>b</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? <i>If "Yes," complete Schedule D, Part VII</i> 	Yes	
<b>c</b> 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? <i>If "Yes," complete Schedule D, Part VIII</i>		No
<b>d</b> 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? <i>If "Yes," complete Schedule D, Part IX</i>		No
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> 	Yes	
<b>f</b> 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)? <i>If "Yes," complete Schedule D, Part X</i> 	Yes	
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		No
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> 	Yes	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		No
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?		No
<b>b</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? <i>If "Yes," complete Schedule F, Parts I and IV</i>		No
<b>15</b> 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? <i>If "Yes," complete Schedule F, Parts II and IV</i>		No
<b>16</b> 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? <i>If "Yes," complete Schedule F, Parts III and IV</i>		No
<b>17</b> 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? <i>If "Yes," complete Schedule G, Part I</i> (see instructions)		No
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		No
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		No
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> 	Yes	
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? 	Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	21	Yes	
22	Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> . . . . .	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .	24d		
25a	<b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25b		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i> . . . . .	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> . . . . .	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	35b	Yes	
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> 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.		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.		
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	Yes	
3b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		No
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for 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?		No
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
5c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		No
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
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?		No
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
7d	If "Yes," indicate the number of Forms 8282 filed during the year.		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	<b>Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9a	Did the sponsoring organization make any taxable distributions under section 4966?		
9b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	<b>Section 501(c)(7) organizations.</b> Enter		
10a	Initiation fees and capital contributions included on Part VIII, line 12.		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	<b>Section 501(c)(12) organizations.</b> Enter		
11a	Gross income from members or shareholders.		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		
12a	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
13	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
13a	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.		
13b	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.		
13c	Enter the amount of reserves on hand.		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

Part VI

Governance, Management, and Disclosure

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O		
b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	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	No
b	Other officers or key employees of the organization	15b	Yes
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	No

Section C. Disclosure

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

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

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)	4,977,461	5,208,091	862,170

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization130

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
BRASFIELD & GORRIE LLC 2748 MARY TAYLOR ROAD BIRMINGHAM, AL 35210	CONSTRUCTION	16,786,724
XANITOS INC PO BOX NO 95000-3290 PHILADELPHIA, PA 19195	CLEANING SERVICES	5,073,518
Americn Anesthesiology of TN 2341 MCCALLIE AVENUE SUITE 402 CHATTANOOGA, TN 374213239	PHYSICIAN SERVICES	1,989,200
Clarus Linen 60 Grider St Buffalo, NY 14215	laundry services	1,672,750
PamI LLC PO Box 2720 Spokane, WA 992204002	pathology services	851,234
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	39	

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	0	2,424,788			
	b	Membership dues . . . . . 1b	0				
	c	Fundraising events . . . . . 1c	0				
	d	Related organizations . . . . . 1d	2,327,028				
	e	Government grants (contributions) 1e	6,938				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	90,822				
	g	Noncash contributions included in lines 1a-1f \$	0				
	h	Total. Add lines 1a-1f . . . . .					
Program Service Revenue			Business Code				
	2a	Equity changes of unconsolidated orgs	900099	166,634	166,634	0	0
	b	Rental Income	900099	4,461,537	4,461,537	0	0
	c	Patient Services	900099	549,674,035	542,056,216	7,617,819	0
	d			0	0	0	0
	e			0	0	0	0
	f	All other program service revenue		39,485,807	39,485,807	0	0
	g	Total. Add lines 2a-2f . . . . .		593,788,013			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . .		3,937,733	0	-6,921	3,944,654
	4	Income from investment of tax-exempt bond proceeds . . . . .		0	0	0	0
	5	Royalties . . . . .		0	0	0	0
			(i) Real	(ii) Personal			
	6a	Gross rents	3,000	0			
	b	Less rental expenses	4,658	0			
	c	Rental income or (loss)	-1,658	0			
	d	Net rental income or (loss) . . . . .		-1,658			
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	2,493,307	149,100			
	b	Less cost or other basis and sales expenses	0	315,144			
	c	Gain or (loss)	2,493,307	-166,044			
	d	Net gain or (loss) . . . . .		2,327,263			
	8a	Gross income from fundraising events (not including \$ 0 of contributions reported on line 1c) See Part IV, line 18 . . . . . a			0		
	b	Less direct expenses . . . . . b	0				
	c	Net income or (loss) from fundraising events . . . . .		0			
	9a	Gross income from gaming activities See Part IV, line 19 . . . . . a			0	0	
	b	Less direct expenses . . . . . b	0				
	c	Net income or (loss) from gaming activities . . . . .		0			
	10a	Gross sales of inventory, less returns and allowances . . . . . a			0	0	
	b	Less cost of goods sold . . . . . b	0				
	c	Net income or (loss) from sales of inventory . . . . .		0			
	Miscellaneous Revenue		Business Code				
	11a	Services Sold	900099	1,698,035	0	470,960	1,227,075
	b	Pharmacy Services	446110	5,290,995	0	5,290,995	0
	c	Laboratory Services	621500	1,239,048	0	0	1,239,048
	d	All other revenue . . . . .		2,198,898	0	0	2,198,898
	e	Total. Add lines 11a-11d . . . . .		10,426,976			
	12	Total revenue. See Instructions . . . . .		612,903,115	586,170,194	13,372,853	10,935,280

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.	471,085	471,085		
2	Grants and other assistance to domestic individuals. See Part IV, line 22.	39,822,067	39,822,067		
3	Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16.				
4	Benefits paid to or for members.				
5	Compensation of current officers, directors, trustees, and key employees.	1,053,931	770,301	283,630	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
7	Other salaries and wages.	155,145,774	131,129,824	24,015,950	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	7,636,992	6,448,892	1,188,100	
9	Other employee benefits.	23,656,920	19,976,715	3,680,205	
10	Payroll taxes.	10,761,209	9,087,116	1,674,093	
11	Fees for services (non-employees):				
a	Management.	1,495,622		1,495,622	
b	Legal.	1,057,593		1,057,593	
c	Accounting.	15,696,953		15,696,953	
d	Lobbying.	89,589		89,589	
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.				
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	48,313,512	48,313,512	0	0
12	Advertising and promotion.	1,560,818	1,560,818		
13	Office expenses.	8,660,703	7,832,347	828,356	
14	Information technology.	24,157,603	24,157,603		
15	Royalties.				
16	Occupancy.	12,294,089	12,294,089		
17	Travel.	378,252		378,252	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	108,908		108,908	
20	Interest.	10,888,267	10,888,267		
21	Payments to affiliates.	11,760,107		11,760,107	
22	Depreciation, depletion, and amortization.	29,173,244	29,173,244		
23	Insurance.	2,508,002	2,508,002		
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.	126,381,784	126,381,784		
b	Bad debts.	24,282,490	24,282,490		
c	State Provider Tax.	18,256,275	18,256,275		
d	Repairs and maintenance.	3,675,365	3,675,365		
e	All other expenses.	6,587,378	6,587,378	0	0
25	<b>Total functional expenses.</b> Add lines 1 through 24e.	585,874,532	523,617,174	62,257,358	0
26	<b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		15,805	1	15,805
	2	Savings and temporary cash investments		24,017,308	2	43,799,618
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		82,169,989	4	75,269,731
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	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	
	7	Notes and loans receivable, net		223,776	7	210,397
	8	Inventories for sale or use		17,246,986	8	16,923,781
	9	Prepaid expenses and deferred charges		776,836	9	1,294,807
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a760,758,691			
	b	Less accumulated depreciation	10b350,332,230	424,310,071	10c	410,426,461
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11		175,914,238	12	180,929,039
	13	Investments—program-related See Part IV, line 11		0	13	
	14	Intangible assets		7,042,487	14	7,042,487
	15	Other assets See Part IV, line 11		10,102,128	15	14,151,924
	16	Total assets. Add lines 1 through 15 (must equal line 34)		741,819,624	16	750,064,050
Liabilities	17	Accounts payable and accrued expenses		57,817,376	17	38,713,912
	18	Grants payable			18	
	19	Deferred revenue		47,887	19	30,949
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		228,110,063	25	246,751,008
	26	Total liabilities. Add lines 17 through 25		285,975,326	26	285,495,869
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		455,844,298	27	464,568,181
	28	Temporarily restricted net assets		0	28	
	29	Permanently restricted net assets			29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		455,844,298	33	464,568,181
	34	Total liabilities and net assets/fund balances		741,819,624	34	750,064,050

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	612,903,115
2	Total expenses (must equal Part IX, column (A), line 25)	2	585,874,532
3	Revenue less expenses Subtract line 2 from line 1	3	27,028,583
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	455,844,298
5	Net unrealized gains (losses) on investments	5	-1,068,733
6	Donated services and use of facilities	6	-16,364,129
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-871,838
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	464,568,181

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2a	No
b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2b	Yes
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? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	Yes
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:** 14000329  
**Software Version:** 2014v1.0  
**EIN:** 62-0532345  
**Name:** Memorial Health Care System Inc

**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) JAMES HOBSON PRESIDENT/CEO	50 00 ..... 10 00	X		X				0	713,471	94,582
(1) CHARLES ARANT Chair	3 00 ..... 0 00	X		X				0	0	0
(2) JUDITH RALEY SCN Vice Chair	2 00 ..... 5 00	X		X				0	0	0
(3) Cornne A Allen SECRETARY	2 00 ..... 0	X		X				0	0	0
(4) Sr Gertrude Foster SCN Board member	2 00 ..... 0 00	X						0	0	0
(5) PETER BANKO Board Member	2 00 ..... 53 00	X						0	890,198	54,566
(6) John F Boxell MD Board Member / Physician	10 00 ..... 0 00	X						72,240	0	1,467
(7) CHRISTOPHER P CRIMMINS Board Member	2 00 ..... 0	X						0	0	0
(8) ROBERT GREVING BOARD MEMBER	2 00 ..... 0 00	X						0	0	0
(9) JAMES LE HILL BOARD MEMBER	2 00 ..... 0 00	X						0	0	0
(10) DOROTHY JACKSON Board Member	2 00 ..... 0	X						0	0	0
(11) CHRISTOPHER MCKEE BOARD MEMBER	2 00 ..... 0 00	X						0	0	0
(12) JOHN NASH BOARD MEMBER	2 00 ..... 0 00	X						0	0	0
(13) CYNTHIA NESSON BOARD MEMBER	2 00 ..... 0 00	X						0	0	0
(14) MARY ELIZABETH O'BRIEN SVP OPERATIONS CHI	1 00 ..... 59 00	X						0	1,187,127	39,157
(15) JAMES PESNELL BOARD MEMBER	2 00 ..... 0	X						0	0	0
(16) KATHLEEN SANFORD RN DBA FACHE Board Member	2 00 ..... 59 00	X						0	1,003,969	51,714
(17) WAYNE SCOTT BOARD MEMBER	2 00 ..... 0 00	X						0	0	0
(18) CAROLYN SMELTZER BOARD MEMBER	2 00 ..... 0 00	X						0	0	0
(19) CHRISTOPHER S ST CHARLES Board Member	2 00 ..... 0	X						44,278	0	0
(20) Mary P Tanner PHD Board Member	2 00 ..... 0 00	X						0	0	0
(21) WILLIAM WARREN MD Board Member/Cardiologist	50 00 ..... 0 00	X						712,204	0	48,814
(22) JEFFREY T WILSON Board Member	2 00 ..... 0	X						0	0	0
(23) CHERYL A SADRO SVP/CFO thru 10/31/14	50 00 ..... 3 00			X				0	321,505	47,280
(24) RICKY NAPPER Interm CEO	40 00 ..... 1 00			X				0	471,843	72,556

**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) MICHAEL SUTTON										
CFO thru 6/1/15	50 00			X				185,786	0	36,001
(1) TROY HAMMETT	50 00									
SR VP/CFO - present	1 00			X				0	0	0
(2) DEBRA MOORE	50 00									
SVP/ADMINISTRATOR OF Memorial Hospital Hixson	0 00				X			20,041	286,962	71,837
(3) ROBERT BERGLUND	50 00									
Cardiologist	0 00					X		710,062	0	42,864
(4) ERIC CONN MD	50 00									
CARDIOLOGIST	0 00					X		731,032	0	47,745
(5) GORDON GRAHAM	50 00									
Cardiologist	0 00					X		710,958	0	35,615
(6) ROBERT MILLS MD	50 00									
Cardiologist	0 00					X		707,185	0	51,486
(7) BRIAN NEGUS	50 00									
Cardiologist	0 00					X		706,700	0	47,753
(8) David Dodson MD	2 00									
Board Member / Physician	48 00						X	21,996	333,016	56,774
(9) JACQUELINE JACKSON	40 00									
Former VP SERVICE LINE ADMIN	0 00						X	218,977	0	38,332
(10) CAROL NEWTON	0 00									
Director-Integration Services/Former CFO	0 00						X	136,002	0	23,628

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](http://www.irs.gov/form990).

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization Memorial Health Care System Inc	Employer identification number 62-0532345
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Part I

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

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

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E )
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state \_\_\_\_\_
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II )
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II )
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III )
- 10

☐

An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 11

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

Enter the number of supported organizations . . . . . \_\_\_\_\_
- g

Provide the following information about the supported organization(s)

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



Part II

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part VI )						
11 Total support Add lines 7 through 10						
12 Gross receipts from related activities, etc (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here . . . . .						▶

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

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶						

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

Section D. Computation of Investment Income Percentage			
17 Investment income percentage for 2014 (line 10c, column (f) divided by line 13, column (f))	17		
18 Investment income percentage from 2013 Schedule A, Part III, line 17	18		
19a 33 1/3% support tests—2014. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶			
b 33 1/3% support tests—2013. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶			
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶			

Part IV Supporting Organizations

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

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No," describe in <b>Part VI</b> 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 <b>Part VI</b> 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 <b>Part VI</b> 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 <b>Part VI</b> 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 <b>Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b	
c <b>Substitutions only.</b> 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 <b>Part VI</b> .	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 <b>Part VI</b> .	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 <b>Part VI</b> .	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 <b>Part VI</b> .	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 <b>Part VI</b> how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in <b>Part VI</b> how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised or controlled the supporting organization.		

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally-Integrated Supporting Organizations

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

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

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

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

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

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

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

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

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

**Facts And Circumstances Test**

Return Reference

Explanation

SCHEDULE 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 Memorial Health Care System Inc	Employer identification number 62-0532345
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1	Provide a description of the organization's direct and indirect political campaign activities in Part IV	
2	Political expenditures	▶ \$
3	Volunteer hours	

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

1	Enter the amount of any excise tax incurred by the organization under section 4955	▶ \$
2	Enter the amount of any excise tax incurred by organization managers under section 4955	▶ \$
3	If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If "Yes," describe in Part IV	

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

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	▶ \$
2	Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities	▶ \$
3	Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b	▶ \$
4	Did the filing organization file <b>Form 1120-POL</b> for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

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



Part II-A

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

- A
- Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B
- Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No													

4-Year Averaging Period Under section 501(h)  
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the 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)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		21,938
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		12,534
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		55,117
j	Total. Add lines 1c through 1i.			89,589
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, Line 1 DETAILED DESCRIPTION OF THE LOBBYING ACTIVITY	B Paid staff attended community forums, various community activities, strategic planning sessions and attended other legislative meetings. F The portion of the organizations' dues that are related to lobbying are as follows: American Hospital Association(AHA) - \$3,718, Catholic Health Association (CHA) - \$1,161 and Tennessee Hospital Association(THA)- \$17,059. G Attended the Catholic Health Advocacy Day on the Hill and hosted a site visit with Tennessee Senatorial Health Legislative Assistants. I The Ingram Group, Health Care Advocacy, Public Relations, Health Community, and Strategic Planning.

[illegible]

SCHEDULE D  
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2014

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

► 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](http://www.irs.gov/form990).

Name of the organization Memorial Health Care System Inc	Employer identification number  62-0532345
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Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate value of contributions to (during year)	
3	Aggregate value of grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

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

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area  
☐ Protection of natural habitat ☐ Preservation of a certified historic structure  
☐ Preservation of open space

2

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

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

3

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

4

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

5

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

☐ Yes ☐ No

6

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

7

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

8

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

☐ Yes ☐ No

9

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

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

1a

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

b

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

(i) Revenue included in Form 990, Part VIII, line 1

► \$

(ii) Assets included in Form 990, Part X

► \$

2

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

a

Revenue included in Form 990, Part VIII, line 1

► \$

b

Assets included in Form 990, Part X

► \$

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

Cat No 52283D

Schedule D (Form 990) 2014

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

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

b ☐ Scholarly research

c ☐ Preservation for future generations

d ☐ Loan or exchange programs

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

☐ Yes ☐ No

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

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

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

d Additions during the year

e Distributions during the year

f Ending balance

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

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

☐

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

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

b Permanent endowment ▶

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

(ii) related organizations . . . . .

	Yes	No
3a(i)		
3a(ii)		
3b		
- b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? . . . . .
- 4 Describe in Part XIII the intended uses of the organization's endowment funds

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

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .		14,525,628		14,525,628
b Buildings . . . . .		441,483,208	120,691,585	320,791,623
c Leasehold improvements . . . . .		1,110,942	849,738	261,204
d Equipment . . . . .		282,321,408	220,915,818	61,405,590
e Other . . . . .		21,317,505	7,875,089	13,442,416
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) . . . . .				410,426,461



**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.

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

**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.

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

**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 X, Line 2 FIN 48 (ASC 740) FOOTNOTE	MEMORIAL HEALTH CARE SYSTEM'S financial information is included in the consolidated audited financial statements of Catholic Health Initiatives (CHI), a related organization. CHI's FIN 48 (ASC 740) footnote for the year ended June 30, 2015, reads as follows: "CHI is a tax-exempt Colorado corporation and has been granted an exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code. CHI owns certain taxable subsidiaries and engages in certain activities that are unrelated to its exempt purpose and therefore subject to income tax. Management reviews its tax positions annually and has determined that there are no material uncertain tax positions that require recognition in the accompanying consolidated financial statements."

[illegible]



SCHEDULE H  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization  
Memorial Health Care System Inc

Employer identification number  
62-0532345

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a . . . .	1a	Yes	
b	If "Yes," was it a written policy? . . . . .	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year  a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %  b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care . . . . . <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %  c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care	3a		No
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 eligible 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) . . . .		8,432	7,991,036	0	7,991,036	1 42 %
b Medicaid (from Worksheet 3, column a) . . . . .		14,487	21,707,533	12,805,115	8,902,418	1 59 %
c Costs of other means-tested government programs (from Worksheet 3, column b) .					0	0 %
d <b>Total</b> Financial Assistance and Means-Tested Government Programs .	0	22,919	29,698,569	12,805,115	16,893,454	3 01 %
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . .	13	2,470	1,661,093	31,686	1,629,407	0 29 %
f Health professions education (from Worksheet 5) . . . .	5	710	2,522,376		2,522,376	0 45 %
g Subsidized health services (from Worksheet 6) . . . .	6	13,073	21,183,872	17,305,418	3,878,454	0 69 %
h Research (from Worksheet 7)	2	0	532,271	88,396	443,875	0 08 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)	5	1,603	1,000,113	0	1,000,113	0 18 %
j <b>Total</b> Other Benefits . . . .	31	17,856	26,899,725	17,425,500	9,474,225	1 69 %
k <b>Total.</b> Add lines 7d and 7j .	31	40,775	56,598,294	30,230,615	26,367,679	4 70 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing					0	0 %
2Economic development	1		9,078		9,078	0 %
3Community support	6	600	1,055,140		1,055,140	0 19 %
4Environmental improvements					0	0 %
5Leadership development and training for community members					0	0 %
6Coalition building	1		312		312	0 %
7Community health improvement advocacy					0	0 %
8Workforce development					0	0 %
9Other					0	0 %
10Total	8	600	1,064,530	0	1,064,530	0 19 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

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

1Yes

No

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

224,282,490

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

30

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

Section B. Medicare

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

5172,393,817

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

6176,216,608

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

7-3,822,791

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

☐ Cost accounting system

☒ Cost to charge ratio

☐ Other

Section C. Collection Practices

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

9aYes

No

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

9bYes

No

Part IVManagement Companies and Joint Ventures

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1 BERYWOOD OFFICE PROP	PHYSICIAN OFFICE BUILDING	63 %		37 %
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

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

	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 <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> Other (describe in 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	No
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 <input type="checkbox"/> Hospital facility's website (list url)		
b <input type="checkbox"/> Other website (list url)		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> 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	No
a If "Yes" (list url)		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b	Yes
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	12a	No
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b	
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V

Facility Information (continued)

Name of hospital facility or letter of facility reporting group

A

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

Part V

Facility Information (continued)

A

Name of hospital facility or letter of facility reporting group

	Yes	No
<div>19</div> <div>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? . . . . .</div> <div>If "Yes," check all actions in which the hospital facility or a third party engaged</div> <div><div>a</div><div><input type="checkbox"/></div><div>Reporting to credit agency(ies)</div></div> <div><div>b</div><div><input type="checkbox"/></div><div>Selling an individual's debt to another party</div></div> <div><div>c</div><div><input type="checkbox"/></div><div>Actions that require a legal or judicial process</div></div> <div><div>d</div><div><input type="checkbox"/></div><div>Other similar actions (describe in Section C)</div></div> <div>20</div> <div>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)</div> <div><div>a</div><div><input checked="" type="checkbox"/></div><div>Notified individuals of the financial assistance policy on admission</div></div> <div><div>b</div><div><input checked="" type="checkbox"/></div><div>Notified individuals of the financial assistance policy prior to discharge</div></div> <div><div>c</div><div><input checked="" type="checkbox"/></div><div>Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills</div></div> <div><div>d</div><div><input checked="" type="checkbox"/></div><div>Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy</div></div> <div><div>e</div><div><input type="checkbox"/></div><div>Other (describe in Section C)</div></div> <div><div>f</div><div><input type="checkbox"/></div><div>None of these efforts were made</div></div>	19	No
<div>Policy Relating to Emergency Medical Care</div>		
<div>21</div> <div>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? . . . . .</div> <div>If "No," indicate why</div> <div><div>a</div><div><input type="checkbox"/></div><div>The hospital facility did not provide care for any emergency medical conditions</div></div> <div><div>b</div><div><input type="checkbox"/></div><div>The hospital facility's policy was not in writing</div></div> <div><div>c</div><div><input type="checkbox"/></div><div>The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)</div></div> <div><div>d</div><div><input type="checkbox"/></div><div>Other (describe in Section C)</div></div>	21	Yes
<div>Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)</div>		
<div>22</div> <div>Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care</div> <div><div>a</div><div><input type="checkbox"/></div><div>The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged</div></div> <div><div>b</div><div><input type="checkbox"/></div><div>The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged</div></div> <div><div>c</div><div><input type="checkbox"/></div><div>The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged</div></div> <div><div>d</div><div><input checked="" type="checkbox"/></div><div>Other (describe in Section C)</div></div> <div>23</div> <div>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? . . . . .</div> <div>If "Yes," explain in Section C</div> <div>24</div> <div>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? . . . . .</div> <div>If "Yes," explain in Section C</div>	23	No
	24	No

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? 5

Name and address	Type of Facility (describe)
<b>1</b> MEMORIAL HEART INSTITUTE 2051 HAMILL ROAD HIXSON, TN 37343	CARDIAC PHYSICIAN PRACTICE
<b>2</b> MEMORIAL OOLTEWAH IMAGING CENTER 6401 MOUNTAIN VIEW ROAD OOLTEWAH, TN 37363	OUTPATIENT IMAGING CENTER
<b>3</b> Berywood Office Properties LLC 2501 Citico avenue Chattanooga, TN 37404	Physician Office Building
<b>4</b> MEMORIAL HEART INSTITUTE 2501 CITICO AVE CHATTANOOGA, TN 37404	CARDIAC PHYSICIAN PRACTICE
<b>5</b> MEMORIAL HEART INSTITUTE 400 BERRYWOOD TRAIL SUITE A CLEVELAND, TN 37312	CARDIAC PHYSICIAN PRACTICE
<b>6</b>	
<b>7</b>	
<b>8</b>	
<b>9</b>	
<b>10</b>	



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 Lines 2 & 5 COMMUNITY BENEFIT NARRATIVE AND NEEDS ASSESSMENT	<p>INTRODUCTION Memorial Health Care System Inc ("MHCS") is part of Catholic Health Initiatives ("CHI"), a national health care system established to foster a more effective ministry of faith-based healthcare in the United States The mission of MHCS and CHI is to nurture the healing ministry of the Church by bringing it new life, energy and viability in the 21st century Both MHCS and CHI are committed to fidelity to the Gospel, with emphasis on human dignity and social justice in the creation of healthier communities MHCS is primarily made up of two hospitals, Memorial Hospital and Memorial Hixson Hospital Memorial Hospital opened its doors on January 2, 1952 in response to concerns about the severe shortage of hospital beds in the community From the beginning, when Memorial Hospital was established and the Sisters of Charity of Nazareth put forth their commitment to provide leadership to the operations of the hospital, the care of the poor and quality health care for the entire community was central to our mission Memorial Hixson Hospital joined MHCS when it was purchased February 1, 1998 and has adopted the same commitment to excellent health care to everyone in the community MHCS is one of the Southeast's leading medical systems and the regions preeminent provider of cardiac and cancer care with centers of excellence in surgery and orthopedics MHCS hospitals have been named one of the nation's 100 Top Hospitals six times by Thomson Reuters, the health care industry's leading source of information on hospital quality According to Thomson's research, facilities named to the annual 100 Top Hospitals roster outperform their peers in quality, safety and efficiency Community Needs Assessment Memorial Health Care System assessed the needs of the community served by Memorial Hospital and Memorial Hixson Hospital during the year by consulting with Board members, other health related organizations, and community outreach organizations Initially eight counties were included in the original needs assessment The community needs assessment had several key findings The Community Needs Assessment of 2010 showed the following as significant health issues within our community health care access, heart disease, cancer, stroke, chronic lower respiratory diseases, diabetes, Alzheimer's disease, smoking, obesity, hypertension, high cholesterol, and violence (violent crimes and domestic violence) The updated Community Health Needs Assessment of March, 2013 revealed that some of the same health issues continue to be a concern for our community while surfacing a few differences from the assessment of three years ago The recent assessment listed the following as major health issues of the community we serve</p> <ul style="list-style-type: none"><li>* Cardiovascular Health - Heart disease is the leading causes of death in all of the counties Mortality rates for heart disease are also significantly higher in the area Rates are consistent with high risk factor percentages related to obesity, diet, smoking, and exercise</li><li>* Cancer - Cancer is the second leading cause of death in the counties, and most of the counties have higher rates than those of the nation Rates for breast and lung cancer are especially high</li><li>* Respiratory Disease - This is the third leading cause of death in the counties All are higher than the national rate This is consistent with the smoking rate</li><li>* Diabetes - Mortality rates and prevalence rates are high for diabetes, which contributes to heart disease</li><li>* Low Birth Weight Infants - The rates for the area remain high, especially for Hamilton County</li><li>* Risk Factors - Risk factors are high for obesity, smoking, diet, and exercise These are factors that contribute to heart disease, diabetes, cancer, and infant health Poor dental health is also a risk factor for other diseases</li><li>* Minority Health - African American mortality rates for heart disease, cancer (especially prostate and breast cancer) are high Diabetes mortality rates for African Americans are more than three times that of Whites in Hamilton County, and rates for low birth weight infants are twice that of whites</li><li>* Hispanic/Latino Health - The growing Hispanic/Latino population will bring about new health needs Currently Whitfield County has a higher percentage of diabetes, which is consistent with the higher percentage of Hispanics/Latinos in the community This group also has a high rate of being uninsured, which indicates access issues</li></ul>

Form and Line Reference	Explanation
Schedule H, Part VI LINES 2 & 5 CONTINUATION 1	<p>In summary, MHCS serves a community that is predominately white but contains some areas comprised of relatively large percentages of African Americans and Hispanics/Latinos. It is important to consider health care issues within these two groups. Hispanics/Latinos, for example, are known to have higher rates of diabetes, obesity, and HIV, among other conditions. Mayans, which comprise a large segment of the Guatemalan population, have been found to have a difficult time navigating the United States Health Care System and fail to access such basic services as childhood immunizations. African Americans experience higher rates of several cancers as well as diabetes. It is also important to consider the needs of an older population since the number of older individuals is increasing in most of the counties. Finally, disparities related to income are also likely to exist among minority populations. Tax Exempt Purpose MHCS is a faith based, tax-exempt 501(c)(3) organization that provides medical care to all regardless of their ability to pay. Our tax exempt status is substantiated by its inclusion in the Official Catholic Directory as a tax-exempt hospital. Community services have always been a significant part of MHCS. Each year, services and programs offered to the community are evaluated and expanded to promote increased access to healthcare and healthier communities that targets chronic disease prevention and management for vulnerable and underserved populations. To enhance the health status of Chattanoogaans, MHCS focuses on the whole person including the person's spiritual, emotional, and physical well-being. In accordance with its mission and philosophy, MHCS commits substantial resources to sponsor a broad range of services to both the poor as well as the broader community. Benefits for the poor include the cost of providing services to individuals who are unable to afford health care due to inadequate resources and/or those that are uninsured or underinsured. Benefits for the poor include traditional charity care, unpaid costs of Medicaid, subsidized or free health services, and cash and in-kind donations to organizations that serve the poor. The amounts reported reflect the costs of these services, net of contributions, government payments and other revenues received as direct assistance. Community benefits provided to the broader community includes the costs of providing services to other populations who may not qualify as poor but may need special services and support. Benefits to the broader community include health promotion and education, health fairs and screenings, unpaid costs of training health professionals such as medical residents, nursing students and students in allied health professions, cash and in-kind donations to organizations that serve the broader community, and the unpaid costs of testing medical equipment and controlled studies of therapeutic protocols. In fiscal year 2015, MHCS provided community benefits and community building activities to approximately 41,375 people at a total cost of \$57,662,824. Donations, grants, and other receipts totaling \$30,230,615 were available as direct offsets to these costs. Emergency Room: MHCS operates a 24-hour emergency room 365 days per year at both Memorial and Memorial Hixson Hospitals. Both emergency rooms are open to all individuals regardless of ability to pay. MHCS has an open medical staff, participates in Medicare and Medicaid, and has an active charity care program. During FY 2015, over 81,115 patients visited one of these emergency rooms. Memorial Hospital's emergency room is a Level 3 Certified Chest Pain Center. This is important for a hospital that focuses on cardiac care where every minute counts when patients are experiencing chest pain.</p>

Form and Line Reference	Explanation
Schedule H, Part VI LINES 2 & 5 CONTINUATION 2	<p>Uncompensated Care Charity care is the cost of care of uninsured or underinsured, low-income patients who are not expected to pay all of a bill, or who are able to pay only a portion using an income-related scale. Those receiving charity care are not eligible for public programs such as TennCare. MHCS has a charity care policy, which assures that all persons receive medically necessary hospital services regardless of their ability to pay. MHCS provides a significant level of charity care each year. In FY 2015, the cost of charity care was \$7,911,036. Additionally, MHCS provided unreimbursed costs in the amount of \$8,902,418 for patients who qualified for the TennCare program. In FY 2015, MHCS classified charity and unreimbursed TennCare costs for reporting purposes in a manner consistent with a standardized approach developed by CHI for reporting and budgeting benefits provided to the community. Community Outreach for the Poor Prescription Drug Program MHCS provides prescription drugs to those who cannot afford to purchase them. In FY 2015 MHCS provided \$117,497 in free prescription drugs. We also provide funding to the Epilepsy Foundation for them to help epileptic patients with medications they cannot afford. Pharmaceutical Assistance Programs MHCS has partnered with Dispensary of Hope, a national organization that helps qualifying uninsured patients obtain necessary medications and other pharmaceutical assistance programs. MHCS is one of 80 Dispensary of Hope sites that redistribute pharmaceuticals that have been received as a donation from physicians, distributors, and manufacturers. Patients are made aware of this program through physicians, case managers, nurses and other caregivers. MHCS was able to assist 1,113 individuals receive their prescription drugs through Dispensary of Hope and other programs. MHCS incurred \$126,775 in expenses related to this program.</p> <p>Homeless Health Care Clinic The Homeless Health Care Clinic provides comprehensive health care to homeless men, women, and children. The clinic staff goes to abandoned buildings, campsites and shelters looking for homeless people who may need medical attention. Many homeless people are afraid to talk to people or leave their familiar surroundings. The clinic provides them with blankets and warm clothes in the winter and water in the summer. Memorial Hospital assists the homeless by providing free lab tests and funds a nursing position in the amount of \$51,400.</p> <p>Free Laboratory Tests MHCS provides free lab tests to the Samaritan Center, Homeless Health Care Clinic, Volunteers in Medicine, Project Access, Northshore Clinic, and Westside Clinic for those patients without insurance or adequate means to pay. Lab tests provided in FY 2015 totaled \$284,880 and served 7,237 people.</p> <p>Catholic Charities MHCS provided \$43,000 in FY 2015 to Catholic Charities to help fund their Senior Services, The Home Place, and Immigrant Services. Interfaith Senior Services provides assistance to seniors in the form of transportation, personal contact, and clerical assistance to help them retain their independence. The Home Place is an independent living facility with a mission to provide affordable housing for the homeless living with HIV/AIDS. Immigration Services provides counseling and assistance in immigration matters which is an affordable alternative to using an attorney to assist and also provides referrals for social services and translation services.</p>

Form and Line Reference	Explanation
Schedule H, Part VI LINES 2 & 5 CONTINUATION 3	<p>Project Access Project Access is a referral network that offers access to medical care for low-income residents of Hamilton County who do not have insurance. Patients enrolled in this program must be below 150% of the poverty level and cannot be eligible for health insurance or other medical benefits such as Medicare or TennCare. Project Access helps patients get specialty health care that primary clinics may not be able to provide. Individuals that qualify are eligible for specialty care for three months and primary care for six months. Patients are also provided a prescription card that will allow them to get their medication with a \$5.00 co-pay. Memorial Hospital participates as a provider in this network. Costs associated with this program are reported in the Prescription Drug Program, Free Laboratory Tests and the Cost of Charity Care.</p> <p>Emergency Sitting Services MHCS provides emergency sitting services at no cost to families of patients who are unable to afford to have someone stay with the patient. This service is available when it has been determined that the patient does not need to be left alone for safety reasons. In FY2015 costs associated with providing this service were \$309,781.</p> <p>Community Outreach for the Broader Community Nurse Navigation MHCS has a nurse navigation program for oncology patients and congestive heart failure patients. Nurses help these patients navigate through their diagnosis and treatment by helping the patient access services in a timely manner, overcome barriers to quality care, provide education and knowledge to the patient about their illness, answer questions the patient has, serve as a liaison between the physician and patient. Nurse navigators work within the multidisciplinary cancer team as a patient advocate, care provider, educator, counselor, and facilitator. In FY 15, the nurse navigator program cost \$196,405.</p> <p>Hospice Unit Memorial Health Care System provides inpatient services to the different hospice organizations for hospice patients requiring inpatient care. The total cost of this program for FY 2015 was \$506,154. Funding for Hospice Patients of \$340,333 was received in FY2015 to help offset these expenses to treat 375 patients.</p> <p>Diabetes Nutrition Center The Diabetes Nutrition Center at Memorial Hospital provides many services to people with diabetes that are not covered by insurance. This center focuses on self-management and providing education to patients on diet and nutrition and other skills to help the patient better manage their disease. In FY 2015, this program incurred \$334,644 in unreimbursed costs for 2342 patients.</p> <p>Cancer Resource Center MHCS has developed a program to help cancer patients and their families cope, offering them the latest information about cancer care. Whether an individual has just been diagnosed or has a family member with cancer, the oncology professionals at the Cancer Resource Center can answer questions or help individuals understand their options regardless of where they go for treatment. You can learn about financial resources, screening opportunities, the most current clinical trials, and support groups and seminars offered to patients, family, and friends. The Cancer Resource Center also offers a Healing Arts program to enhance the healing and provide alternative approaches to coping. None of the services are billed to the patient and few qualify for insurance reimbursement. In FY 2015 the cost of this program was \$689,974.</p> <p>Mobile Mammography Coach MHCS operates a Mobile Mammography Coach that services 31 counties in Southeast Tennessee, Northwest Georgia and Northeast Alabama. In these counties minorities, uninsured, underinsured, homeless and sheltered women are given the opportunity to receive Breast Services that would normally not be available. No charge cancer risk counseling as well as lifestyle modifications to reduce the risk of cancer are also made available through the coach. In FY2015 4,293 patients were seen on the Mobile Coach. Unreimbursed costs for the Mobile Coach and other Breast Services totaled \$124,787 for FY 2015.</p> <p>United Way MHCS has an annual campaign for United Way which consists of several events for associates during the Fiscal Year. The staff cost to put on these events is approximately \$10,684. The donations made by associates to the United Way help fund local community organizations. In addition to the employee campaign, Memorial Hospital also provides support through a corporate donation totaling \$25,000.</p> <p>Goodwill In FY 15, we donated \$10,000 to Goodwill to fund their medical equipment program. This program refurbishes medical equipment and provides it to people who cannot afford to rent or purchase the equipment.</p> <p>Support Groups MHCS offers a wide variety of support groups for patients and the broader community. Support groups meeting at MHCS include groups dealing with various cancer diagnosis, caregivers for Alzheimers family members, weight management and bariatrics, diabetes, ostomy patients.</p>

Form and Line Reference	Explanation
Schedule H, Part VI LINES 2 & 5 CONTINUATION 3	ients, nicotine anonymous, and grief support Some of these groups have a staff member who leads the groups and others are self led The salary costs associated with groups led by a staff member are \$4,160 Notre Dame High School MHCS provides financial aid to students from the immediate community to attend Notre Dame High School Notre Dame High School is a private school that is about 2 miles from Memorial Hospital Applicants are required to c omplete an application as well as write an essay to determine if they are eligible for a s cholarship The applications and essays are reviewed by an internal committee, scholarship s are then awarded to students based upon the recommendation of the committee In FY 2015 MHCS provided 3 students with partial scholarships which totaled \$10,000 Research Program s MHCS is active in researching new treatment protocols and determining all the alternativ es available to both our cardiac and cancer patients In FY 2015, Memorial spent \$28,868 o n research programs that were not funded by an outside organization Health Care Student E ducation MHCS serves as a clinical education site for health care students by providing ha nds on training in Nursing, Physical Therapy, Pharmacy, Lab and Surgery With nursing shor tages projected to increase with aging baby boom population, MHCS feels very strongly abou t educating our future healthcare professionals Memorial also provides a program for empl oyees to further their education and receive tuition reimbursement Expenses related to st udent education and tuition reimbursement were \$2,522,376 during FY 2015 Contributions MH CS receives some community support from donations that helps fund research and education, capital expansion and renovation, indigent care, new equipment and operating cost The val ue of this community support is returned to the community through lower costs in patient c are programs and community services described throughout this document

Form and Line Reference	Explanation
Schedule H, Part I, Line 3c Eligibility criteria for free or discounted care	When Catholic Health Initiatives (the ultimate parent organization to MHCS established its financial assistance policy it was determined that establishing a household income scale based on the HUD very low income guidelines more accurately reflects the socioeconomic dispersions among urban and rural communities in 18 states served by CHI hospitals and health care facilities. In comparing HUD guidelines to the Federal Poverty Guidelines (FPG), we find that on average HUD guidelines compute to approximately 200% to 250% (and sometimes 300%) of FPG. MHCS bases its financial assistance eligibility on HUD's 130% of Very Low Income Guidelines based on geography, and affords the uninsured and underinsured the ability to obtain financial assistance write-offs, based on a sliding scale, ranging from 25%-100% of charges.

Form and Line Reference	Explanation
Schedule H, Part I, Line 7g Subsidized Health Services	There are no Physician Clinics included in subsidized health services

Form and Line Reference	Explanation
Schedule H, Part I, Line 7 Bad Debt Expense excluded from financial assistance calculation	24282490



Form and Line Reference	Explanation
Schedule H, Part I, Line 7 Costing Methodology used to calculate financial assistance	The cost-to-charge ratio for the year ended 6/30/15 was computed using a cost report methodology This resulted in a overall cost to charge ratio of 23.3% Worksheet 2 was not used to derive the cost-to-charge ratio

Form and Line Reference	Explanation
Schedule H, Part III, Line 2 Bad debt expense - methodology used to estimate amount	<p>(A) Memorial Health Care System (MHCS) is included in the audited financial statements of its parent organization, Catholic Health Initiatives and does not issue separate audited financial statements, thus there is no footnote. Bad debt expense reported on the MHCS unaudited financial statements represents an estimate of bad debts based on historical collection results. It does not represent actual write-offs incurred during the period. The provision for bad debts is based upon management's assessment of historical and expected net collections, taking into consideration historical business and economic conditions, trends in health care coverage, and other collection indicators. Management routinely assesses the adequacy of the allowance for uncollectible accounts based upon historical write-off experience by payor category. The results of these reviews are used to modify, as necessary, the provision for bad debts and to establish appropriate allowances for uncollectible net patient accounts receivable. After satisfaction of amounts due from insurance, CHI follows established guidelines for placing certain balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by each facility. The provision for bad debts is presented on the consolidated statements of operations as a deduction from patient services revenues (net of contractual allowances and discounts) since CHI accepts and treats substantially all patients without regard to the ability to pay. (B) When discounts are extended to self-pay patients, these patient account discounts are recorded as a reduction in revenue, not as bad debt expense. All patients that do not have insurance receive a discount that is calculated each year as 150% of the cost to charge ratio in accordance with Tennessee State Code. This discount is applied to the patients account prior to billing and is treated as an adjustment to net patient revenue in the same manner as a managed care discount. The provision of this discount to all patients without insurance lowers the amount that is billed to the patient and reduces the amount of any subsequent bad debt expense. In fiscal year 2015, self-pay discounts were \$17.5 million representing \$4.1 million at cost. Memorial Health Care System uses a number of processes as described in Part VI, Item 3 below to identify who can and cannot afford to pay. Patients who are unable to pay are identified in advance of billing or during the billing and collection process, particularly those who are medically indigent or underinsured. At any time in the process that a patient is determined to be eligible for charity care, the patient is re-classified from bad debt and all billing and collection efforts are discontinued. In spite of the best efforts of Memorial Health Care System, some patients do not self-identify as needing assistance or provide enough information to allow the hospital to determine their eligibility and remain classified as bad debt. We are unable to accurately estimate the amount of bad debt expense (at cost) that is attributable to patients that would qualify for financial assistance.</p>

Form and Line Reference	Explanation
Schedule H, Part III, Line 3 Bad Debt Expense Methodology	Memorial Health Care System, inc DOES NOT BELIEVE THAT ANY PORTION OF BAD DEBT EXPENSE COULD REASONABLY BE ATTRIBUTED TO PATIENTS WHO QUALIFY FOR FINANCIAL ASSISTANCE SINCE AMOUNTS DUE FROM THOSE INDIVIDUALS' ACCOUNTS WILL BE RECLASSIFIED FROM BAD DEBT EXPENSE TO CHARITY CARE WITHIN 30 DAYS FOLLOWING THE DATE THAT THE PATIENT IS DETERMINED TO QUALIFY FOR CHARITY CARE

Form and Line Reference	Explanation
Schedule H, Part III, Line 4 Bad debt expense - financial statement footnote	The amount reported on the Schedule H, Part III, lines 2 and 3 are the same amounts reported for bad debt in the audited financial statements. Please refer to the financial statement footnote below for information regarding the methodology used to determine and report bad debt expense. Memorial Health Care System does not issue separate company audited financial statements. However, the organization is included in the consolidated financial statements of Catholic Health Initiatives. The consolidated footnote reads as follows: "The provision for bad debts is based upon management's assessment of historical and expected net collections considering historical business and economic conditions, trends in health care coverage, and other collection indicators. Management routinely assesses the adequacy of the allowances for uncollectible accounts based upon historical write-off experience by payor category. The results of these reviews are used to modify, as necessary, the provision for bad debts and to establish appropriate allowances for uncollectible net patient accounts receivable. After satisfaction of amounts due from insurance, CHI follows established guidelines for placing certain patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by each facility."

Form and Line Reference	Explanation
<p>Schedule H, Part III, Line 8 Community benefit &amp; methodology for determining medicare costs</p>	<p>Using essentially the same Medicare cost report principles as to the allocation of general services costs and "apportionment" methods, the "CHI Workbook" calculates a payers' gross allowable costs by service (so as to facilitate a corresponding comparison between gross allowable costs and ultimate payments received) The term "gross allowable costs" means costs before any deductibles or co-insurance are subtracted Memorial Health Care System's ultimate reimbursement will be reduced by any applicable copayment/ deductible Where Medicare is the secondary insurer, amounts due from the insured's primary payer were not subtracted from Medicare allowable costs because the amounts are typically immaterial Although not presented on the Medicare cost report, in order to facilitate a more accurate understanding of the "true" cost of services (for "shortfall" purposes) the CHI Workbook allows a health care facility not to offset costs that Medicare considers to be non-allowable, but for which the facility can legitimately argue are related to the care of the facility's patients In addition, although not reportable on the Medicare cost report, the CHI workbook includes the cost of services that are paid via a set fee-schedule rather than being reimbursed based on costs (e g outpatient clinical laboratory) Finally, the CHI Workbook allows a facility to include other health care services performed by a separate facility (such as a physician practice) that are maintained on separate books and records (as opposed to the main facility's books and records which has its costs of service included within a cost report) True costs of Medicare computed using this methodology These costs and reimbursements are not limited to Traditional Medicare plans either but encompass Medicare Managed Care plans Total Medicare Revenue 266,950,032 Total Medicare costs 285,935,447 Surplus or Shortfall (18,985,415) Memorial Health Care System believes that excluding Medicare losses from community benefit makes the overall community benefit report more credible for these reasons Unlike subsidized areas such as burn units or behavioral-health services, Medicare is not a differentiating feature of tax-exempt health care organizations In fact, for-profit hospitals focus on attracting patients with Medicare coverage Significant effort and resources are devoted to ensuring that hospitals are reimbursed appropriately by the Medicare program The Medicare Payment Advisory Commission (MedPAC), an independent Congressional agency, carefully studies Medicare payment and the access to care that Medicare beneficiaries receive The commission recommends payment adjustments to Congress accordingly Though Medicare losses are not included by Catholic hospitals as community benefit, the Catholic Health Association guidelines allow hospitals to count as community benefit some programs that specifically serve the Medicare population For instance, if hospitals operate programs for patients with Medicare benefits that respond to identified community needs, generate losses for the hospital, and meet other criteria, these programs can be included in the CHA framework in Category C as "subsidized health services " Medicare losses are different from Medicaid losses, which are counted in the CHA community benefit framework, because Medicaid reimbursements generally do not receive the level of attention paid to Medicare reimbursement Medicaid payment is largely driven by what states can afford to pay, and is typically substantially less than what Medicare pays</p>

Form and Line Reference	Explanation
Schedule H, Part III, Line 9b Collection practices for patients eligible for financial assistance	Memorial Health Care System's debt collection policy provides that Memorial Health Care System will perform a reasonable review of each inpatient account prior to turning an account for to a third-party collection agent and prior to instituting any legal action for non-payment, to assure that the patient and patient guarantor are not eligible for any assistance program (e g Medicaid) and do not qualify for coverage through Memorial Health Care System community assistance policy After having been turned over to a third-party collection agent, any patient account that is subsequently determined to meet the Memorial Health Care System community assistance policy is required to be returned immediately by the third-party collection agent to Memorial Health Care System for appropriate follow-up Memorial Health Care System requires its third-party collection agents to include a message on all statements indicating that if a patient or patient guarantor meets certain stipulated income requirements, the patient or patient guarantor may be eligible for financial assistance All of Catholic Health Initiatives' hospitals' contracts with third party collection agencies include the following standards * Neither CHI hospitals nor their collection agencies will request bench or arrest warrants as a result of non-payment, * Neither CHI hospitals nor their collection agencies will seek liens that would require the sale or foreclosure of a primary residence, and * No Catholic Health Initiatives' collection agency may seek court action without hospital approval Finally, collection agencies are trained on the Catholic Health Initiatives Mission, Core Values and Standard of Conduct to make sure all patients are treated with dignity and respect

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 16a FAP website	A - CHI MEMORIAL HOSPITAL Line 16a URL - <a href="http://www.memorial.org/Financial-assistance">www.memorial.org/Financial-assistance</a> ,

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 16b FAP Application website	A - CHI MEMORIAL HOSPITAL Line 16b URL <a href="http://www.memorial.org/financial-assistance">www.memorial.org/financial-assistance</a> ,



Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 16c FAP plain language summary website	A - CHI MEMORIAL HOSPITAL Line 16c URL <a href="http://www.memorial.org/financial-assistance">www.memorial.org/financial-assistance</a> ,

Form and Line Reference	Explanation
Schedule H, Part VI, Line 3 Patient education of eligibility for assistance	<p>Catholic Health Initiatives "CHI" has a written policy (Stewardship policy No 15) governing the procedures for determining and informing patients about the entity's financial assistance policy All hospital facilities included in the filing organization have adopted the policy Memorial Health Care System includes information concerning its financial assistance policy on its website In addition, Memorial Health Care System prominently displays information concerning its charity care policy in both English and Spanish in all waiting areas throughout the hospitals, including the emergency rooms and other patient intake areas, as well as in Memorial Health Care System outpatient facilities In addition, Memorial Health Care System Registrars and Financial Counselors are trained to provide consultation to those who have no insurance or potentially inadequate insurance concerning their financial options including application for Medicaid and for financial assistance under Memorial Health Care System's charity care policy Once all EMTALA requirements are met, patients who are identified as uninsured during the registration process (and not covered by Medicare or Medicaid) are provided with a packet of information that addresses the financial assistance policy and procedures including an application for assistance Memorial Health Care System Registrars and Financial Counselors read the organization's medical assistance policy to those who appear to be incapable of reading, and provide translators for non English-speaking individuals Memorial Health Care System's staff will also assist the patient / guarantor with completing the Financial Assistance Application and applying for other available coverage (such as Medicaid), if necessary After all EMTALA requirements are met, during the registration process uninsured patients are screened in the Emergency Department for possible eligibility for the Medicaid program A TennCare application is faxed to the Department of Human Services in the screening determined that the patient might have a category that would qualify them for Medicaid The patient is given instructions on how to follow-up with the Department of Human services to complete the application process Counselors assist Medicare eligible patients in enrollment by providing referrals to the appropriate government agencies During the billing and collection process, all statements to the patient, including those mailed from the third party collection agency, alert the patient that financial assistance is available if they need it and instructs them on how to obtain an application</p>

Form and Line Reference	Explanation
Schedule H, Part VI, Line 4 Community information	Approximately 688,000 people reside within the six-county MHCS region. Hamilton County is the most populous county in the region, with approximately 336,463 residents. In the region 81% are white, 11.7% are black, and 8% are Hispanic with the majority of Hispanics living in Whitfield County. In Whitfield County, approximately 32% of the 103,000 residents are Hispanic. MHCS serves a community that is predominately white but contains some areas comprised of relatively large percentages of African Americans and Hispanics/Latinos. It is important to consider health care issues within these two groups. Hispanics/Latinos, for example, are known to have higher rates of diabetes, obesity, and HIV, among other conditions. Mayans, which comprise a large segment of the Guatemalan population, have been found to have a difficult time navigating the United States Health Care System and fail to access such basic services as childhood immunizations. African Americans experience higher rates of several cancers as well as diabetes. It is also important to consider the needs of an older population since the number of older individuals is increasing in most of the counties. Finally, disparities related to income are also likely to exist among minority populations.

Form and Line Reference	Explanation
Schedule H, Part VI, Line 6 Affiliated health care system	Memorial Health Care System, along with its affiliated outpatient facilities are part of Catholic Health Initiatives. Catholic Health Initiatives (CHI) is a national faith-based nonprofit health care organization with headquarters in Englewood, Colorado. CHI's exempt purpose is to serve as an integral part of its national system of hospitals and other charitable entities, which are described as market-based organizations, or MBOs. An MBO is a direct provider of care or services within a defined market area that may be an integrated health system and/or a stand-alone hospital or other facility or service provider. CHI serves as the parent corporation of its MBOs which are comprised of 92 hospitals including four academic medical centers and 24 critical access facilities, community health service organizations, accredited nursing colleges, home health agencies, and other facilities that span the inpatient and outpatient continuum of care. Together, these facilities provided \$981 million in charity care and community benefit in the 2015 fiscal year, including services for the poor, free clinics, education and research. CHI provides strategic planning and management services as well as centralized "shared services" for the MBOs. The provision of centralized management and shared services - including areas such as accounting, human resources, payroll and supply chain -- provides economies of scale and purchasing power to the MBOs. The cost savings achieved through CHI's centralization enable MBOs to dedicate additional resources to high-quality health care and community outreach services to the most vulnerable members of our society. Memorial Health Care System operates with its wholly owned affiliates and community partners, along with its fundraising arm, the Memorial Health Care System Foundation, to serve the health care needs of the Chattanooga, Tennessee communities.

Form and Line Reference	Explanation
Schedule H, Part VI, Line 7 State filing of community benefit report	TN



## Additional Data

**Software ID:** 14000329

**Software Version:** 2014v1.0

**EIN:** 62-0532345

**Name:** Memorial Health Care System Inc

### 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
Schedule H, Part V, Section B, Line 5 Facility A, 1	Facility A, 1 - MEMORIAL HOSPITAL In 2010, Memorial Health Care System engaged the OCHS Center to assist in conducting a formal Community Needs Assessment and have been engaged in 2013 to help reassess the health needs of the community to help identify the disproportionate unmet health needs in the community we serve The OCHS Center completed the second Community Health Needs Assessment on March 1, 2013 The following sources were utilized to gather the data - Memorial Health Care System data to determine service area -Tennessee Department of Health - Georgia Department of Public Health -www countyhealthrankings org -www CHNA org from Community Commons -CDC and the National Vital Statistics Database -The Commonwealth Fund's Scorecard on Local Health System Performance -Dignity Health's Community Needs Index MHCS sought input from community representatives including those special knowledge or expertise in public health on the community benefit plan that was developed in response to community health needs assessment In May 2013 many community stakeholders were invited to a meeting to discuss the goals of MHCS's community benefit plan and to provide community input MHCS sought input from the Medical Society, government entities such as the Health Department, other nonprofit organizations involved in public health, local politicians, and charitable organizations such as United Way

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
Schedule H, Part V, Section B, Line 11 Facility A, 1	Facility A, 1 - Memorial Hospital The focus of our 2013 - 2016 Community Benefit Plan addresses the following identified community health needs Cardiovascular Health, Cancer, Diabetes, Minority Health and Violence 2013 - 2016 Goals and Initiatives A Heart Disease continues to be the leading cause of death in our entire Service Area as rates exceed the US rates We will continue to focus education efforts to address the management of heart disease and cardiac risk factors that could lead to heart disease 1 To provide educational sessions specifically for women who have been diagnosed with chronic disease and cardiac risk factors in order to promote women's health B Cancer is the second leading cause of death in our counties, and most have higher rates than those of the nation 1 To meet the NCCN and American College of Surgeons guidelines for holistic care of the cancer patients whose distress should be recognized, monitored, and documented and treated promptly at all stages of the disease 2 To provide mammogram and other health screenings to low income, and uninsured women in the community with our mobile mammography coach 3 To provide cancer patients with the opportunity to be followed after treatment through survivorship to provide a community resource for patients, families 4 To promote the holistic care of the Care Giver for cancer patients, providing the community with a resource to meet for renewal, education and decrease in anxiety to the Caregiver does not get overwhelmed C Risk Factors and Minority Health in this community are high for obesity, smoking, diet, and exercise These are factors that contribute to heart disease, diabetes, cancer and infant health 1 To provide education for women who are at risk of or have been diagnosed with osteoporosis in order to prevent complications such as inactivity and fractures 2 Continuation of the Health and Wellness Program to provide exercise and medical/educational sessions specifically for individuals who have evidence of any of the top health disparities (hypertension, diabetes or overweight/obesity) in zip codes 37404 - 37406 Most of the participants in this program are minorities 3 Hamilton and Bradley have a particularly high violent crime rate The goal of the Violence Prevention initiative is to recruit three Hamilton County public high schools to participate in a pilot on-line curriculum on teen dating violence The areas we did not address are - Respiratory Disease - - Low Birth Weight Infants - we do not have Obstetrical Services so it is not an area of expertise for us - Hispanic/Latino Health - while we serve Hispanic/Latino patients within our system and the population is growing somewhat it is a relatively small percentage of our total population We do have some trained medical interpreters to assist with the communication and care of these patients



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
Schedule H, Part V, Section B, Line 13 Facility A, 1	Facility A, 1 - MEMORIAL HOSPITAL Size of Family

**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
Schedule H, Part V, Section B, Line 22 Facility A, 1	Facility A, 1 - Memorial Hospital All patients that do not have insurance receive a discount that is calculated each year as 175% of the cost to charge ratio in accordance with Tennessee State Code This discount is applied to the patients account prior to billing and is treated as an adjustment to net patient revenue in the same manner as a managed care discount The provision of this discount to all patients without insurance lowers the amount that is billed to the patient and reduces the amount of any subsequent bad debt expense In fiscal year 2015, self pay discounts were \$17.5 million representing \$4.1 million at cost Memorial Health Care System uses a number of processes as described in Part VI, Item 3 below to identify who can and cannot afford to pay Patients who are unable to pay are identified in advance of billing or during the billing and collection process, particularly those who are medically indigent or underinsured At any time in the process that a patient is determined to be eligible for charity care, the patient is re-classified from bad debt and all billing and collection efforts are discontinued In spite of the best efforts of Memorial Health Care System, some patients do not self-identify as needing assistance or provide enough information to allow the hospital to determine their eligibility and remain classified as bad debt We are unable to accurately estimate the amount of bad debt expense (at cost) that is attributable to patients that would qualify for financial assistance

Schedule I  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization  
Memorial Health Care System Inc

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](http://www.irs.gov/form990).

OMB No 1545-0047

2014

Open to Public  
Inspection

Employer identification number  
62-0532345

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

24

3

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

1

**Part III**

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

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

**Part IV**

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

Return Reference	Explanation
Schedule I, Part I, Line 2 Description Of Procedure For Monitoring Use Of Grant Funds	GRANT REQUESTS ARE COORDINATED THROUGH THE MEMORIAL HEALTH CARE SYSTEM FOUNDATION THE BENEFICIARY OF THE GRANT IS RESPONSIBLE FOR USING THE FUNDS IN ACCORDANCE WITH THE GRANT REQUIREMENTS ALL GRANT SPENDING IS REVIEWED BY FISCAL SERVICES AND THE FOUNDATION BEFORE GRANT SPENDING IS REIMBURSED THROUGH THE FOUNDATION PERIODIC REPORTING IS COORDINATED BETWEEN THE BENEFICIARY, FISCAL SERVICES, AND THE FOUNDATION
Schedule I, Part III LINE 8 CHARITY CARE ASSISTANCE	Memorial Health Care System RECOGNIZES THE RIGHT TO QUALITY HEALTHCARE REGARDLESS OF AGE, SEX, RACE, RELIGION, NATIONAL ORIGIN, OR ABILITY TO PAY BUSINESS OFFICE STAFF HELPS PATIENTS SEEK LOCAL, STATE, AND FEDERAL REIMBURSEMENT AT NO CHARGE WHEN NO OTHER SOURCE OF PAYMENT IS AVAILABLE FINANCIAL ASSISTANCE IS PROVIDED TO PATIENTS WITH DEMONSTRATED INABILITY TO PAY FOR MEDICALLY NECESSARY SERVICES THESE FUNDS ARE DIRECTLY USED TO OFFSET THE PATIENTS ACCOUNTS RECEIVABLE
Schedule I, Part I, Line 2 Procedures for monitoring use of grant funds	GRANT REQUESTS ARE COORDINATED THROUGH THE MEMORIAL HEALTH CARE SYSTEM FOUNDATION THE BENEFICIARY OF THE GRANT IS RESPONSIBLE FOR USING THE FUNDS IN ACCORDANCE WITH THE GRANT REQUIREMENTS ALL GRANT SPENDING IS REVIEWED BY FISCAL SERVICES AND THE FOUNDATION BEFORE GRANT SPENDING IS REIMBURSED THROUGH THE FOUNDATION PERIODIC REPORTING IS COORDINATED BETWEEN THE BENEFICIARY, FISCAL SERVICES, AND THE FOUNDATION

Additional Data

Software ID: 14000329  
Software Version: 2014v1.0  
EIN: 62-0532345  
Name: Memorial Health Care System Inc

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
Access One EAP1800 McCallie Avenue Chattanooga, TN 37404	62-0911679	501(c)(3)	10,000				Community Support
American Cancer Society 1100 Ireland Wy Birmingham, AL 35205	64-0329009	501(c)(3)	7,500				Community Support
American Heart Association 7272 Greenville Avenue Dallas, TX 75231	13-5613797	501(c)(3)	40,000				Community 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
Breast Cancer Support Services1400 McCallie Avenue Suite 110 Chattanooga,TN 37404	45-2772331	501(c)(3)	7,500				Community Support
Catholic Charities of East TN 859 McCallie Avenue Chattanooga,TN 37403	62-1377551	501(c)(3)	43,000				Community Support
Catoosa County Area Chamber of Commerce264 Catoosa Circle Ringgold,GA 30736	58-1721665	501(c)(3)	10,000				Community 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
Chattanooga Chamber Foundation811 Broad Street Chattanooga,TN 37402	62-0154480	501(c)(3)	25,000				Community Support
Chattanooga FC Inc1271 Market Street Chattanooga,TN 37402	27-1880693	501(c)(3)	15,000				Community Support
Chattanooga Hamilton CountyPO Box 3226 Chattanooga,TN 37404	62-0000636	Govt	41,500				Community 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
Chattanooga Lookouts201 Power Aly PO Box11002 Chattanooga,TN 37402	62-0963840	501(c)(3)	16,000				Community Support
Chattanooga Surgical Foundation979 E Third Chattanooga,TN 37403	23-7249029	501(c)(3)	27,000				Community Support
Choices Pregnancy Resource Center6232 Vance Rd Chattanooga,TN 37421	30-0400541	501(c)(3)	8,000				Community 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
Goodwill Industries3500 Dodds Avenue Chattanooga,TN 37407	62-0536733	501(c)(3)	10,000				Community Support
Medical Foundation of Chattanooga1917 E Third Street Chattanooga,TN 37404	58-1696660	501(c)(3)	8,000				Community Support
Nazareth Literary & BeneNLBI200 Nazareth Drive PO Box 172 Nazareth,KY 40048	61-0444781	501(c)(3)	10,000				Community 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
North River YMCA 301 W 6th Street Chattanooga, TN 37402	62-0475699	501(c)(3)	10,000				Community Support
Notre Dame High School 2701 Vermont Avenue Chattanooga, TN 37404	43-1694323	501(c)(3)	10,000				Community Support
Siskin Hospital for Physical Rehab One Siskin Plaza Chattanooga, TN 37403	62-1220402	501(c)(3)	6,500				Community 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
Southern AdventistPO Box 370 Collegedale, TN 37315	62-0536733	501(c)(3)	12,500				Community Support
Susan G Komen for the Cure TNPO Box 11288 Chattanooga, TN 37401	75-2875175	501(c)(3)	10,000				Community Support
Tennessee AquariumOne Broad St Chattanooga, TN 37402	58-1837154	501c3	10,000				Community 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
United Way Chattanooga630 Market St Chattanooga,TN 37405	62-0565962	501(c)(3)	30,487				Community Support
University of Chattanooga Foundation201 Andy Holt Tower Knoxville,TN 37996	62-6001636	501(c)(3)	62,998				Community Support
Urban League of Greater Chattanooga730 MLK Blvd Chattanooga,TN 37403	58-1436933	501(c)(3)	17,100				Community 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
Welcome to ChattanoogaPO Box 4246 Chattanooga,TN 37405	46-2613489	501(c)(3)	8,000				Community Support

Form 990, Schedule I, Part III, Grants and Other Assistance to Domestic Individuals.

(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
VIOLENCE PREVENTION PROGRAM	250	6,486			
WE CARE WEEKEND FOR CANCER SURVIVORS AND THEIR FAMILIES	125	31,053			
EMPLOYEE ASSISTANCE	38	26,904			
MOBILE COACH HEALTH SERVICES	2400	317,973			
LUNG SCREENING	61	3,050			
PATIENT ASSISTANCE-TRANSPORTATION, FOOD, LODGING, ETC	25	10,964			
INNER CITY HEALTH AND FITNESS PROGRAM	200	2,022			
CHARITY CARE ASSISTANCE	8432		39,423,615	BOOK	FINANCIAL ASSISTANCE

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](http://www.irs.gov/form990).

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization  
Memorial Health Care System Inc

Employer identification number  
62-0532345

Part I	Questions Regarding Compensation		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	2		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. <div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Written employment contract</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input type="checkbox"/> Approval by the board or compensation committee</div></div>			
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? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.	4c		No
Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.				
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		No
b	Any related organization? If "Yes," to line 5a or 5b, describe in Part III.	5b		No
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a		No
b	Any related organization? If "Yes," to line 6a or 6b, describe in Part III.	6b		No
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.	7	Yes	
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.	8		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

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

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

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

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



**Part III Supplemental Information**

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

Return Reference	Explanation
Schedule J, Part I, Line 3 Arrangement used to establish the top management official's compensation	COMPENSATION FOR THE TOP MANAGEMENT OFFICIAL WAS ESTABLISHED AND PAID BY CATHOLIC HEALTH INITIATIVES (CHI), A RELATED ORGANIZATION. CHI USED THE FOLLOWING TO ESTABLISH THE TOP MANAGEMENT OFFICIAL'S COMPENSATION: (1) COMPENSATION COMMITTEE, (2) INDEPENDENT COMPENSATION CONSULTANT, (3) WRITTEN EMPLOYMENT CONTRACTS, (4) COMPENSATION SURVEY OR STUDY, (5) APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE.
Schedule J, Part I, Line 4a Severance or change-of-control payment	POST-TERMINATION PAYMENTS ARE ADDRESSED IN EXECUTIVE EMPLOYMENT AGREEMENTS FOR CATHOLIC HEALTH INITIATIVES ("CHI") AND RELATED ORGANIZATIONS' EMPLOYEES AT THE LEVEL OF VICE PRESIDENT AND ABOVE, INCLUDING THE MBO CEOs. THESE EMPLOYMENT AGREEMENTS REQUIRE THAT IN ORDER FOR THE EXECUTIVE TO RECEIVE POST-TERMINATION PAYMENTS, THESE INDIVIDUALS MUST EXECUTE A GENERAL RELEASE AND SETTLEMENT AGREEMENT. POST-TERMINATION PAYMENT ARRANGEMENTS ARE PERIODICALLY REVIEWED FOR OVERALL REASONABLENESS IN LIGHT OF THE EXECUTIVE'S OVERALL COMPENSATION PACKAGE. THE FOLLOWING REPORTABLE INDIVIDUALS RECEIVED SEVERANCE PAYMENTS FROM CATHOLIC HEALTH INITIATIVES ("CHI"), A RELATED ORGANIZATION DURING THE 2014 CALENDAR YEAR, AND THESE SEVERANCE PAYMENTS WERE INCLUDED IN THE INDIVIDUAL'S W-2 INCOME AND REPORTABLE COMPENSATION ON SCHEDULE J: Jacqueline Jackson \$218,977; Gayle Fellowes \$115,197; Allan Gayler \$63,752.
Schedule J, Part I, Line 4b Supplemental nonqualified retirement plan	During the 2014 calendar year, Catholic Health Initiatives ("CHI"), a related organization, maintained a supplemental non-qualified deferred compensation plan for MBO CEOs and other CHI employees at the level of Senior Vice President and above. The following reportable individuals were eligible to participate in that plan: Peter Banko, James Hobson, Mary Elizabeth O'Brien, Kathleen Sanford. During 2014, the following contributions were made by CHI to the deferred compensation plan: James Hobson \$45,418. During 2014, the following distributions were made by CHI from the deferred compensation plan: Peter Banko \$36,278; James Hobson \$85,529; Kathleen Sanford \$99,028; Mary Elizabeth O'Brien \$86,437. Due to the "super" vesting rules under the CHI deferred compensation plan, participants who have met certain requirements such as age, years of service or more than 5 years of plan participation are eligible to receive their 2014 contributions in cash. These cash payouts are included in the participant's reportable compensation in column (iii) Other Reportable Compensation on Schedule J Part II. During 2014, the following contributions that would have been made by CHI to the deferred compensation plan were paid in cash: Peter Banko \$74,824; Kathleen Sanford \$84,092; Mary Elizabeth O'Brien \$336,414.
Schedule J, Part I, Line 7 Non-fixed payments	MEMORIAL HEALTH CARE SYSTEM (MHCS) ISSUED BONUSES BASED ON INDIVIDUAL PERFORMANCE AND SPECIFIED EVENTS. Bonuses are subject to management and board approval.

# Additional Data

**Software ID:** 14000329  
**Software Version:** 2014v1.0  
**EIN:** 62-0532345  
**Name:** Memorial Health Care System Inc

## 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				
JAMES HOBSON PRESIDENT/CEO	(i) (ii)	0 495,113	0 109,497	0 108,861	0 75,470	0 19,112	0 808,053	0 85,529
David Dodson MD Board Member / Physician	(i) (ii)	21,996 321,831	0 9,375	0 1,810	35,152 0	0 21,622	57,148 354,638	0 0
PETER BANKO Board Member	(i) (ii)	0 564,260	0 192,071	0 133,867	0 32,602	0 21,964	0 944,764	0 36,278
MARY ELIZABETH O'BRIEN SVP OPERATIONS CHI	(i) (ii)	0 591,041	0 100,000	0 496,086	0 32,602	0 6,555	0 1,226,284	0 86,437
KATHLEEN SANFORD RN DBA FACHE Board Member	(i) (ii)	0 578,662	0 215,023	0 210,284	0 32,602	0 19,112	0 1,055,683	0 99,228
WILLIAM WARREN MD Board Member/Cardiologist	(i) (ii)	616,785 0	94,496 0	923 0	30,052 0	18,762 0	761,018 0	0 0
CAROL NEWTON Director-Integration Services/Former CFO	(i) (ii)	135,768 0	0 0	234 0	16,930 0	6,698 0	159,630 0	0 0
CHERYL A SADRO SVP/CFO thru 10/31/14	(i) (ii)	0 269,629	0 40,287	0 11,589	0 29,529	0 17,751	0 368,785	0 0
RICKY NAPPER Interim CEO	(i) (ii)	0 376,366	0 53,770	0 41,707	0 57,560	0 14,996	0 544,399	0 0
MICHAEL SUTTON CFO thru 6/1/15	(i) (ii)	169,493 0	16,021 0	272 0	14,480 0	21,521 0	221,787 0	0 0
JACQUELINE JACKSON Former VP SERVICE LINE ADMIN	(i) (ii)	28,592 0	0 0	190,385 0	33,702 0	4,630 0	257,309 0	0 0
DEBRA MOORE SVP/ADMINISTRATOR OF Memorial Hospital Hixson	(i) (ii)	19,852 243,764	0 30,916	189 12,282	33,702 23,600	124 14,411	53,867 324,973	0 0
ROBERT BERGLUND Cardiologist	(i) (ii)	606,973 0	94,496 0	8,593 0	30,052 0	12,812 0	752,926 0	0 0
ERIC CONN MD CARDIOLOGIST	(i) (ii)	631,979 0	94,496 0	4,557 0	26,319 0	21,426 0	778,777 0	0 0
GORDON GRAHAM Cardiologist	(i) (ii)	611,746 0	94,496 0	4,716 0	28,835 0	6,780 0	746,573 0	0 0
ROBERT MILLS MD Cardiologist	(i) (ii)	607,973 0	94,496 0	4,716 0	30,052 0	21,434 0	758,671 0	0 0
BRIAN NEGUS Cardiologist	(i) (ii)	610,473 0	94,496 0	1,731 0	26,319 0	21,434 0	754,453 0	0 0

**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](http://www.irs.gov/form990).**

OMB No 1545-0047

**2014**

**Open to Public  
Inspection**

Name of the organization Memorial Health Care System Inc	Employer identification number  62-0532345
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Return Reference	Explanation
Form 990, Part III, Line 1 MISSION STATEMENT	(CONTINUED FROM LINE 1) THE CORPORATION, SPONSORED BY A LAY-RELIGIOUS PARTNERSHIP, CALLS OTHER CATHOLIC SPONSORS AND SYSTEMS TO UNITE TO ENSURE THE FUTURE OF CATHOLIC HEALTH CARE TO FULFILL THIS MISSION, THE CORPORATION, AS A VALUES-BASED ORGANIZATION, WILL ASSURE THE INTEGRITY OF THE MINISTRY IN BOTH CURRENT AND DEVELOPING ORGANIZATIONS AND ACTIVITIES, RESEARCH AND DEVELOP NEW MINISTRIES THAT INTEGRATE HEALTH, EDUCATION, PASTORAL, AND SOCIAL SERVICES, PROMOTE LEADERSHIP DEVELOPMENT AND FORMATION FOR MINISTRY THROUGHOUT THE ENTIRE ORGANIZATION, ADVOCATE FOR SYSTEMIC CHANGES WITH SPECIFIC CONCERN FOR PERSONS WHO ARE POOR, ALIENATED, AND UNDERSERVED, AND STEWARD RESOURCES BY GENERAL OVERSIGHT OF THE ENTIRE ORGANIZATION

Return Reference	Explanation
Form 990, Part VI, Line 16b JOINT VENTURE POLICY	MHCS HAS NOT FORMALLY ADOPTED A WRITTEN POLICY OR WRITTEN PROCEDURE REGARDING JOINT VENTURES HOWEVER CHI'S SYSTEM-WIDE JOINT VENTURE MODEL OPERATING AGREEMENT INCORPORATES CONTROLS OVER THE VENTURE SUFFICIENT TO ENSURE THAT (1) THE EXEMPT ORGANIZATION AT ALL TIMES RETAINS CONTROL OVER THE VENTURE SUFFICIENT TO ENSURE THAT THE PARTNERSHIP FURTHERS THE EXEMPT PURPOSE OF THE ORGANIZATION, (2) IN ANY PARTNERSHIP IN WHICH THE EXEMPT ORGANIZATION IS A PARTNER, ACHIEVEMENT OF EXEMPT PURPOSES IS PRIORITIZED OVER MAXIMIZATION OF PROFITS FOR THE PARTNERS, (3) THE PARTNERSHIP DOES NOT ENGAGE IN ANY ACTIVITIES THAT WOULD JEOPARDIZE THE EXEMPT ORGANIZATION'S EXEMPTION, (4) RETURNS OF CAPITAL, ALLOCATIONS, AND DISTRIBUTIONS MUST BE MADE IN PROPORTION TO THE PARTNERS' RESPECTIVE OWNERSHIP INTERESTS, AND (5) ALL CONTRACTS ENTERED INTO BY THE PARTNERSHIP WITH THE EXEMPT ORGANIZATION MUST BE AT ARM'S-LENGTH, WITH PRICES SET AT FAIR MARKET VALUE ANY JOINT VENTURE AGREEMENTS THAT DO NOT CONFORM TO THE MODEL AGREEMENT ARE GENERALLY REVIEWED BY COUNSEL

Return Reference	Explanation
Form 990, Part VI, Line 15a PROCESS FOR DETERMINING CEO'S COMPENSATION	<p>The organization's top management official's compensation is paid by Catholic Health Initiatives (CHI), a related organization. CHI has a defined compensation philosophy. Both the executive and non-executive compensation structures and ranges are reviewed annually in comparison to market data. CHI uses The Hay Group as the independent third party to assess executive compensation programs and to ensure the reasonableness of actual salaries and total compensation packages. Compensation of the senior most executives is reviewed annually. The Hay Group reviews both cash and total compensation for overall reasonableness, for adherence to CHI's compensation philosophy, and for comparability to the not-for-profit healthcare market. This independent review is delivered by Hay Group to the HR committee of the CHI Board of Stewardship Trustees annually at their September meeting and minutes are shared with the full board at the December meeting. The last review was September 14, 2015. In addition, Hay Group completed a comprehensive review of all positions at the level of vice president and above in the fall of 2014 to determine and validate appropriate compensation levels. These levels have been reviewed annually since and revised based on market data, where applicable.</p>

Return Reference	Explanation
Form 990, Part VI, Line 14 DOCUMENT RETENTION POLICY	WHILE THE ORGANIZATION DOES HAVE A WRITTEN DOCUMENT RETENTION AND DESTRUCTION POLICY IT HAS NOT BEEN FORMALLY ADOPTED BY THE BOARD

Return Reference	Explanation
Form 990, Part VI, Line 1a Delegate broad authority to a committee	<p>Pursuant to Section 8 6 of the Bylaws of Memorial Health Care System, the Executive Committtee shall consist of only directors of the Corporation and shall be composed of the Chairperson of the Board, the Vice Chairperson of the Board, the Immediate Past Chairperson of the Board, the President and Chief Executive Officer, and the Secretary, with one (1) or two (2) other directors, provided that the Executive Committee shall include (1) to the extent possible, at least one member of a Participating Congregation or other Religious Institute of the Roman Catholic Church, and (2) at least one director who is a physician member of the Medical Staff Each individual appointed to the Executive Committee shall serve for a term of one (1) year or until his or her successor is duly appointed by the Board of Directors Any vacancy of an appointed Executive Committee membership may be filled for the unexpired portion of the term in the manner that the original committee member was appointed Pursuant to Section 8 1 of the Corporations bylaws, the Board of Directors may, by resolution adopted by a majority of the Directors then in office, establish one of more committees, as needed or required to conduct and transact the business of the corporation Except as otherwise provided in these Bylaws, the Board of Directors may set the qualifications for membership on any committee it may establish, provided that each committee shall consist of at least two (2) Board members Committees may include persons other than Directors, except that a committee that has the authority to act on behalf of the Board of Directors must include only Directors of the Corporation Committee Members shall serve for a term of one (1) year or until their successors are duly appointed and qualified Further, pursuant to Section 8 6 of the Corporation's bylaws, the executive committee has and may exercise such powers as may be delegated to it by the board of directors The Executive Committee also possesses the power to transact routine business of the corporation in the interim period between regularly scheduled meetings of the board of directors</p>

Return Reference	Explanation
Form 990, Part VI, Line 6 Classes of members or stockholders	ACCORDING TO THE BYLAWS OF MEMORIAL HEALTH CARE SYSTEM, THE ENTITY'S SOLE MEMBER IS CATHOLIC HEALTH INITIATIVES ("CHI"), A COLORADO NONPROFIT CORPORATION



Return Reference	Explanation
Form 990, Part VI, Line 7a Members or stockholders electing members of governing body	ACCORDING TO THE ORGANIZATION'S BYLAWS, DIRECTORS OF THE CORPORATION SHALL BE APPOINTED BY THE CORPORATE MEMBER NO LATER THAN JUNE 30TH OF EACH YEAR THE NAMES AND QUALIFICATIONS OF EACH INDIVIDUAL ACCEPTED BY THE BOARD OF DIRECTORS SHALL BE SUBMITTED TO THE CORPORATE MEMBER, WHO SHALL APPOINT OR REFUSE EACH NOMINEE IN ACCORDANCE WITH THE CORPORATE MEMBER'S BYLAWS AND WITH ENDORSEMENT OF THE SENIOR VICE PRESIDENT OF OPERATIONS THE CORPORATE MEMBER MAY AT ANY TIME REMOVE, WITH OR WITHOUT CAUSE, ANY MEMBER OF THE BOARD OF DIRECTORS

Return Reference	Explanation
Form 990, Part VI, Line 7b Decisions requiring approval by members or stockholders	MEMORIAL HEALTH CARE SYSTEM'S ("MHCS"), CORPORATE MEMBER IS CATHOLIC HEALTH INITIATIVES ("CHI") PURSUANT TO SECTION 5 4 OF MHCS'S BYLAWS,THE CORPORATE MEMBER SHALL HAVE THE SPECIFIC RIGHTS SET FORTH IN THE GOVERNANCE MATRIX PURSUANT TO THE GOVERNANCE MATRIX THE FOLLOWING RIGHTS ARE RESERVED TO THE CHI BOARD DIRECTLY OR THROUGH POWERS DELEGATED TO THE CHI CHIEF EXECUTIVE OFFICER * SUBSTANTIAL CHANGE IN THE MISSION OR PHILOSOPHY OF MHCS * A MENDMENT OF THE CORPORATE DOCUMENTS OF MHCS * APPROVE MEMBERS OF THE MHCS BOARD * REMOVAL OF A MEMBER OF THE GOVERNING BODY OF MHCS * APPROVAL OF ISSUANCE OF DEBT BY MHCS * APPROVAL OF PARTICIPATION OF MHCS IN A JOINT VENTURE * APPROVAL OF FORMATION OF A NEW CORPORATION BY MHCS * APPROVAL OF A MERGER INVOLVING MHCS * APPROVAL OF THE SALE OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF MHCS * TO REQUIRE THE TRANSFER OF ASSETS BY MHCS TO CHI TO ACCOMPLISH CHI'S GOALS AND OBJECTIVES, AND TO SATISFY CHI DEBTS * ADOPTION OF LONG RANGE AND STRATEGIC PLANS FOR MHCS IN ADDITION, PURSUANT TO SECTION 5 5 2 OF THE ORGANIZATION'S BYLAWS, CHI MAY, IN EXERCISE OF ITS APPROVAL POWERS, GRANT OR WITHHOLD APPROVAL IN WHOLE OR IN PART, OR MAY, IN ITS COMPLETE DISCRETION, AFTER CONSULTATION WITH THE BOARD AND THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE ORGANIZATION, RECOMMEND SUCH OTHER OR DIFFERENT ACTIONS AS IT DEEMS APPROPRIATE

Return Reference	Explanation
Form 990, Part VI, Line 11b Review of form 990 by governing body	MHCS'S FORM 990 IS PREPARED AND REVIEWED BY THE INTERNAL TAX DEPARTMENT OF ITS PARENT ORGANIZATION, CHI. THE RETURN IS THEN REVIEWED BY MHCS'S FISCAL SERVICES DEPARTMENT AND ITS CHIEF FINANCIAL OFFICER. PRIOR TO FILING, a copy of the return is provided to each member of the board electronically. Subsequent to presentation to the board the tax department files the return with the appropriate federal and state agencies, making any non-substantive changes necessary to effect e-filing. Any such changes are not re-submitted to the board.

Return Reference	Explanation	
	Form 990, Part VI, Line 12c Conflict of interest policy	<p>Catholic Health Initiatives ("CHI") has a Conflicts of Interest ("COI") policy in place to maintain the integrity of all of its activities. The policy applies to CHI Board of Stewardship Trustees and members of its committees, all board and board committee members of CHI Entities, all CHI employees, all CHI physicians (both employed and non-employed) and all physician administrators and leaders, advanced practice clinicians (both employed and non-employed), and all CHI research personnel (both employed and non-employed). Disclosure, review and management of perceived, potential or actual conflicts of interest are accomplished through a defined COI disclosure process. Each person has a general ongoing obligation to promptly and fully report to his/her direct manager, supervisor, medical staff office, board or board committee chair any situation or circumstance that may create a conflict of interest. The person must report the actual or potential conflict as soon as she/he becomes aware of it. In any situation where the person may be in doubt, a full disclosure should be made to permit an impartial and objective determination. In addition to the general ongoing obligation, there are initial disclosure obligations. The board, board committee members, and new employees are required to make disclosures at the time of their initial hiring/appointment. All non-employed, credentialed or contracted physicians are required to make disclosures at the time of their credentialing and during any subsequent reappointment or recredentialing. All researchers are required to make disclosures upon consideration of affiliation with a research sponsor. In addition to the general ongoing and initial disclosure obligations, there is an annual disclosure obligation. All corporate officers, board and board committee members, employees at the level of manager and above, researchers, supply chain employees, employed physicians, physician administrators and leaders, and employed advanced practice clinicians must complete a new conflict of interest disclosure annually. Disclosures of perceived, potential or actual conflicts involving financial interests are forwarded to the Conflicts of Interest Review Committee ("C-CIRC") or Legal Services Group for review depending on the position of the person involved. The C-CIRC reviews COI questionnaires containing disclosures of perceived or possible conflicts for employees at a level of manager or above, supply chain employees, researchers and physicians, physician administrators and leaders, and advanced practice clinicians (both employed and non-employed). In the determination of a conflict, a COI management plan will be developed for that person. With respect to those audiences for which the C-CIRC has review responsibility, the C-CIRC will facilitate development of any such conflict of interest management plan in collaboration with local CRP staff. A designated CHI Entity staff will be responsible for monitoring the COI management plan and for documenting monitoring activities. At its sole discretion, a CHI Entity may reject a Person's request to enter into the relationship in question, or require the relationship be sufficiently altered to avoid a potential COI. If the C-CIRC determines that there is a potential or actual conflict of interest that does not currently have appropriate controls to address the conflict of interest, it may recommend that the disclosing person be allowed to participate in the activity or transactions subject to restrictions as outlined in the COI management plan. If a Person does not agree with a determination made by the C-CIRC, its interpretation of the Policy or Addenda, or seeks an exemption or exception, the following steps should be followed. The Employee disputing the review decision, interpretation of the Policy, or seeking exemption or exception must present the matter to the Employee's immediate direct manager or supervisor for review and determination. If the Employee and the manager do not agree with the review decision, interpretation of the Policy, or seek exemption or exception, the manager shall consult with the manager's Vice President (or higher if the manager is a Vice President) to reach a determination. If the matter remains unresolved, it shall be referred to the CHI Vice President of Human Resources and the CHI Corporate Responsibility Officer. If they are unable to reach agreement, the matter shall be referred to the CHI General Counsel, whose decision shall be final. Reviews and determinations involving board and board committee members and corporate officers will be the responsibility of the board, board executive committee, or board chair, with guidance from the Legal Services Group (LSG). Annual COI disclosures of all trustee and corporate officers will be reviewed by the CHI Senior Vice President, Legal Services, and General Counsel or his or her designee who will report potential conflicts to the applicable Board Chair. The Board Chair</p>

Return Reference	Explanation	
	Form 990, Part VI, Line 12c Conflict of interest policy	<p>ir or designee shall make such further investigation of any conflict of interest disclosures as he or she may deem appropriate. If the conflict involves the Board Chair, the Vice Chair will assume the Chair's role. Based on review and evaluation of the relevant facts and circumstances, the Board Chair will make an initial determination as to whether a conflict of interest exists and whether, pursuant to the COI Policy, review and approval or other action by the Board is required. A written record of the Board Chair's determination, including relevant facts and circumstances, will be made. The Board Chair shall then make an appropriate report to the Executive Committee of the Board concerning such review, evaluation and determination. If a difference of opinion exists between the Board Chair and another Trustee as to whether the facts and circumstances of a given situation constitute a conflict of interest or whether Board review and approval or other action is required within the COI Policy, the matter shall be submitted to the Board's Executive Committee, which shall make a final determination as to the matter presented. Such determination, including relevant facts and circumstances, will be reflected in the Executive Committee minutes and will be reported to the Board. When any conflict of interest is considered by the board, the trustee or corporate officer, as appropriate, must disclose all of the material facts to the Board. The trustee shall not vote and the trustee or corporate officer shall not use his or her personal influence on the matter. The trustee or corporate officer shall be excused from the meeting during discussion and vote on the conflict of interest. In reviewing such transactions between CHI or CHI Entities and vendors or other contractors who are, or are affiliated with, Trustees or Corporate Officers, the Board will act as it would in reviewing transactions with unrelated third parties. The transaction is not to be approved unless the Board determines that the transaction is fair to CHI or the CHI Entity. The Board must approve the transaction by a majority of the Trustees on the Board, without counting the vote of any individual who has an interest in the transaction. All determinations of conflicts of interest are reported as required by law, regulations, and CHI policy.</p>

Return Reference	Explanation
Form 990, Part VI, Line 15b Process to establish compensation of other employees	ON AN ANNUAL BASIS MHCS ENGAGES AN EXTERNAL CONSULTANT TO REVIEW THE COMPENSATION OF ITS EXECUTIVES THE REVIEW IS PERFORMED TO ENSURE THAT EXECUTIVE SALARIES ARE WITHIN COMPARABLE MARKET RANGES FOR THAT POSITION THE RESULTS OF THE REVIEW ARE PRESENTED TO THE EXECUTIVE COMPENSATION HUMAN RESOURCES COMMITTEE FOR REVIEW AND RECOMMENDATION TO THE BOARD OF DIRECTORS FOR APPROVAL

Return Reference	Explanation
Form 990, Part VI, Line 19 Required documents available to the public	THE ORGANIZING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE NOT AVAILABLE TO THE PUBLIC THE ORGANIZATION'S FINANCIAL STATEMENTS ARE INCLUDED IN CATHOLIC HEALTH INITIATIVES' CONSOLIDATED AUDITED FINANCIAL STATEMENTS THAT ARE AVAILABLE AT WWW.CATHOLICHEALTHINIT.ORG or at WWW.DACBOND.ORG THE FINANCIAL STATEMENTS ARE ALSO AVAILABLE THROUGH ANNUAL REPORTS FILED WITH THE STATE OF TENNESSEE

Return Reference	Explanation
Form 990, Part VIII, Line 2f Other Program Service Revenue	Other Program Service Revenue - Total Revenue 39485807, Related or Exempt Function Revenue 39485807, Unrelated Business Revenue , Revenue Excluded from Tax Under Sections 512, 513, or 514 ,



Return Reference	Explanation
Form 990, Part VIII, Line 11d Other Miscellaneous Revenue	Other Miscellaneous Revenue - Total Revenue 2198898, Related or Exempt Function Revenue , Unrelated Business Revenue , Revenue Excluded from Tax Under Sections 512, 513, or 514 2198898,

Return Reference	Explanation
Form 990, Part XI, Line 9 Other changes in net assets or fund balances	NONCONTROLLING INTEREST - -293525, CAPITAL RESOURCE POOL CONTRIBUTIONS - -578313,

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](http://www.irs.gov/form990).

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization  
Memorial Health Care System Inc

Employer identification number  
62-0532345

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) MEMORIAL HEALTH PARTNERS 2525 DE SALES AVENUE CHATTANOOGA, TN 37404 62-1784262	CONTRACT SERVICES	TN	0	0	MHCS
(2) MEMORIAL HEART INSTITUTE LLC DBA THE CHATTANOOGA HEART INSTITUTE 2525 DE SALES AVENUE CHATTANOOGA, TN 37404	PHYSICIAN SERVICES	TN	-8,902,753	6,684,999	MHCS
(3) MISSION HEALTH CARE NETWORK 2525 DE SALES AVENUE CHATTANOOGA, TN 37404 46-4236212	PHYSICIAN SERVICES	TN	0	0	MHCS
(4) ORTHOPEDIC SERVICE LINE MANAGEMENT LLC 2525 DE SALES AVENUE CHATTANOOGA, TN 37404	ORTHOPEDIC MGMT	TN	0	0	MCHS

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.						
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?
						Yes No
See Additional Data Table						

Part III

Identification of Related Organizations Taxable as a Partnership

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

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

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

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

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

Part V

Transactions With Related Organizations

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

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

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

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

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

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

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

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

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

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

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

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

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

Yes

No

1a Yes

1b Yes

1c Yes

1d

1e

1f

1g

1h

1i

1j Yes

1k

1l

1m Yes

1n Yes

1o Yes

1p

1q Yes

1r

1s

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			

Schedule R (Form 990) 2014

**Part VI** **Unrelated Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.  
Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization See instructions regarding exclusion for certain investment partnerships

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

**Part VII**   **Supplemental Information**

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

Return Reference	Explanation
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Additional Data

Software ID: 14000329

Software Version: 2014v1.0

EIN: 62-0532345

Name: Memorial Health Care System Inc

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) ALEAGENT CREIGHTON CLINIC  12809 W DODGE RD OMAHA, NE 68154 47-0765154	HEALTHCARE	NE	501(c)(3)	3	ACH	Yes	
(1) ALEAGENT CREIGHTON HEALTH  12809 W DODGE RD OMAHA, NE 68154 47-0757164	HEALTHCARE	NE	501(c)(3)	3	CHI NEBRASKA	Yes	
(2) ALEAGENT CREIGHTON HEALTH FOUNDATION  12809 W DODGE RD OMAHA, NE 68154 47-0648586	FUNDRAISING	NE	501(c)(3)	7	ACH	Yes	
(3) ALEAGENT HEALTH - BERGAN MERCY HEALTH SYSTEM  7500 MERCY RD OMAHA, NE 68124 47-0484764	HEALTHCARE	NE	501(c)(3)	3	CHI NEBRASKA	Yes	
(4) ALEAGENT HEALTH - COMMUNITY MEMORIAL HOSPITAL OF MISSOURI VALLEY IA  631 N 8TH ST MISSOURI VALLEY, IA 51555 42-0776568	HEALTHCARE	IA	501(c)(3)	3	CHI NEBRASKA	Yes	
(5) ALEAGENT HEALTH - IMMANUEL MEDICAL CENTER  6901 N 72ND ST OMAHA, NE 68122 47-0376615	HEALTHCARE	NE	501(c)(3)	3	CHI NEBRASKA	Yes	
(6) ALEAGENT HEALTH - MEMORIAL HOSPITAL SCHUYLER  104 W 17TH ST SCHUYLER, NE 68661 47-0399853	HEALTHCARE	NE	501(c)(3)	3	CHI NEBRASKA	Yes	
(7) ALEAGENT HEALTH - MERCY HOSPITAL CORNING IOWA  PO BOX 368 CORNING, IA 50841 42-0782518	HEALTHCARE	IA	501(c)(3)	3	CHI NEBRASKA	Yes	
(8) ALVERNA APARTMENTS  300 SE 8TH AVE LITTLE FALLS, MN 56345 41-1351177	LTERM CARE	MN	501(c)(3)	9	CHI	Yes	
(9) APPLETREE COURT  601 OAK ST BRECKENRIDGE, MN 56520 41-1850500	SENIOR LIVING	MN	501(c)(3)	9	SFH	Yes	
(10) BELLEVILLE ST JOSEPH HEALTH CENTER  2801 FRANCISCAN DRIVE BRYAN, TX 77802 27-4005511	HEALTHCARE	TX	501(c)(3)	3	SHSC	Yes	
(11) BISHOP DRUMM RETIREMENT CENTER  1111 6TH AVE DES MOINES, IA 50314 42-0725196	LTERM CARE	IA	501(c)(3)	9	CHI-IA CORP	Yes	
(12) BORNEMANN HEALTHCARE CORPORATION  2500 BERNVILLE RD PO BOX 316 READING, PA 19603 23-2187242	HEALTHCARE	PA	501(c)(3)	Type I	CHI	Yes	
(13) BURLESON ST JOSEPH HEALTH CENTER  2801 FRANCISCAN DRIVE BRYAN, TX 77802 74-2759890	HEALTHCARE	TX	501(c)(3)	3	SJSC	Yes	
(14) BURLESON ST JOSEPH MANOR  2801 FRANCISCAN DRIVE BRYAN, TX 77802 74-2913931	HEALTHCARE	TX	501(c)(3)	9	SJSC	Yes	
(15) CARRINGTON HEALTH CENTER  800 N 4TH ST CARRINGTON, ND 58421 45-0227311	HEALTHCARE	ND	501(c)(3)	3	CHI	Yes	
(16) CATHOLIC HEALTH INITIATIVES  198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 47-0617373	HEALTHCARE	CO	501(c)(3)	Type I	NA	Yes	
(17) CATHOLIC HEALTH INITIATIVES - COLORADO  188 INVERNESS DRIVE WEST STE 500 ENGLEWOOD, CO 80112 84-0405257	HEALTHCARE	CO	501(c)(3)	3	CHI	Yes	
(18) CATHOLIC HEALTH INITIATIVES - IOWA CORP  1111 6TH AVE DES MOINES, IA 50314 42-0680448	HEALTHCARE	IA	501(c)(3)	3	CHI	Yes	
(19) CATHOLIC HEALTH INITIATIVES COLORADO FOUNDATION  6385 CORPORATE DR STE 301 COLORADO SPRINGS, CO 80919 84-0902211	FUNDRAISING	CO	501(c)(3)	7	CHIC	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) CATHOLIC HEALTH INITIATIVES NATIONAL FOUNDATION  6385 CORPORATE DR COLORADO SPRINGS, CO 80919 27-0930004	FUNDRAISING	CO	501(c)(3	Type I	CHI	Yes	
(1) CATHOLIC HEALTH INITIATIVES VIRTUAL HEALTH SERVICES  198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 46-0992796	HEALTHCARE	CO	501(c)(3	Type I	CHINS	Yes	
(2) CENTENNIAL MEDICAL GROUP INC  2700 STEWART PKWY ROSEBURG, OR 97471 26-3946191	PHYSICIANS	OR	501(c)(3	9	MMC	Yes	
(3) CENTRAL KANSAS MEDICAL CENTER  3515 BROADWAY GREAT BEND, KS 67530 48-0543724	SURGERY CENTER	KS	501(c)(3	3	CHI	Yes	
(4) CHI HEALTH CONNECT AT HOME - FARGO  4816 AMBER VALLEY PKWY S FARGO, ND 58104 27-1966847	HEALTHCARE	MN	501(c)(3	9	CHI	Yes	
(5) CHI INSTITUTE FOR RESEARCH AND INNOVATION  198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 27-1050565	HEALTHCARE	CO	501(c)(3	Type I	CHI	Yes	
(6) CHI KENTUCKY INC  3900 OLYMPIC BLVD STE 400 ERLANGER, KY 41018 20-2741651	HEALTHCARE	KY	501(c)(3	Type I	CHI	Yes	
(7) CHI NATIONAL HOME CARE  198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 45-1261716	HEALTHCARE	CO	501(c)(3	9	CHI NS	Yes	
(8) CHI NATIONAL SERVICES  198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 45-2532084	HEALTHCARE	CO	501(c)(3	Type I	CHI	Yes	
(9) CHI NEBRASKA  6940 O ST STE 200 LINCOLN, NE 68510 36-3233121	HEALTHCARE	NE	501(c)(3	Type I	CHI	Yes	
(10) CHI ST JOSEPH'S CHILDREN  1516 5TH ST NW ALBUQUERQUE, NM 87102 71-0897107	COMMUNITY	NM	501(c)(3	Type I	CHI	Yes	
(11) CHI ST LUKE'S HEALTH BAYLOR COLLEGE OF MEDICINE MEDICAL CENTER  6624 FANNIN ST HOUSTON, TX 77030 74-1161938	HEALTHCARE	TX	501(c)(3	3	SLHS	Yes	
(12) CHI ST VINCENT HOSPITAL HOT SPRINGS  300 WERNER ST HOT SPRINGS, AR 71913 71-0236913	HEALTHCARE	AR	501(c)(3	3	CHISVHS	Yes	
(13) CHI ST VINCENT HOT SPRINGS  300 WERNER ST HOT SPRINGS, AR 71913 26-1125064	HOLDING CO	AR	501(c)(3	Type II	SVIMC	Yes	
(14) CHI ST VINCENT MEDICAL GROUP HOT SPRINGS  1 MERCY LANE STE 201 HOT SPRINGS, AR 71913 26-1125131	HEALTHCARE	AR	501(c)(3	3	CHISVHS	Yes	
(15) COMMUNITY LIMITED CARE DIALYSIS CENTER  619 OAK ST ACCOUNTING-3 W CINCINNATI, OH 45206 23-7419853	HOLDING CO	OH	501(c)(2		GSH	Yes	
(16) COMMUNITY MEMORIAL HOSPITAL MEDICAL SERVICE FOUNDATION  631 N 8TH ST MISSOURI VALLEY, IA 51555 42-1294399	FUNDRAISING	IA	501(c)(3	Type I	AH-CMHMV	Yes	
(17) CONTINUING CARE HOSPITAL  150 NORTH EAGLE CREEK DR LEXINGTON, KY 40509 61-1400619	LT ACH	KY	501(c)(3	3	SJHS	Yes	
(18) COVENANT HOME CARE  198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 23-2028429	HOME HEALTH	PA	501(c)(3	Type II	CHI NHC	Yes	
(19) ENUMCLAW REGIONAL HOSPITAL ASSOCIATION  1450 BATTERSBY AVE ENUMCLAW, WA 98022 91-0715805	HEALTHCARE	WA	501(c)(3	3	FHS	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
(41) FLAGET HEALTHCARE INC  4305 NEW SHEPHERDSVILLE RD BARDSTOWN, KY 40004 61-1345363	HEALTHCARE	KY	501(c)(3	3	KOH	Yes	
(1) FLAGET MEMORIAL HOSPITAL FOUNDATION INC  4305 NEW SHEPHERDSVILLE RD BARDSTOWN, KY 40004 56-2351341	FUNDRAISING	KY	501(c)(3	Type I	FH	Yes	
(2) FRANCISCAN CARE CENTER  4111 N HOLLAND-SYLVANIA RD TOLEDO, OH 43623 34-1931806	HEALTHCARE	OH	501(c)(3	9	FLC	Yes	
(3) FRANCISCAN FOUNDATION  1717 SOUTH J ST TACOMA, WA 98405 91-1145592	FUNDRAISING	WA	501(c)(3	9	FHS	Yes	
(4) FRANCISCAN HEALTH SYSTEM  1717 SOUTH J ST TACOMA, WA 98405 91-0564491	HEALTHCARE	WA	501(c)(3	3	CHI	Yes	
(5) FRANCISCAN HEALTH VENTURES FKA SJMGROUP  TACOMA FNC CTR BLDG 1145 BROADWAY TACOMA, WA 98402 43-1882377	PHYSICIANS	MO	501(c)(3	9	CHI	Yes	
(6) FRANCISCAN LIVING COMMUNITIES  5942 RENAISSANCE PLACE STE A TOLEDO, OH 43623 34-1892096	HEALTHCARE	OH	501(c)(3	Type I	SFH	Yes	
(7) FRANCISCAN MEDICAL GROUP  1313 BROADWAY STE 200 TACOMA, WA 98402 91-1939739	HEALTHCARE	WA	501(c)(3	9	FHS	Yes	
(8) FRANCISCAN VILLA OF SOUTH MILWAUKEE INC  3601 S CHICAGO AVE SOUTH MILWAUKEE, WI 53172 39-1093829	HEALTHCARE	WI	501(c)(3	9	CHI	Yes	
(9) GARRISON MEMORIAL HOSPITAL  407 THIRD AVENUE SOUTHEAST GARRISON, ND 58540 45-0227752	HEALTHCARE	ND	501(c)(3	3	SAMC	Yes	
(10) GLOBAL HEALTH INITIATIVES  198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 20-1536108	MINISTRIES	CO	501(c)(3	Type I	CHI	Yes	
(11) GOOD SAMARITAN COLLEGE OF NURSING & HEALTH SCIENCE  619 OAK ST ACCOUNTING-3 W CINCINNATI, OH 45206 31-1778403	EDUCATION	OH	501(c)(3	2	GSH	Yes	
(12) GOOD SAMARITAN FOUNDATION OF CINCINNATI INC  619 OAK ST ACCOUNTING-3 W CINCINNATI, OH 45206 31-1206047	FUNDRAISING	OH	501(c)(3	Type I	GSH	Yes	
(13) GOOD SAMARITAN HOSPITAL  PO BOX 1990 KEARNEY, NE 68848 47-0379755	HEALTHCARE	NE	501(c)(3	3	CHI NEBRASKA	Yes	
(14) GOOD SAMARITAN HOSPITAL FOUNDATION  111 W 31ST ST KEARNEY, NE 68847 47-0659443	FUNDRAISING	NE	501(c)(3	7	GSH	Yes	
(15) GOOD SAMARITAN HOSPITAL FOUNDATION - DAYTON  110 N MAIN ST STE 500 DAYTON, OH 45402 23-7296923	FUNDRAISING	OH	501(c)(3	7	SHP	Yes	
(16) HARRISON MEDICAL CENTER  2520 CHERRY AVE BREMERTON, WA 98310 91-0565546	HEALTHCARE	WA	501(c)(3	3	FHS	Yes	
(17) HARRISON MEDICAL CENTER FOUNDATION  2520 CHERRY AVE BREMERTON, WA 98310 91-1197626	FUNDRAISING	WA	501(c)(3	7	HMC	Yes	
(18) HEALTH SET  2420 W 26TH AVE STE 460D DENVER, CO 80211 84-1102943	LOW INC CARE	CO	501(c)(3	7	CHIC	Yes	
(19) HEALTHCARE AND WELLNESS FOUNDATION  2400 ST FRANCIS DR BRECKENRIDGE, MN 56520 76-0761782	FUNDRAISING	MN	501(c)(3	Type I	SFMC	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
(61) HIGHLINE MEDICAL CENTER  16251 SYLVESTER RD SW BURIEN, WA 98166 91-0712166	HEALTHCARE	WA	501(c)(3)	3	FHS	Yes	
(1) HOUSE OF MERCY  1111 6TH AVE DES MOINES, IA 50314 42-1323808	SHELTER	IA	501(c)(3)	7	CHI-IA CORP	Yes	
(2) JEWISH HOSPITAL AND ST MARY'S HEALTHCARE INC  200 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40202 61-1029768	HEALTHCARE	KY	501(c)(3)	3	KOH	Yes	
(3) KENTUCKYONE HEALTH MEDICAL GROUP INC  200 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40202 61-1352729	HEALTHCARE	KY	501(c)(3)	9	JHSMH	Yes	
(4) KENTUCKYONE HEALTH INC  200 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40202 61-1029769	HEALTHCARE	KY	501(c)(3)	9	CHI	Yes	
(5) LAKEWOOD HEALTH CENTER  600 MAIN AVE S BAUDETTE, MN 56623 41-0758434	HEALTHCARE	MN	501(c)(3)	3	CHI	Yes	
(6) LAKEWOOD REGIONAL HEALTHCARE FOUNDATION  600 MAIN AVE S BAUDETTE, MN 56623 41-1893795	FUNDRAISING	ND	501(c)(3)	7	LHC	Yes	
(7) LINUS OAKES INC  2700 STEWART PKWY ROSEBURG, OR 97471 93-0821381	SENIOR LIVING	OR	501(c)(3)	9	MMC	Yes	
(8) LISBON AREA HEALTH SERVICES  905 MAIN ST LISBON, ND 58054 82-0558836	HEALTHCARE	ND	501(c)(3)	3	CHI	Yes	
(9) LUFKIN VISION ACQUISITIONS  PO BOX 1447 LUFKIN, TX 75901 82-0563768	PROPERTY MGMT	TX	501(c)(3)	Type III-FI	MHSET	Yes	
(10) MADISON ST JOSEPH HEALTH CENTER  2801 FRANCISCAN DRIVE BRYAN, TX 77802 74-2761145	HEALTHCARE	TX	501(c)(3)	3	SJSC	Yes	
(11) MADONNA MANOR INC  2344 AMSTERDAM ROAD VILLA HILLS, KY 51017 61-0654635	LIVING ASSIST	KY	501(c)(3)	1	FLC	Yes	
(12) MEMORIAL HEALTH CARE SYSTEM FOUNDATION INC  2525 DE SALES AVE CHATTANOOGA, TN 37404 62-1839548	FUNDRAISING	TN	501(c)(3)	7	MHCS	Yes	
(13) MEMORIAL HEALTH CARE SYSTEM INC  2525 DE SALES AVE CHATTANOOGA, TN 37404 62-0532345	HEALTHCARE	TN	501(c)(3)	3	CHI	Yes	
(14) MEMORIAL HEALTH PARTNERS FOUNDATION INC  5600 BRAINERD RD STE 500 CHATTANOOGA, TN 37411 03-0417049	HEALTHCARE	TN	501(c)(3)	9	MHCS	Yes	
(15) MEMORIAL HEALTH SYSTEM OF EAST TEXAS  PO BOX 1447 LUFKIN, TX 75902 75-0755367	HEALTHCARE	TX	501(c)(3)	3	CHI	Yes	
(16) MEMORIAL MEDICAL CENTER - LIVINGSTON  PO BOX 1447 LUFKIN, TX 75902 76-0436439	HEALTHCARE	TX	501(c)(3)	3	MHSET	Yes	
(17) MEMORIAL MEDICAL CENTER - SAN AUGUSTINE  PO BOX 1447 LUFKIN, TX 75902 75-2663904	HEALTHCARE	TX	501(c)(3)	3	MHSET	Yes	
(18) MEMORIAL MULTISPECIALTY ASSOCIATES  1201 FRANK AVE LUFKIN, TX 95904 75-2721155	PHYSICIANS	TX	501(c)(3)	Type III-FI	MHSET	Yes	
(19) MEMORIAL SPECIALTY HOSPITAL  PO BOX 1447 LUFKIN, TX 95902 75-2492741	HEALTHCARE	TX	501(c)(3)	3	MHSET	Yes	

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

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						Yes	No
(81) MERCY AUXILIARY OF CENTRAL IOWA  1111 6TH AVE DES MOINES, IA 50314 42-6076069	AUXILIARY	IA	501(c)(3	Type I	MF-DM IA	Yes	
(1) MERCY CLINICS INC  1111 6TH AVE DES MOINES, IA 50314 42-1193699	PHYSICIANS	IA	501(c)(3	9	CHI-IA CORP	Yes	
(2) MERCY COLLEGE OF HEALTH SCIENCES  1111 6TH AVE DES MOINES, IA 50314 42-1511682	EDUCATION	IA	501(c)(3	2	CHI-IA CORP	Yes	
(3) MERCY FOUNDATION OF DES MOINES IA  1111 6TH AVE DES MOINES, IA 50314 23-7358794	FUNDRAISING	IA	501(c)(3	7	CHI-IA CORP	Yes	
(4) MERCY FOUNDATION INC  2700 STEWART PKWY ROSEBURG, OR 97471 93-6088946	FUNDRAISING	OR	501(c)(3	7	MMC	Yes	
(5) MERCY HEALTH CARE FOUNDATION  PO BOX 368 CORNING, IA 50841 42-1461064	FUNDRAISING	IA	501(c)(3	Type I	AHMH-Corning	Yes	
(6) MERCY HEALTHCARE FOUNDATION  570 CHAUTAUQUA BLVD VALLEY CITY, ND 58072 45-0435338	FUNDRAISING	ND	501(c)(3	Type I	MHVC	Yes	
(7) MERCY HOSPITAL FOUNDATION COUNCIL BLUFFS  800 MERCY DR COUNCIL BLUFFS, IA 51503 42-1178204	FUNDRAISING	IA	501(c)(3	Type I	AHBMHS	Yes	
(8) MERCY HOSPITAL OF DEVILS LAKE  1031 7TH ST NE DEVILS LAKE, ND 58301 45-0227012	HEALTHCARE	ND	501(c)(3	3	CHI	Yes	
(9) MERCY HOSPITAL OF DEVILS LAKE FOUNDATION  1031 7TH ST NE DEVILS LAKE, ND 58301 35-2367360	FUNDRAISING	ND	501(c)(3	7	MHDL	Yes	
(10) MERCY HOSPITAL OF VALLEY CITY  570 CHAUTAUQUA BLVD VALLEY CITY, ND 58072 45-0226553	HEALTHCARE	ND	501(c)(3	3	CHI	Yes	
(11) MERCY MEDICAL CENTER  1301 15TH AVE WEST WILLISTON, ND 58801 45-0231183	HEALTHCARE	ND	501(c)(3	3	CHI	Yes	
(12) MERCY MEDICAL CENTER - CENTERVILLE  ONE ST JOSEPHS DRIVE CENTERVILLE, IA 52544 42-0680308	HEALTHCARE	IA	501(c)(3	3	CHI-IA CORP	Yes	
(13) MERCY MEDICAL CENTER INC  2700 STEWART PKWY ROSEBURG, OR 97471 93-0386868	HEALTHCARE	OR	501(c)(3	3	CHI	Yes	
(14) MERCY MEDICAL FOUNDATION  1301 15TH AVE WEST WILLISTON, ND 58801 45-0381803	FUNDRAISING	ND	501(c)(3	Type I	MMC	Yes	
(15) MERCY PROFESSIONAL PRACTICE ASSOCIATES INC  1111 6TH AVE DES MOINES, IA 50314 42-1470935	PHYSICIANS	IA	501(c)(3	9	CHI-IA CORP	Yes	
(16) NEBRASKA HEART HOSPITAL  7500 S 91ST ST LINCOLN, NE 68526 39-2031968	HEALTHCARE	NE	501(c)(3	3	CHI NEBRASKA	Yes	
(17) NORTH CENTRAL HEALTH CARE ALLIANCE DBA PRIMECARE HEALTH GROUP  401 N 9th St BISMARCK, ND 585014507 45-0439894	HEALTHCARE	ND	501(c)(3	9	NHCA	Yes	
(18) OAKES COMMUNITY HOSPITAL  1200 N 7TH ST OAKES, ND 58474 45-0231675	HEALTHCARE	ND	501(c)(3	3	CHI	Yes	
(19) OAKES COMMUNITY HOSPITAL FOUNDATION  1200 N 7TH ST OAKES, ND 58474 71-0966606	FUNDRAISING	ND	501(c)(3	Type I	OCH	Yes	

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						Yes	No
(101) PINEYWOODS MEDICAL DEVELOPMENT CORP  PO BOX 1447 LUFKIN, TX 75902 75-2493116	PROPERTY MGMT	TX	501(c)(3	Type III-FI	MHSET	Yes	
(1) PROVIDENCE CARE CENTER  2025 HAYES AVENUE SANDUSKY, OH 44870 34-1658625	HEALTHCARE	OH	501(c)(3	9	FLC	Yes	
(2) PROVIDENCE CARE CENTERS  2025 HAYES AVENUE SANDUSKY, OH 44870 34-1826099	HOLDING CO	OH	501(c)(3	Type II	FLC	Yes	
(3) PROVIDENCE RESIDENTIAL COMMUNITY CORPORATION  5055 PROVIDENCE DRIVE SANDUSKY, OH 44870 34-1896807	LIVING COMM	OH	501(c)(3	9	FLC	Yes	
(4) PUEBLO STEPUP  1925 E ORMAN AVE STE G52 PUEBLO, CO 81004 84-1234295	COMMUNITY	CO	501(c)(3	7	CHIC	Yes	
(5) REGIONAL HOSPITAL FOR RESPIRATORY AND COMPLEX CARE  12844 MILITARY RD S TUKWILA, WA 98168 91-1170040	HEALTHCARE	WA	501(c)(3	3	FHS	Yes	
(6) SET OF COLORADO SPRINGS INC  2864 S CIRCLE DR STE 450 COLORADO SPRINGS, CO 80906 84-1183335	LTERM CARE	CO	501(c)(3	7	CHIC	Yes	
(7) SAINT CLARE'S COMMUNITY CARE INC  25 POCONO RD DENVER, NJ 07834 22-2876836	HEALTHCARE	NJ	501(c)(3	Type II	SCHS	Yes	
(8) SAINT CLARE'S FOUNDATION INC  25 POCONO RD DENVER, NJ 07834 22-2502997	FUNDRAISING	NJ	501(c)(3	7	SCHS	Yes	
(9) SAINT CLARE'S HEALTH SERVICES INC  25 POCONO RD DENVER, NJ 07834 22-3639733	MANAGEMENT	NJ	501(c)(3	Type II	CHI	Yes	
(10) SAINT CLARE'S HOSPITAL INC  25 POCONO RD DENVER, NJ 07834 22-3319886	HEALTHCARE	NJ	501(c)(3	3	SCHS	Yes	
(11) SAINT ELIZABETH FOUNDATION  555 S 70TH ST LINCOLN, NE 68510 47-0625523	FUNDRAISING	NE	501(c)(3	7	SERMC	Yes	
(12) SAINT ELIZABETH HEALTH SERVICES  555 S 70TH ST LINCOLN, NE 68510 36-3233120	HEALTHCARE	NE	501(c)(3	3	SERMC	Yes	
(13) SAINT ELIZABETH REGIONAL MEDICAL CENTER  555 S 70TH ST LINCOLN, NE 68510 47-0379836	HEALTHCARE	NE	501(c)(3	3	CHI NEBRASKA	Yes	
(14) SAINT FRANCIS MEDICAL CENTER  2620 W FAIDLEY GRAND ISLAND, NE 68803 47-0376601	HEALTHCARE	NE	501(c)(3	3	CHI NEBRASKA	Yes	
(15) SAINT FRANCIS MEDICAL CENTER FOUNDATION  PO BOX 9804 GRAND ISLAND, NE 68802 47-0630267	FUNDRAISING	NE	501(c)(3	7	SFMC	Yes	
(16) SAINT JOSEPH BEREА HOSPITAL FOUNDATION INC  305 ESTILL ST BEREA, KY 40403 26-0152877	FUNDRAISING	KY	501(c)(3	7	SJHS	Yes	
(17) SAINT JOSEPH HEALTH SYSTEM INC  200 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40202 61-1334601	HEALTHCARE	KY	501(c)(3	3	KOH	Yes	
(18) SAINT JOSEPH HOSPITAL FOUNDATION INC  ONE SAINT JOSEPH DRIVE LEXINGTON, KY 40504 61-1159649	FUNDRAISING	KY	501(c)(3	Type I	SJHS	Yes	
(19) SAINT JOSEPH LONDON FOUNDATION INC  1001 SAINT JOSEPH LANE LONDON, KY 40741 26-0438748	FUNDRAISING	KY	501(c)(3	7	SJHS	Yes	

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						Yes	No
(121) SAINT JOSEPH MOUNT STERLING FOUNDATION INC  225 FALCON DR MOUNT STERLING, KY 40353 27-2884584	FUNDRAISING	KY	501(c)(3	7	SJHS	Yes	
(1) SAINT JOSEPH'S HOSPITAL FOUNDATION  30 WEST 7TH ST DICKINSON, ND 58601 36-3418207	FUNDRAISING	ND	501(c)(3	Type I	SJHHC	Yes	
(2) SAMARITAN BEHAVIORAL HEALTH INC  601 S EDWIN C MOSES BLVD DAYTON, OH 45417 02-0633634	HEALTHCARE	OH	501(c)(3	7	SHP	Yes	
(3) SAMARITAN HEALTH PARTNERS  110 N MAIN ST STE 500 DAYTON, OH 45402 31-1107411	HEALTHCARE	OH	501(c)(3	Type I	CHI	Yes	
(4) SCHUYLER MEMORIAL HOSPITAL FOUNDATION INC  104 W 17TH ST SCHUYLER, NE 68661 36-3630014	FUNDRAISING	NE	501(c)(3	Type I	AHMHS	Yes	
(5) SJRMC JOPLIN MISSOURI  198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 44-0545809	HEALTHCARE	MO	501(c)(3	3	CHI	Yes	
(6) SL AUGUSTA CORP  PO BOX 20269 HOUSTON, TX 77225 76-0226623	TITLE HOLDING	TX	501(c)(2		SLPC	Yes	
(7) ST ALEXIUS MEDICAL CENTER  900 EAST BROADWAY AVENUE BISMARCK, ND 58501 45-0226711	HEALTHCARE	ND	501(c)(3	3	CHI	Yes	
(8) ST ANTHONY HOSPITAL  1601 SE COURT AVE PENDLETON, OR 97801 93-0391614	HEALTHCARE	OR	501(c)(3	3	CHI	Yes	
(9) ST ANTHONY HOSPITAL FOUNDATION  1601 SE COURT AVE PENDLETON, OR 97801 93-0992727	FUNDRAISING	OR	501(c)(3	Type I	SAH	Yes	
(10) ST ANTHONY'S HOSPITAL ASSOCIATION  FOUR HOSPITAL DR MORRILTON, AR 72110 71-0245507	HEALTHCARE	AR	501(c)(3	3	SVIMC	Yes	
(11) ST CATHERINE HOSPITAL  401 EAST SPRUCE ST GARDEN CITY, KS 67846 48-0543721	HEALTHCARE	KS	501(c)(3	3	CHI	Yes	
(12) ST CATHERINE HOSPITAL DEVELOPMENT FOUNDATION  401 EAST SPRUCE ST GARDEN CITY, KS 67846 20-0598702	FUNDRAISING	KS	501(c)(3	Type I	SCH	Yes	
(13) ST CLARE COMMONS  5942 RENAISSANCE PLACE STE A TOLEDO, OH 43623 27-0163752	LIVING COMM	OH	501(c)(3	9	FLC	Yes	
(14) ST DOMINIC OF ONTARIO OREGON  198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 93-0433692	HEALTHCARE	OR	501(c)(4		CHI	Yes	
(15) ST FRANCIS HOME  2400 ST FRANCIS DR BRECKENRIDGE, MN 56520 41-0729978	LTERM CARE	MN	501(c)(3	9	CHI	Yes	
(16) ST FRANCIS LIFE CARE CORPORATION  19 POCONO RD DENVER, NJ 07834 22-2536017	ELDERLY CARE	NJ	501(c)(3	9	SCHS	Yes	
(17) ST FRANCIS MEDICAL CENTER  2400 ST FRANCIS DR BRECKENRIDGE, MN 56520 41-0695598	HEALTHCARE	MN	501(c)(3	3	CHI	Yes	
(18) ST FRANCIS OF BAKER CITY  198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 93-0412495	HEALTHCARE	OR	501(c)(3	3	CHI	Yes	
(19) ST JOSEPH FOUNDATION OF BRYAN TEXAS  2801 FRANCISCAN DRIVE BRYAN, TX 77802 74-2351158	FUNDRAISING	TX	501(c)(3	Type I	SJSC	Yes	

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						Yes	No
(141) ST JOSEPH HEALTH MINISTRIES  1929 LINCOLN HWY E STE 150 LANCASTER, PA 17602 23-2342997	HEALTHCARE	PA	501(c)(3	Type I	CHI	Yes	
(1) ST JOSEPH MANOR  2801 FRANCISCAN DRIVE BRYAN, TX 77802 74-2847594	HEALTHCARE	TX	501(c)(3	9	SJSC	Yes	
(2) ST JOSEPH MEDICAL CENTER FOUNDATION  2500 BERNVILLE RD PO BOX 316 READING, PA 19603 23-2649362	FUNDRAISING	PA	501(c)(3	Type I	SJRHN	Yes	
(3) ST JOSEPH MEDICAL CENTER INC  201 INTERNATIONAL CIRCLE STE 212 HUNT VALLEY, MD 21030 52-0591461	HEALTHCARE	MD	501(c)(3	3	CHI	Yes	
(4) ST JOSEPH MEDICAL GROUP  2500 BERNVILLE RD PO BOX 316 READING, PA 19603 20-8544021	HEALTHCARE	PA	501(c)(3	9	BHC	Yes	
(5) ST JOSEPH PHYSICIAN ASSOCIATES  2801 FRANCISCAN DRIVE BRYAN, TX 77802 20-3159302	HEALTHCARE	TX	501(c)(3	3	SJSC	Yes	
(6) ST JOSEPH PHYSICIAN ENTERPRISE INC  201 INTERNATIONAL CIRCLE STE 212 HUNT VALLEY, MD 21030 52-1311775	PHYSICIANS	MD	501(c)(3	Type I	SJMC	Yes	
(7) ST JOSEPH REGIONAL HEALTH CENTER  2801 FRANCISCAN DRIVE BRYAN, TX 77802 74-1282696	HEALTHCARE	TX	501(c)(3	3	SJSC	Yes	
(8) ST JOSEPH REGIONAL HEALTH NETWORK  2500 BERNVILLE RD PO BOX 316 READING, PA 19603 23-1352211	HEALTHCARE	PA	501(c)(3	3	CHI	Yes	
(9) ST JOSEPH REGIONAL HEALTH PARTNERS  2801 FRANCISCAN DRIVE BRYAN, TX 77802 45-4088170	HEALTHCARE	TX	501(c)(3	3	SJSC	Yes	
(10) ST JOSEPH REGIONAL HEALTH PARTNERS ACO  2801 FRANCISCAN DRIVE BRYAN, TX 77802 46-3265423	HEALTHCARE	TX	501(c)(3	3	SJSC	Yes	
(11) ST JOSEPH SERVICES CORPORATION  2801 FRANCISCAN DRIVE BRYAN, TX 77802 74-2455161	MANAGEMENT	TX	501(c)(3	Type I	SFH	Yes	
(12) ST JOSEPH'S AREA HEALTH SERVICES  600 PLEASANT AVE PARK RAPIDS, MN 56470 41-0695603	HEALTHCARE	MN	501(c)(3	3	CHI	Yes	
(13) ST JOSEPH'S HOSPITAL AND HEALTH CENTER  30 WEST 7TH ST DICKINSON, ND 58601 45-0226429	HEALTHCARE	ND	501(c)(3	3	CHI	Yes	
(14) ST LEONARD  8100 CLYO ROAD CENTERVILLE, OH 45458 34-1940863	LIVING COMM	OH	501(c)(3	9	FLC	Yes	
(15) ST LEONARD FOUNDATION  8100 CLYO ROAD CENTERVILLE, OH 45458 32-0102715	FUNDRAISING	OH	501(c)(3	7	SLEO	Yes	
(16) ST LUKE'S COMMUNITY DEVELOPMENT CORPORATION  6624 FANNIN ST STE 2505 HOUSTON, TX 77030 26-0274448	MANAGEMENT	TX	501(c)(3	Type I	SLHS	Yes	
(17) ST LUKE'S COMMUNITY DEVELOPMENT CORPORATION - PMC  6624 FANNIN ST STE 2505 HOUSTON, TX 77030 27-3733278	HEALTHCARE	TX	501(c)(3	3	SLCDC	Yes	
(18) ST LUKE'S COMMUNITY DEVELOPMENT CORPORATION - SUGAR LAND  6624 FANNIN ST STE 2505 HOUSTON, TX 77030 26-1947374	HEALTHCARE	TX	501(c)(3	3	SLHS	Yes	
(19) ST LUKE'S COMMUNITY DEVELOPMENT CORPORATION - THE WOODLANDS  6624 FANNIN ST STE 2505 HOUSTON, TX 77030 26-0335902	HEALTHCARE	TX	501(c)(3	3	SLCDC	Yes	

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						Yes	No
(161) ST LUKE'S COMMUNITY HEALTH SERVICES  6624 FANNIN ST STE 1100 HOUSTON, TX 77030 76-0536234	HEALTHCARE	TX	501(c)(3)	3	SLHS	Yes	
(1) ST LUKE'S FOUNDATION  1213 HERMANN DRIVE STE 855 HOUSTON, TX 77004 45-3811485	FUNDRAISING	TX	501(c)(3)	7	SLHS	Yes	
(2) ST LUKE'S HEALTH SYSTEM CORPORATION  6624 FANNIN ST STE 1100 HOUSTON, TX 77030 76-0536232	MANAGEMENT	TX	501(c)(3)	Type I	CHI	Yes	
(3) ST LUKE'S HOSPITAL AT THE VINTAGE  6624 FANNIN ST STE 2505 HOUSTON, TX 77030 26-3734606	HEALTHCARE	TX	501(c)(3)	3	SLHS	Yes	
(4) ST LUKE'S MEDICAL GROUP  6624 FANNIN ST HOUSTON, TX 77030 76-0458535	PHYSICIANS	TX	501(c)(3)	3	SLHS	Yes	
(5) ST LUKE'S MEDICAL TOWER CORPORATION  6624 FANNIN ST STE 1100 HOUSTON, TX 77030 76-0531713	PROPERTY MGMT	TX	501(c)(3)	Type I	CHI-SLH	Yes	
(6) ST LUKE'S PROPERTIES CORPORATION  6624 FANNIN ST STE 1100 HOUSTON, TX 77030 76-0531716	PROPERTY MGMT	TX	501(c)(3)	Type I	SLHS	Yes	
(7) ST LUKE'S SUGAR LAND PROPERTIES CORPORATION  6624 FANNIN ST STE 2505 HOUSTON, TX 77030 45-4120549	PROPERTY MGMT	TX	501(c)(3)	Type I	SLCDC-SL	Yes	
(8) ST MARY'S COMMUNITY HOSPITAL  1314 3RD AVE NEBRASKA CITY, NE 68410 47-0443636	HEALTHCARE	NE	501(c)(3)	3	CHI NEBRASKA	Yes	
(9) ST MARY'S HOSPITAL FOUNDATION  1314 3RD AVE NEBRASKA CITY, NE 68410 47-0707604	FUNDRAISING	NE	501(c)(3)	7	SMCH	Yes	
(10) ST VINCENT FOUNDATION  TWO ST VINCENT CIRCLE LITTLE ROCK, AR 72205 51-0169537	FUNDRAISING	AR	501(c)(3)	Type I	SVIMC	Yes	
(11) ST VINCENT INFIRMARY MEDICAL CENTER  TWO ST VINCENT CIRCLE LITTLE ROCK, AR 72205 71-0236917	HEALTHCARE	AR	501(c)(3)	3	CHI	Yes	
(12) ST VINCENT MEDICAL GROUP  TWO ST VINCENT CIRCLE LITTLE ROCK, AR 72205 71-0830696	HEALTHCARE	AR	501(c)(3)	9	SVIMC	Yes	
(13) SYLVANIA FRANCISCAN HEALTH  1715 INDIAN WOOD CIR 200 MAUMEE, OH 43537 34-1412964	HEALTHCARE	OH	501(c)(3)	Type I	CHI	Yes	
(14) SYLVANIA FRANCISCAN HEALTH FOUNDATION  1715 INDIAN WOOD CIR 200 MAUMEE, OH 43537 45-5357161	FUNDRAISING	OH	501(c)(3)	Type I	FLC	Yes	
(15) THE COMMONS OF PROVIDENCE  5000 PROVIDENCE DRIVE SANDUSKY, OH 44870 34-1826097	ASSIST LIVING	OH	501(c)(3)	9	FLC	Yes	
(16) THE GOOD SAMARITAN HOSPITAL OF CINCINNATI OH  619 OAK ST ACCOUNTING-3 W CINCINNATI, OH 45206 31-0537486	HEALTHCARE	OH	501(c)(3)	3	CHI	Yes	
(17) THE PHYSICIAN NETWORK  2000 Q ST STE 500 LINCOLN, NE 68503 47-0780857	PHYSICIANS	NE	501(c)(3)	Type I	CHI NEBRASKA	Yes	
(18) TOTAL HEALTHCARE  188 INVERNESS DRIVE WEST STE 500 ENGLEWOOD, CO 80112 84-0927232	HEALTHCARE	CO	501(c)(3)	3	CHIC	Yes	
(19) TRINITY HOSPITAL TWIN CITY  819 NORTH FIRST STREET DENNISON, OH 44621 27-5401105	HEALTHCARE	OH	501(c)(3)	3	SFH	Yes	



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						Yes	No
(181) UNITY FAMILY HEALTHCARE  815 SE 2ND ST LITTLE FALLS, MN 56345 41-0721642	HEALTHCARE	MN	501(c)(3	3	CHI	Yes	
(1) VILLA NAZARETH INC  801 PAGE DR FARGO, ND 58103 45-0226714	LTERM CARE	ND	501(c)(3	9	CHI	Yes	
(2) VISITING NURSE ASSOCIATION OF ST CLARE'S INC  191 WOODPORT RD SPARTA, NJ 07871 22-1768334	HOME HEALTH	NJ	501(c)(3	9	SCHS	Yes	
(3) WOODLANDS DOCTOR GROUP  17200 ST LUKES WAY STE 170 THE WOODLANDS, TX 77384 27-4499340	PHYSICIANS	TX	501(c)(3	9	SLCHS	Yes	

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(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) Disproportionate allocations?		(i) Code V-UBI amount in Box 20 of Schedule K-1 (Form 1065)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
Alegent Health Northwest Imaging Center LLC  3606 N 156th St OMAHA, NE 68116 06-1786985	OP Diagnostics	NE	ACH	Related	-147,872	429,431		No	0	Yes		51 %
Audubon Ambulatory Surgery Center LLC  3030 North Circle Dr COLORADO SPRINGS, CO 80909 84-1482638	AMBUL SURG CTR	CO	CHIC	Related	3,069,333	3,517,273		No	0	Yes		56 1 %
Audubon Land Company LLC  5390 N Academy Blvd STE 300 COLORADO SPRINGS, CO 80918 84-1513085	Real Estate	CO	CHIC	Related	116,620	10,842,022		No	0		No	69 4 %
AVANTAS LLC  11128 JOHN GALT BLVD STE 400 OMAHA, NE 68137 39-2045003	Staffing of Nurses	NE	AHBMHS	Related	270,464	4,883,491		No	-449,169		No	95 %
BERGAN MERCY SURGERY CENTER LLC  7710 Mercy Rd Ste 200 OMAHA, NE 68124 20-8671994	AMBUL SURG CTR	NE	ACH	Related	262,283	2,676,707		No	0		No	63 57 %
BERYWOOD OFFICE PROPERTIES LLC  400 BERYWOOD TRAIL CLEVELAND, TN 37312 62-1875199	PHYS OFFICE	TN	MHCS	Related	77,646	976,529		No	0	Yes		63 %
BLUEGRASS REGIONAL IMAGING CENTER  1218 SOUTH BROADWAY STE 310 LEXINGTON, KY 40504 61-1386736	DIAGNOSTIC IMAGING	KY	SJHS	Related	216,144	3,219,211		No	0		No	65 %
CATHOLIC HEALTH INITIATIVES PHYSICIAN SERVICES LLC  198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 46-2945938	PRACTICE MGMT SRVC	DE	CHI	Related	-572,398	4,681,573		No	0	Yes		80 %
CENTRAL NEBRASKA HOME CARE SERVICES  PO BOX 1146 4502 N SECOND AVE KEARNEY, NE 68848 47-0692112	HEALTHCARE SRVC	NE	na	Related	-49,959	152,789		No	-22,980	Yes		100 %
CENTRAL NEBRASKA REHABILITATION SERVICES LLC  3004 W FAIDLEY AVENUE GRAND ISLAND, NE 68803 81-0653461	Physical Therapy	NE	SFMC	Related	2,441,607	3,412,341		No	0		No	51 %
CHI OPERATING INVESTMENT PROGRAM LP  198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 47-0727942	INVESTMENTS	CO	CHI	Unrelated	0	0		No	0	Yes		100 %
CHICAMSURG Surgery Centers LLC  188 INVERNESS DRIVE WEST 500 ENGLEWOOD, CO 80112 46-5683027	SURGERY CENTER	CO	CHIC	Related	0	0		No	0		No	51 %
CHICLARKIN VENTURES LLC  188 INVERNESS DRIVE WEST 500 ENGLEWOOD, CO 80112 47-4210888	URGENT CARE	CO	CHIC	Related	0	0		No	0	Yes		87 %
Colorado Springs CK Leasing LLC  8770 W Bryn Mawr Ste 1370 CHICAGO, IL 60631 26-2982714	REAL ESTATE	CO	CHI	Related	120,659	1,039,682		No	0	Yes		66 %
HC SL VINTAGE I LLC  18000 W SARAH LANE STE 250 BROOKFIELD, WI 53045 27-0453767	PROPERTY HOLDING	WI	SL HOSP- VINTAGE	Related	1,365,254	55,596,761		No	0		No	51 %

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)		(d) Direct Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproprtionate allocations?		(i) Code V-UBI amount in Box 20 of Schedule K-1 (Form 1065)	(j) General or Managing Partner?		(k) Percentage ownership
								Yes	No		Yes	No	
HEALTHCARE SUPPORT SERVICES LLC  PO BOX 9804 GRAND ISLAND, NE 68802 72-1546196	LAUNDRY	NE	na		Related	317,516	3,231,655		No	98,557		No	100 %
Heartland Oncology LLC  2337 E Crawford St Salina, KS 67401 46-4265403	ONCOLOGY	KS	SCH		Related	0	0		No	0		No	51 %
HIGHLINE IMAGING LLC  PO BOX 184 BRUSH PRAIRIE, WA 98606 20-0460005	DIAGNOSTIC IMAGING	WA	HMC		Related	65,074	1,408,012		No	0		No	80 %
LAKESIDE AMBULATORY SURGICAL CENTER LLC  17031 LAKESIDE HILLS DR OMAHA, NE 68130 20-4267902	AMBUL SURG CTR	NE	ACH		Related	3,533,817	1,380,299		No	0		No	53 93 %
LAKESIDE ENDOSCOPY CENTER LLC  17001 LAKESIDE HILLS PLZ STE 201 OMAHA, NE 68130 20-5544496	ENDOSCOPY SRVC	NE	ACH		Related	1,590,148	895,940		No	0		No	50 96 %
LINCOLN CK LEASING LLC  6003 Old Cheney Rd Lincoln, NE 68516 26-2496856	Real Estate	NE	SERMC		Related	488,450	230,998		No	0		No	53 76 %
NEBRASKA SPINE HOSPITAL LLC  6901 N 72ND ST OMAHA, NE 68122 27-0263191	SPINE HOSPITAL	NE	ACH		Related	13,895,341	16,839,322		No	0		No	51 %
NORTH RIVER SURGERY CENTER LLC  2209 WILDWOOD AVE SHERWOOD, AR 72120 71-0799771	AMBUL SURG CTR	AR	SVIMC		Related	141,898	0		No	0		No	57 45 %
ORTHOCOLORADO LLC  11650 WEST 2ND PLACE LAKEWOOD, CO 80255 37-1577105	ORTHO HOSPITAL	CO	THC		Related	9,103,000	2,202,895		No	0		No	60 %
PENINSULA RADIATION ONCOLOGY LLC  314 MLK JR WAY STE 11 TACOMA, WA 98405 87-0808610	HEALTHCARE SRVC	WA	FHS		Related	278,198	2,753,330		No	0		No	60 %
Penrad Imaging  1390 Kelly Johnson Blvd COLORADO SPRINGS, CO 80920 84-1072619	Medical Imaging	CO	CHIC		Related	-9,742	2,091,440		No	0		No	70 %
PMC HOSPITAL LLC  3100 MAIN ST STE 500 HOUSTON, TX 77002 27-3280598	HOSPITAL	TX	SL CDC-PMC		Related	5,287,747	67,411,280		No	0	Yes		51 %
PRAIRIE HEALTH VENTURES LLC  421 S 9TH ST STE 102 LINCOLN, NE 68508 20-4962103	TECH SRVC	NE	AH-IMC		Related	0	0		No	0	Yes		65 75 %
Pueblo Ambulatory Surgery Center LLC  188 INVERNESS DRIVE WEST 500 ENGLEWOOD, CO 80112 62-1488737	SURGERY CENTER	CO	CHIC		Related	0	0		No	0		No	51 %
Saint JOSEPH - PAML LLC  200 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40202 45-2116736	MGMT SVCS	KY	SJHS		Related	60,881	406,070		No	0	Yes		62 5 %

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(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) Disproportionate allocations?		(i) Code V-UBI amount in Box 20 of Schedule K-1 (Form 1065)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
SAINT JOSEPH - SCA HOLDINGS LLC  1451 Harrodsburg RD LEXINGTON, KY 40503 45-3801157	OP SURGERY	DE	SJHS	Related	0	0		No	0	Yes		51 %
SAINT JOSEPH-ANC HOME CARE SERVICES  1700 EDISON DR MILFORD, OH 45150 26-3330545	HOME HEALTH	KY	JHSMH	Related	7,722,504	1,056,144		No	0		No	100 %
SCA Premier Surgery Center of Louisville LLC  200 Abraham Flexner Way LOUISVILLE, KY 40202 72-1386840	SURGERY CENTER	KY	JHSMH	Related	-177,796	2,205,015		No	0		No	51 %
ST FRANCIS LAND COMPANY  5390 N ACADEMY BLVD STE 300 COLORADO SPRINGS, CO 80918 26-3134100	REAL ESTATE	CO	CHIC	Related	-217,802	12,693,252		No	0		No	51 %
ST FRANCIS MEDICAL CENTER ASSOCIATES  1717 SOUTH J ST TACOMA, WA 98405 91-1352698	MED OFFICE	WA	FHS	Related	265,783	1,961,020		No	0		No	61 08 %
ST LUKE'S DIAGNOSTIC CATH LAB LLP  6624 FANNIN ST STE 800 HOUSTON, TX 77030 71-0959365	DIAGNOSTICS	TX	SLHS HOLDINGS	Related	611,532	1,117,217		No	0		No	61 45 %
ST LUKE'S LAKESIDE HOSPITAL LLC  6624 FANNIN STE 2505 HOUSTON, TX 77030 30-0427437	HOSPITAL	TX	SL CDC-W	Related	277,867	42,485,184		No	0	Yes		51 %
ST LUKE'S THE WOODLANDS SLEEP CENTER LLC  6624 FANNIN STE 800 HOUSTON, TX 77030 46-2795726	DIAGNOSTICS	TX	SLHSH	Related	-76,879	1,171,971		No	0	Yes		51 %
Superior Medical Imaging LLC  5000 North 26th ST LINCOLN, NE 68521 26-2884555	OP Diagnostics	NE	SERMC	Related	0	0		No	0	Yes		51 %
SURGERY CENTER OF LEXINGTON LLC  200 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40202 62-1179539	SURGERY CENTER	KY	SJHS	Related	187,315	2,777,419		No	0	Yes		51 %
SURGERY CENTER OF LOUISVILLE LLC  200 Abraham Flexner Way LOUISVILLE, KY 40202 62-1179537	SURGERY CENTER	KY	JHSMH	Related	11,207	803,899		No	0	Yes		51 %

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(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?	
<b>Yes</b>	<b>No</b>								
Alegent HealthCreighton St Joseph Managed Care Services Inc 12809 West Dodge Rd Omaha, NE 68154 47-0802396	Managed Care	NE	CHI Nebraska	C Corporation	-3,506,547	6,404,877	100 %	Yes	
All Saints Insurance Company SPC Ltd PO BOX 10073 APO Georgetown, GRAND CAYMAN KY11001 CJ	Insurance	CJ	CHI	C Corporation	0	0	100 %	Yes	
ALLIANCE HEALTH PROVIDERS OF BRAZOS 2801 FRACNISCAN DRIVE BRYAN, TX 77802 74-2466914	Healthcare	TX	SJSC	C Corporation	204,115	535,165	100 %	Yes	
Alternative Insurance Management Service Inc 3900 OLYMPIC BLVD STE 400 Erlanger, KY 41018 84-1112049	Management Services	CO	CHI	C Corporation	7,902	6,274,993	100 %	Yes	
AMERICAN NURSING CARE Inc 1700 EDISON DR MILFORD, OH 45150 31-1085414	HOME HEALTH	OH	CHS	C Corporation	0	0	100 %	Yes	
AMERIMED INC 1700 EDISON DR MILFORD, OH 45150 31-1158699	HOME HEALTH	OH	ANC	C Corporation	0	0	100 %	Yes	
BC HOLDING COMPANY INC 1850 BLUEGRASS AVE LOUISVILLE, KY 40215 31-1542851	Fitness Club	KY	JHSMH	C Corporation	0	0	100 %	Yes	
Caduceus Medical Associates INC 5600 Brainerd Road Ste 500 Chattanooga, TN 37411 62-1570736	Healthcare	TN	MHCS	C Corporation	0	1,008	100 %	Yes	
Captive Management Initiatives Ltd PO BOX 10073 APO Georgetown, GRAND CAYMAN KY11001 CJ 98-0663022	Captive Management	CJ	CHI	C Corporation	38,500	164,455	100 %	Yes	
Carmona-DeSoto Building Horizontal Property Regime Inc 300 Werner St Hot Springs, AR 71913 71-0771076	Healthcare	AR	CHI-SVHS	C Corporation	0	0	100 %	Yes	
Catholic Health Initiatives Center for Translational Research 198 INVERNESS DRIVE WEST Englewood, CO 80112 27-2269511	Research	CO	CIRI	Trust	207	1,241,259	100 %	Yes	
CGH REALTY COMPANY INC 2500 Bernville Rd Reading, PA 19603 23-2326801	Real Estate	PA	SJHM	C Corporation	9,432	57,096	100 %	Yes	
CHI St Luke's Health Baylor College of Medicine Medical Center Condominium Assoc 6624 Fannin STE 1100 Houston, TX 77030 46-5079545	Condo Assoc	TX	CHI-SLHBCM	C Corporation	0	0	100 %	Yes	
ClearRiver Health 198 INVERNESS DRIVE WEST Englewood, CO 80112 46-4495960	Insurance	TN	PHPSI	C Corporation	36,560	6,936,559	100 %	Yes	
Comcare Services Inc 5570 DTC Parkway Englewood, CO 80111 84-0904813	Inactive	CO	CHIC	C Corporation	0	0	100 %	Yes	

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

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<b>Yes</b>	<b>No</b>								
CONSOLIDATED HEALTH SERVICES 1700 EDISON DR MILFORD, OH 45150 31-1378212	HOME HEALTH	OH	CHI	C Corporation	0	0	100 %	Yes	
Des Moines Medical Center Inc 1111 6TH AVE Des Moines, IA 50314 42-0837382	Real Estate	IA	CHI-IA Corp	C Corporation	66,600	1,084,162	92 98 %	Yes	
East Texas Clinical Services Inc 2801 Via Fortuna 500 Austin, TX 78746 45-4736213	Healthcare	TX	MHSET	C Corporation	0	16,782	100 %	Yes	
First Initiatives Insurance LTD PO BOX 10073 APO Georgetown, GRAND CAYMAN KY11001 CJ 98-0203038	Insurance	CJ	CHI	C Corporation	0	0	100 %	Yes	
Franciscan Services Inc 198 INVERNESS DRIVE WEST Englewood, CO 80112 23-2487967	Healthcare	CO	CHI	C Corporation	0	11,732,007	100 %	Yes	
Good Samaritan Outreach Services PO Box 1990 Kearney, NE 68848 47-0659440	Medical Clinic	NE	CHI Nebraska	C Corporation	0	0	100 %	Yes	
Health Systems Enterprises Inc 1700 EDISON DR MILFORD, OH 45150 47-0664558	MGMT	NE	GSH	C Corporation	117,378	1,101,845	100 %	Yes	
Healthcare MGMT Services Organization INC 1149 MARKET ST Tacoma, WA 98402 91-1865474	Health Org	WA	FHS	C Corporation	0	0	100 %	Yes	
HeartlandPlains Health 198 INVERNESS DRIVE WEST Englewood, CO 80112 46-4368223	Insurance	NE	PHPSI	C Corporation	16,717	3,317,219	100 %	Yes	
Highline Medical Group 15811 AMBUAN Blvd SW STE A Burien, WA 98166 91-1407026	Medical Services	WA	HMC	C Corporation	4,004,636	7,896,793	100 %	Yes	
Medquest 1301 15TH AVENUE WEST Williston, ND 58801 45-0392137	Sale of DME	ND	MMC Williston	C Corporation	680,617	2,138,655	100 %	Yes	
Mercy Park Apartments LTD 1111 6th AVE Des Moines, IA 50314 42-1202422	Housing	IA	CHI-IA Corp	C Corporation	1,871,589	2,272,598	100 %	Yes	
Mercy Services Corp 2700 STEWART PARKWAY Roseburg, OR 97471 93-0824308	Retail Sales	OR	MMC	C Corporation	2,365,469	1,363,682	100 %	Yes	
MHI Clinical Services 1201 W Frank Ave Lufkin, TX 75904 46-1967952	Healthcare	TX	MHSET	C Corporation	0	0	100 %	Yes	
Mountain Management Services Inc 6028 Shallowford Rd Chattanooga, TN 37421 62-1570739	MGMT SVC ORG	TN	MHCS	C Corporation	30,454,753	7,395,265	100 %	Yes	

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<b>Yes</b>	<b>No</b>								
Nazareth Assurance Company PO BOX 10073 APO Georgetown, GRAND CAYMAN KY11001 CJ 03-0304831	Insurance	CJ	CHI	C Corporation	0	0	100 %	Yes	
PATIENT TRANSPORT SERVICES INC 1700 EDISON DR MILFORD, OH 45150 31-1100798	HOME HEALTH	OH	ANC	C Corporation	0	0	100 %	Yes	
PhysicianHealth System Network 1149 MARKET ST Tacoma, WA 98402 91-1746721	Health Org	WA	FHS	C Corporation	0	0	100 %	Yes	
Prominence Health Plan Services Inc (fka CollabHealth Plan Services Inc) 198 INVERNESS DRIVE WEST Englewood, CO 80112 46-1224037	Admin Services	CO	PHI	C Corporation	5,403,442	38,272,607	100 %	Yes	
Prominence Health Inc (fka CollabHealth Managed Solutions Inc) 198 INVERNESS DRIVE WEST Englewood, CO 80112 46-1222808	Holding Co	CO	CHI	C Corporation	0	23,806,707	100 %	Yes	
QCA Health Plan Inc 12615 Chenal Parkway STE 300 Little Rock, AR 72211 71-0794605	Insurance	AR	QCHI	C Corporation	0	64,017,278	100 %	Yes	
QualChoice Holdings Inc 12615 Chenal Parkway STE 300 Little Rock, AR 72211 27-4075520	Holding Co	AR	PHPS	C Corporation	0	10,190	100 %	Yes	
QualChoice Life and Health Insurance Company Inc 12615 Chenal Parkway STE 300 Little Rock, AR 72211 71-0386640	Insurance	AR	QCH	C Corporation	0	7,484,480	100 %	Yes	
RiverLink Health 198 INVERNESS DRIVE WEST Englewood, CO 80112 46-4380824	Insurance	OH	PHPS	C Corporation	18,330	3,418,330	100 %	Yes	
RiverLink Health of Kentucky Inc 198 INVERNESS DRIVE WEST Englewood, CO 80112 46-4828332	Insurance	KY	PHPS	C Corporation	28,342	5,528,676	100 %	Yes	
Saint Clare's Primary Care Inc 66 FORD RD Denville, NJ 07834 22-2441202	Billing Services	NJ	SCCC	C Corporation	1,080,457	1,584,958	100 %	Yes	
SAMARITAN FAMILY CARE INC 40 W FOURTH ST STE 1700 Dayton, OH 45402 31-1299450	Healthcare	OH	SHP	C Corporation	0	0	100 %	Yes	
SFH ASSURANCE LTD PO BOX 10073 APO Georgetown, GRAND CAYMAN KY11001 CJ 98-1056892	Insurance	CJ	SFH	C Corporation	0	0	100 %	Yes	
SJH Services Corporation 198 INVERNESS DRIVE WEST Englewood, CO 80112 23-2307408	Healthcare	CO	FSI	C Corporation	0	0	100 %	Yes	
SJL PHYSICIAN MANAGEMENT SERVICES INC 200 Abraham Flexner Way Louisville, KY 40202 27-0164198	Mgmt	KY	SJHS	C Corporation	51,739	0	100 %	Yes	

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

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<b>Yes</b>	<b>No</b>								
SLMT Parking Inc 6624 Fannin STE 800 Houston, TX 77030 76-0637140	Parking	TX	SLHS	C Corporation	3,907,811	14,848,162	100 %	Yes	
SoundPath Health Inc 32129 Weyerhaeuser Way S STE 201 Federal Way, WA 98001 42-1720801	Insurance	WA	PHPS	C Corporation	152,264,069	31,407,675	100 %	Yes	
St Alexius Health Services Inc 900 East Broadway Avenue Bismarck, ND 58501 45-0402812	Healthcare	ND	SAMC	C Corporation	0	1,263	100 %	Yes	
St Anthony Development Company 1415 Southgate Pendleton, OR 97801 93-1216943	Athletic Club	OR	SAH	C Corporation	1,570,570	2,201,473	100 %	Yes	
St Joseph Development Company Inc 1717 SOUTH J ST Tacoma, WA 98405 91-1480569	Rental	WA	FSI	C Corporation	0	0	100 %	Yes	
ST JOSEPH OFFICE PARK ASSOCIATION 1451 HARRODSBURG RD STE D202 Lexington, KY 40504 61-1079899	Mgmt	KY	SJHS	C Corporation	0	0	85 %	Yes	
St Luke's 6620 Main Condominium Association 6624 Fannin STE 1100 Houston, TX 77030 30-0355517	Condo Assoc	TX	SLPC	C Corporation	0	0	100 %	Yes	
St Luke's Anesthesiology Associates 6624 Fannin STE 1100 Houston, TX 77030 46-1517163	Medical Clinic	TX	CHI-SLH	C Corporation	4,178,843	2,295,469	100 %	Yes	
St Luke's Episcopal Hospital Physician Hospital Organization Inc 6720 Bertner MC4-262 Houston, TX 77030 76-0377932	PHO	TX	CHI-SLH	C Corporation	550,615	0	60 %	Yes	
St Luke's Health System Holdings Inc (fka SLEHS Holdings Inc) 6624 Fannin STE 800 Houston, TX 77030 76-0637138	Holding Co	TX	SLHS	C Corporation	1,919,866	25,724,802	100 %	Yes	
St Luke's Medical Arts Center I Condominium Association 6624 Fannin STE 1100 Houston, TX 77030 30-0355518	Condo Assoc	TX	SLPC	C Corporation	0	0	100 %	Yes	
St Luke's Medical Tower Condominium Association 6624 Fannin STE 1100 Houston, TX 77030 76-0298751	Condo Assoc	TX	SLMTC	C Corporation	0	0	100 %	Yes	
St Vincent Community Health Services Inc TWO ST VINCENT CIRCLE Little Rock, AR 72205 71-0710785	Healthcare	AR	SVIMC	C Corporation	4,570,363	16,185,431	100 %	Yes	
StableView Health Inc 198 INVERNESS DRIVE WEST Englewood, CO 80112 46-4373713	Insurance	KY	PHPS	C Corporation	28,342	5,528,676	100 %	Yes	
Sugar Land Doctor Group 1317 Lake Point Parkway Sugar Land, TX 77478 45-4270163	Medical Clinic	TX	SLCDC-SL	C Corporation	788,883	991,134	100 %	Yes	



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<b>Yes</b>	<b>No</b>							
The Texas Heart Institute at St Luke's Episcopal Hospital Denton A Cooley Building Condominium Association 6624 Fannin STE 1100 Houston, TX 77030 90-0064009	Condo Assoc	TX	CHI-SLH	C Corporation	0	0	100 %	Yes
Towson Management Inc 7601 OSLER DR Towson, MD 21204 52-1710750	Mgmt Services	MD	FSI	C Corporation	0	0	100 %	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
MEMORIAL HEALTH CARE SYSTEM FOUNDATION	Q	853,595	FMV
MEMORIAL HEALTH CARE SYSTEM FOUNDATION	C	2,020,725	FMV
MEMORIAL HEALTH CARE SYSTEM FOUNDATION	N	65,474	FMV
MHP FOUNDATION	A	1,681,007	FMV
MHP FOUNDATION	J	1,205,023	FMV
MHP FOUNDATION	Q	39,097,886	FMV
MHP FOUNDATION	B	16,349,129	FMV
MOUNTAIN MANAGEMENT SERVICES	Q	9,277,386	FMV
MEMORIAL HEALTH CARE SYSTEM FOUNDATION	M	276,801	FMV
MHP FOUNDATION	O	134,892	FMV