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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

▶ Do not enter social security numbers on this form as it may be made public
▶ Information about Form 990 and its instructions is at www.IRS.gov/form990

OMB No 1545-0047

2014

Open to Public Inspection

A For the 2014 calendar year, or tax year beginning 09-01-2014 , and ending 08-31-2015

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

C Name of organization
Baptist Healthcare System Inc

% CARL G HERDE

Doing business as

Number and street (or P O box if mail is not delivered to street address) | Room/suite
2701 Eastpoint Parkway

City or town, state or province, country, and ZIP or foreign postal code
Louisville, KY 40223

D Employer identification number
61-0444707

E Telephone number
(502) 896-5000

G Gross receipts $ 4,938,222,112

F Name and address of principal officer
STEPHEN C HANSON
2701 EASTPOINT PARKWAY
Louisville, KY 40223

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

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

H(c) Group exemption number ▶

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

J Website: ▶ www baptisthealth com

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

L Year of formation 1918

M State of legal domicile KY

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PROVIDE QUALITY HEALTHCARE SERVICES BY ENHANCING THE HEALTH OF THE PEOPLE/COMMUNITIES WE SERVE

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

Activities & Governance	**3** Number of voting members of the governing body (Part VI, line 1a)	**3**	15
	4 Number of independent voting members of the governing body (Part VI, line 1b)	**4**	15
	5 Total number of individuals employed in calendar year 2014 (Part V, line 2a)	**5**	12,038
	6 Total number of volunteers (estimate if necessary)	**6**	997
	7a Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	3,792,430
	b Net unrelated business taxable income from Form 990-T, line 34	**7b**	521,027

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	4,600,875	2,468,823
	9 Program service revenue (Part VIII, line 2g)	1,352,847,882	1,503,841,672
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	63,890,480	33,041,855
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	19,180,281	15,777,360
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,440,519,518	1,555,129,710
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	2,235,644	1,931,803
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	609,631,805	681,540,423
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	624,209,753	693,201,289
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,236,077,202	1,376,673,515
	19 Revenue less expenses Subtract line 18 from line 12	204,442,316	178,456,195

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	2,286,559,034	2,389,242,122
	21 Total liabilities (Part X, line 26)	872,062,920	943,596,048
	22 Net assets or fund balances Subtract line 21 from line 20	1,414,496,114	1,445,646,074

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 — 2016-07-15 Date

▶ CARL G HERDE CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Tricia M Johnson	Tricia M Johnson			P00627205

Firm's name ▶ ERNST & YOUNG US LLP — Firm's EIN ▶

Firm's address ▶ 1900 SCRIPPS CENTER 312 WALNUT ST
CINCINNATI, OH 45202

Phone no (513) 612-1400

May the IRS discuss this return with the preparer shown above? (see instructions) ☑ Yes ☐ No

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

THE MISSION OF BAPTIST HEALTHCARE SYSTEM (BHS) IS TO EXEMPLIFY OUR CHRISTIAN HERITAGE OF PROVIDING QUALITY HEALTHCARE SERVICES BY ENHANCING THE HEALTH OF THE PEOPLE AND THE COMMUNITIES WE SERVE THE VISION OF BHS IS TO BE NATIONALLY RECOGNIZED AS THE HEALTHCARE LEADER IN KENTUCKY BHS WILL LIVE OUT ITS CHRIST-CENTERED MISSION AND ACHIEVE ITS VISION GUIDED BY INTEGRITY, RESPECT, STEWARDSHIP, EXCELLENCE AND COLLABORATION

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 1,195,454,623 including grants of $ 1,931,803) (Revenue $ 1,509,611,594)

Since its inception in 1924, Baptist Healthcare System, Inc ("Baptist") is dedicated to providing accessible, quality healthcare to all patients regardless of their ability to pay The hospitals owned and operated by Baptist under tax identification number 61-0444707 include Baptist Health Louisville Louisville, Kentucky Baptist Health Corbin Corbin, Kentucky Baptist Health Lexington Lexington, Kentucky Baptist Health Paducah Paducah, Kentucky Baptist Health LaGrange LaGrange, Kentucky VISION The vision of Baptist is to be the healthcare leader in Kentucky Having earned a reputation of providing high quality patient care and utilizing the latest in medical technology, patients seek out Baptist facilities for their care According to state statistics in 2015, Baptist is one of the largest healthcare providers in the state KENTUCKY 2015 HOSPITAL STATISTICS LICENSED BEDS 1,527 BEDS - SECOND LARGEST NUMBER OF BEDS OF ANY HEALTH SYSTEM IN KENTUCKY EMPLOYEES 12,038 EMPLOYEES AT END OF the FISCAL YEAR - ONE OF THE TOP EMPLOYERS IN KENTUCKY INPATIENT CARE 68,450 ADMISSIONS/331,679 DAYS - LARGEST NUMBER OF ADMISSIONS IN KENTUCKY AT A SYSTEM-OWNED OR MANAGED HOSPITAL - ONE OUT OF EVERY EIGHT INPATIENTS RECEIVING CARE IN KENTUCKY RECEIVED CARE AT A SYSTEM-OWNED OR MANAGED HOSPITAL OBSTETRIC (DELIVERIES) 9,336 BABIES - LARGEST NUMBER OF BABIES DELIVERED IN KENTUCKY AT A SYSTEM-OWNED OR MANAGED HOSPITAL - Almost one in four babies in Kentucky was delivered at Baptist hospitals at a system-owned or managed hospital CARDIOLOGY (OPEN HEART SURGERIES) 1,039 CASES - SECOND LARGEST NUMBER OF OPEN-HEART SURGERIES PERFORMED BY ANY SYSTEM-OWNED OR MANAGED HOSPITAL IN KENTUCKY - ONE IN five OPEN-HEART SURGERIES IN KENTUCKY WAS PERFORMED AT A SYSTEM-OWNED OR MANAGED HOSPITAL EMERGENCY VISITS 191,541 REGISTRATIONS - THE SECOND LARGEST NUMBER OF EMERGENCY VISITS IN KENTUCKY AT A SYSTEM-OWNED OR MANAGED HOSPITAL - ONE IN THIRTEEN ER PATIENTS WAS TREATED AT A SYSTEM-OWNED OR MANAGED HOSPITAL OUTPATIENT VISITS 1,092,126 HOSPITAL VISITS - ONE IN ELEVEN OUTPATIENTS IN KENTUCKY RECEIVING CARE IN AN ACUTE-CARE SETTING WAS SEEN AT A SYSTEM-OWNED OR MANAGED HOSPITAL MISSION As indicated by its mission statement, Baptist strives to continue its "Christian heritage of service and to enhance the health of the people and the communities we serve " Baptist is organized and operated exclusively for the benefit of each community and each hospital is considered a valuable community asset The Baptist Boards of Directors are comprised of local representatives who, along with the hospitals' management and employees, understand that they are responsible to the communities for providing high quality health care services Over the years, Baptist has gained a reputation for providing compassionate, high quality, cost efficient, patient friendly care RESPONSIVE TO COMMUNITY NEED Operating healthcare facilities in today's environment requires a delicate balance between producing a sufficient margin to allow for adequate staffing and investment in new technologies, while also providing enough resources to absorb the cost of care for those patients who do not have the ability to pay for the services In 2015, Baptist was able to re-invest over $81 million into the communities in new technology, construction, renovation and systems improvement Because of the need to generate a modest margin while caring for all patients, Baptist strives to fulfill its community responsibility of collecting appropriate reimbursement from all patients who have the necessary resources while providing a generous, yet accountable charity care policy to assist those patients who do not have the means to pay for the services rendered (See "Charity Care Policy" later in this section for further discussion) From a broad perspective, Baptist hospitals consistently provide a high level of quality care to every patient and enhance the health of the people it serves through health promotions, health screenings, medical research, and training of health professionals Other community benefits include - Maintaining necessary, but unprofitable services that meet community needs - Helping to recruit physicians to underserved areas - Helping patients coordinate services with other healthcare providers - Providing resources for support groups - Promoting and providing preventive care services - Monitoring clinical outcomes in order to ensure quality care - Committing resources to improving safety and processes of care - Providing services conveniently accessible by patients In addition, Baptist employees volunteer thousands of hours in community services and leadership Baptist's support for community activities underscores its commitment to improving the lives of those served Because Baptist and its employees contribute so much of their time, talent and resources to serve others, communities served by Baptist are better places to live and work Quantification of many of the community benefits is detailed later in this section However, what the Statement of Program Service Accomplishments doesn't measure is the economic benefit derived by each community from Baptist being one of the largest employers in the state

The economic impact of the wages paid to Baptist employees is significant considering the dollars they spend on food, housing, services, and other products CHARITY CARE POLICY To further the mission of enhancing the health of the people and communities it serves, Baptist provides medically necessary inpatient and outpatient care to patients regardless of race, religion, sex, national origin, disability, age or their ability to pay Recognizing that not all patients have the ability to pay, Baptist has a charity care policy to accurately evaluate a patient's ability to pay for services received Baptist relies solely on the physician order to determine whether treatment is medically necessary and whether the patient is treated on an inpatient or outpatient basis Neither the patient's financial condition nor their ability to pay for services has any bearing upon whether, or how, the patient is treated in a Baptist facility Patients are transferred only when Baptist does not provide the specialized service that is required, or by specific request of the patient Baptist has notices posted throughout the hospital that clearly communicate Baptist's charity care policy Baptist employees are instructed in the application of the charity care policy and are trained to recognize situations that indicate the financial resources of a patient may be inadequate These employees freely and willingly volunteer information regarding the charity care policy to any patient who may express a concern regarding the ability to pay for services The policy provides that 1 Patients/guarantors with resources of less than 200% of the Poverty Guideline for their family size will receive full charity 2 Patients/guarantors with resources of 200% but less than 400% of the Poverty Guideline for their family size will qualify for partial charity The ratio of resources up to 400% of the Poverty Guideline determines the percentage of the bill that will be the responsibility of the applicant However, the liability is capped at 10% of the resources 3 Patients/guarantors with resources of 400% of the Poverty Guideline for their family size but no more than 1200% of the Poverty Guideline for their family of one will qualify for partial charity if the liability exceeds 20% of their resources In these situations, the patient/guarantor will be responsible for an amount not to exceed 20% of their resources 4 If eligible for a charity discount, a patient will receive the discount regardless of whether they pay the balance on the bill If necessary, payment arrangements may be made on the balance of the patient's bill in accordance with hospital procedures If charity care eligibility cannot be determined, good stewardship requires that the hospital initially begin the collection process However, immediately upon determining that the guarantor is eligible for charity care, collection efforts on the balance eligible for charity will cease and the appropriate balance will be designated as charity TAX-EXEMPT STATUS REQUIREMENTS The Internal Revenue Service Revenue Ruling 69-545 provides that a hospital can demonstrate it has met the community benefit standard by having a full-time emergency room open to the public regardless of ability to pay for services received Baptist operates Emergency Departments that are open 24 hours a day, 365 days a year and treated 191,541 emergency patients during fiscal year 2015 Baptist facilities and emergency departments post policies stating that patients will be treated regardless of their ability to pay Depending on the severity of a patient's condition, as a service to the patient Baptist may verify insurance prior to rendering services in the emergency department Under no circumstan

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** ▶ 1,195,454,623

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	989		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	12,038		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)		2b	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .		3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .		3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .		5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .		6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .		7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds.** Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		8		
9a	Did the sponsoring organization make any taxable distributions under section 4966? . . .		9a		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? . . .		9b		
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O		13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .		14b		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a**	15		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	15		
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**		Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**			No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**			No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**			No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

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

Section C. Disclosure

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

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

▶ CARL G HERDE
2701 EASTPOINT PARKWAY
Louisville, KY 40223 (502) 896-5011

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)** . . . . . ▶	9,059,152	0	1,230,480

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶413

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Central Ky Anesthesia, 425 Lewis Hargett Circle LEXINGTON, KY 40503	Anesthesia services	3,113,267
Anesthesiology of Paducah, 2507 Broadway PADUCAH, KY 42001	Anesthesia services	2,191,658
ONX USE LLC, 15305 DALLAS PARKWAY DALLAS, TX 75001	DATA MANAGEMENT, IT	2,223,575
EVOLENT HEALTH LLC, 800 N GLEBE ROAD ARLINGTON, VA 22203	HEALTH CARE ANALYTIC	2,065,000
ALLSCRIPTS, 1302 CLEAR SPRINGS TRACE LOUISVILLE, KY 40223	PRACTICE MANAGEMENT	2,122,944

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 ▶134

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations . . .	1d	1,712,377			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	756,446			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		2,468,823			
Program Service Revenue			Business Code				
	2a	INSUR & PT PMTS	621300	742,643,967	739,980,743	2,663,224	
	b	MEDICARE & MEDICAID PMTS	621300	688,861,062	688,861,062		
	c	MGMT FEES-EXEMPT REV	561000	45,538,468	45,538,468		
	d	INTERCO INT/MOB RENT	900099	18,264,660	18,264,660		
	e	OTHER PROGRAM SVC REV	900099	5,086,596	5,086,596		
	f	All other program service revenue		3,446,919	3,446,919		
	g	**Total.** Add lines 2a–2f . . . . . ▶		1,503,841,672			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		16,102,257			16,102,257
	4	Income from investment of tax-exempt bond proceeds . . ▶		0			
	5	Royalties . . . . . ▶		0			
			(i) Real	(ii) Personal			
	6a	Gross rents					
	b	Less rental expenses					
	c	Rental income or (loss)	0	0			
	d	Net rental income or (loss) . . . . . ▶		0			
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	3,399,863,000	169,000			
	b	Less cost or other basis and sales expenses	3,382,969,583	122,819			
	c	Gain or (loss)	16,893,417	46,181			
	d	Net gain or (loss) . . . . . ▶		16,939,598			16,939,598
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶		0			
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . ▶		0			
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶		0			
		Miscellaneous Revenue	Business Code				
	11a	CAFE & COFFEE SHOPS	722514	7,289,747			7,289,747
	b	PURCHASING PTRSHP REV	900099	3,154,547	3,090,574	63,973	
	c	DAY CARE CENTER	624410	2,524,645		936,160	1,588,485
	d	All other revenue		2,808,421	2,679,348	129,073	
	e	**Total.** Add lines 11a–11d . . . . . ▶		15,777,360			
	12	**Total revenue.** See Instructions . . . . . ▶		1,555,129,710	1,506,948,370	3,792,430	41,920,087

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns All other organizations must complete column (A)

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments See Part IV, line 21	1,931,803	1,931,803		
2 Grants and other assistance to domestic individuals See Part IV, line 22	0			
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	6,793,263		6,793,263	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	528,153	528,153		
7 Other salaries and wages	544,892,587	468,770,937	76,121,650	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	19,368,790	19,085,750	283,040	
9 Other employee benefits	72,479,182	71,642,995	836,187	
10 Payroll taxes	37,478,448	37,457,769	20,679	
11 Fees for services (non-employees)				
a Management	2,889,721	2,664,721	225,000	
b Legal	2,083,343	238,312	1,845,031	
c Accounting	533,590		533,590	
d Lobbying	116,221		116,221	
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	0			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	45,053,379	33,219,885	11,833,494	
12 Advertising and promotion	11,819,939	29,947	11,789,992	
13 Office expenses	70,212,139	55,382,035	14,830,104	
14 Information technology	21,186,412	42	21,186,370	
15 Royalties	0			
16 Occupancy	25,694,360	24,082,495	1,611,865	
17 Travel	4,690,380	2,167,422	2,522,958	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	
19 Conferences, conventions, and meetings	423,665	242,184	181,481	
20 Interest	13,184,967	13,184,967		
21 Payments to affiliates	0	0	0	
22 Depreciation, depletion, and amortization	89,487,474	88,650,295	837,179	
23 Insurance	13,464,960	11,391	13,453,569	
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	317,804,400	316,888,557	915,843	
b PURCHASED SVC NON-MEDICAL	33,306,012	30,188,881	3,117,131	
c PROVIDER TAX	21,079,400	21,079,400		
d ADMINISTRATIVE	14,017,761	5,662,706	8,355,055	
e All other expenses	6,153,166	2,343,976	3,809,190	
25 **Total functional expenses.** Add lines 1 through 24e	1,376,673,515	1,195,454,623	181,218,892	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		35,469	1	36,219
	2	Savings and temporary cash investments		169,211,787	2	145,826,856
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		225,193,581	4	205,943,525
	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	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		26,198,593	8	28,963,663
	9	Prepaid expenses and deferred charges		13,785,647	9	26,811,768
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 2,176,658,093			
	b	Less accumulated depreciation	10b 1,264,494,810	772,222,363	10c	912,163,283
	11	Investments—publicly traded securities		854,722,903	11	835,797,421
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		17,358,491	13	4,388,762
	14	Intangible assets		13,893,473	14	14,106,322
	15	Other assets See Part IV, line 11		193,936,727	15	215,204,303
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		2,286,559,034	16	2,389,242,122
Liabilities	17	Accounts payable and accrued expenses		144,645,652	17	212,960,291
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		589,983,112	20	579,423,915
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	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		137,434,156	25	151,211,842
	26	**Total liabilities.** Add lines 17 through 25		872,062,920	26	943,596,048
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		1,412,077,904	27	1,443,663,673
	28	Temporarily restricted net assets		2,418,210	28	1,982,401
	29	Permanently restricted net assets		0	29	0
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		1,414,496,114	33	1,445,646,074
	34	Total liabilities and net assets/fund balances		2,286,559,034	34	2,389,242,122

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,555,129,710
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,376,673,515
3	Revenue less expenses Subtract line 2 from line 1	3	178,456,195
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,414,496,114
5	Net unrealized gains (losses) on investments	5	-35,643,688
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-111,662,547
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	1,445,646,074

Part XII Financial Statements and Reporting

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

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

Additional Data

Software ID:
Software Version:
EIN: 61-0444707
Name: Baptist Healthcare 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) Robert Baker Director	1 0 0 0	X						3,000	0	0
(1) Thomas O Davis Director	1 0 0 0	X						3,000	0	0
(2) Diane Dalton Evans Director	1 0 0 0	X						3,000	0	0
(3) Brenda Hammons Director	1 0 0 0	X						3,000	0	0
(4) R Christion Hutson Director	1 0 0 0	X						3,000	0	0
(5) Lindsey Ingram Jr Director	1 0 0 0	X						3,000	0	0
(6) Frank R Purdy III Director	1 0 0 0	X						3,000	0	0
(7) Steven Reed Director	1 0 0 0	X						3,000	0	0
(7) Steven Reed Director	1 0 0 0	X						3,000	0	0
(8) James D Rickard Director	1 0 0 0	X						3,000	0	0
(9) Marcia Milby Ridings Director	1 0 0 0	X						3,000	0	0
(10) Edmund C Roberts Jr Director	1 0 0 0	X						3,000	0	0
(11) Judge Eugene Siler Jr Director	1 0 0 0	X						0	0	0
(12) Thelma White Director	1 0 0 0	X						3,000	0	0
(13) Victoria B Buster Director	1 0 0 0	X						3,000	0	0
(14) Allen Rudd Director	1 0 0 0	X						3,000	0	0
(15) Janet Norton Secretary	40 0 0 0			X				575,952	0	109,170
(16) Stephen Hanson President & CEO	40 0 0 0			X				1,623,391	0	361,752
(17) William Sisson Vice President	40 0 0 0			X				1,058,664	0	55,266
(18) David Gray Vice President	40 0 0 0			X				758,671	0	146,286
(19) Carl Herde Treasurer & CFO	40 0 0 0			X				812,206	0	141,469
(20) William Brown Vice President (1/1/2014)	40 0 0 0			X				760,669	0	45,879
(21) Timothy Jahn MD Chief Clinical Officer	40 0 0 0					X		646,988	0	99,683
(22) Andrew Sears MD Chief Strategy Officer	40 0 0 0					X		557,346	0	42,549
(23) Isaac Myers MD Chief Health Integration Offic	40 0 0 0					X		544,519	0	86,340
(24) John Barton MD Physician	40 0 0 0					X		539,420	0	49,432

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) Kenneth Anderson MD ..... Chief Medical Officer, VP	40 0 ..... 0 0					X		589,633	0	46,725
(1) Mary Lou Tipgos ..... Asst Secretary(thru 6/20/14)	40 0 ..... 0 0						X	100,638	0	16,600
(2) Susan Stout Tamme ..... Vice President (thru 11/2011)	40 0 ..... 0 0						X	449,055	0	29,329

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
Baptist Healthcare System Inc

Employer identification number
61-0444707

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

f Enter the number of supported organizations . . . . . _____

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

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

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

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part VI)						
11 **Total support** Add lines 7 through 10						

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

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

Section C. Computation of Public Support Percentage

14	Public support percentage for 2014 (line 6, column (f) divided by line 11, column (f))	**14**
15	Public support percentage for 2013 Schedule A, Part II, line 14	**15**

16a **33 1/3% support test—2014.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2013.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2014.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2013.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

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

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

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part VI)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

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

Section C. Computation of Public Support Percentage

15	Public support percentage for 2014 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2013 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2014** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2013** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2014.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2013.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

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

Part IV Supporting Organizations

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

Section A. All Supporting Organizations

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

Part IV Supporting Organizations (continued)

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally-Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year **(see instructions)**

- **a** ☐ The organization satisfied the Activities Test Complete **line 2** below
- **b** ☐ The organization is the parent of each of its supported organizations Complete **line 3** below
- **c** ☐ The organization supported a governmental entity Describe in Part VI how you supported a government entity (see instructions)

			Yes	No
2	Activities Test **Answer (a) and (b) below.**			
a	Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? *If "Yes," then in* ***Part VI identify those supported organizations and explain*** *how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.*	2a		
b	Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? *If "Yes," explain in* ***Part VI*** *the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.*	2b		
3	Parent of Supported Organizations **Answer (a) and (b) below.**			
a	Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? *Provide details in Part VI.*	3a		
b	Did the organization exercise a substantial degree of direction over the policies, programs and activities of each of its supported organizations? *If "Yes," describe in Part VI the role played by the organization in this regard.*	3b		

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

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

Section A - Adjusted Net Income

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

Section B - Minimum Asset Amount

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

Section C - Distributable Amount

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

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

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

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

Facts And Circumstances Test

Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493197016586

SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

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

OMB No 1545-0047

2014

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
Baptist Healthcare System Inc	61-0444707

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		48,750
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		67,471
j	Total Add lines 1c through 1i			116,221
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
Part II-B line 1g	Direct Contact Fees paid for lobbyist and related expenses
Part II-B Line 1i	Other activities for lobbying purposes Lobbying portion of Ky Hospital Assoc & American Hospital Assoc dues

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.
Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
Baptist Healthcare System Inc

Employer identification number
61-0444707

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

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

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

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	857,141,112	762,097,721	706,444,672	648,747,137	596,233,194
b	Contributions	22,188,064	8,449,636	9,233,782	11,668,086	3,759,866
c	Net investment earnings, gains, and losses	-704,296	99,265,139	72,369,664	58,290,845	69,420,829
d	Grants or scholarships					
e	Other expenditures for facilities and programs	67,115,064	9,949,063	23,559,813	10,123,939	18,794,907
f	Administrative expenses	2,809,861	2,722,321	2,390,584	2,137,407	1,871,845
g	End of year balance	808,699,955	857,141,112	762,097,721	706,444,722	648,747,137

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

- a Board designated or quasi-endowment ▶ 99 800 %
- b Permanent endowment ▶
- c Temporarily restricted endowment ▶ 0 200 %

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

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

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

4 Describe in Part XIII the intended uses of the organization's endowment funds

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		98,917,043		98,917,043
b Buildings		873,259,121	532,034,958	341,224,163
c Leasehold improvements				
d Equipment		931,126,349	732,459,852	198,666,488
e Other		273,355,589		273,355,589
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				912,163,283

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

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

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

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

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

(a) Description	(b) Book value
(1) OTHER CURRENT ASSETS	30,487,397
(2) DUE FROM AFFILIATE	57,086,800
(3) TRUSTEE FUNDS-MALPRACTICE	77,590,429
(4) TRUSTEE FUNDS-WORKERS COMP	19,500,000
(5) UNAMORTIZED ISSUE COSTS	4,947,179
(6) OTHER INVESTMENTS	13,480,497
(7) OTHER ASSETS	12,112,001
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	215,204,303

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

1 (a) Description of liability	(b) Book value
Federal income taxes	0
MALPRACTICE LIABILITY	85,090,743
WORKERS COMP LIABILITY	18,420,000
POST-RETIREMENT/MISC	24,187,124
THIRD PARTY PAYABLE	23,513,975
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	151,211,842

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

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

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

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

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

Part XIII Supplemental Information

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

Return Reference	Explanation
Schedule D, Part V, Line 4	Intended use of endowment funds The endowment funds are used to support & enhance patient care at the hospitals, finance capital improvements, and provide educational & financial assistance to hospital employees

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990.
▶ 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
Baptist Healthcare System Inc

Employer identification number
61-0444707

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)		58,173	33,841,995	9,600,001	24,241,994	1 760 %
b Medicaid (from Worksheet 3, column a)		158,047	180,755,665	170,865,572	9,890,093	0 720 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs		216,220	214,597,660	180,465,573	34,132,087	2 480 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		69,363	2,202,449	15,130	2,187,319	0 160 %
f Health professions education (from Worksheet 5)			78,946		78,946	0 010 %
g Subsidized health services (from Worksheet 6)		117,303	48,805,328	39,652,403	9,152,925	0 660 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			1,189,153		1,189,153	0 090 %
j **Total.** Other Benefits		186,666	52,275,876	39,667,533	12,608,343	0 920 %
k **Total.** Add lines 7d and 7j		402,886	266,873,536	220,133,106	46,740,430	3 400 %

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2 13,438,395		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3 3,738,225		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	383,817,790
6	Enter Medicare allowable costs of care relating to payments on line 5	6	421,682,603
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-37,864,813
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

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

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year? **5**

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)

	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)

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	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The significant health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Section C)			
4	Indicate the tax year the hospital facility last conducted a CHNA 20 14			
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	☑ Hospital facility's website (list url) www baptisthealth com			
b	☐ Other website (list url)			
c	☑ Made a paper copy available for public inspection without charge at the hospital facility			
d	☐ Other (describe in Section C)			
8	Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	**8**	Yes	
9	Indicate the tax year the hospital facility last adopted an implementation strategy 20 14			
10	Is the hospital facility's most recently adopted implementation strategy posted on a website?	**10**	Yes	
a	If "Yes" (list url) www baptisthealth com			
b	If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	**10b**		No
11	Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed			
12a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**12a**		No
b	If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	**12b**		
c	If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

A

Name of hospital facility or letter of facility reporting group _____

		Yes	No
Financial Assistance Policy (FAP)			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	**13**	Yes	
If "Yes," indicate the eligibility criteria explained in the FAP			
a ☑ Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 200 % and FPG family income limit for eligibility for discounted care of 400 %			
b ☐ Income level other than FPG (describe in Section C)			
c ☑ Asset level			
d ☑ Medical indigency			
e ☑ Insurance status			
f ☑ Underinsurance discount			
g ☐ Residency			
h ☐ Other (describe in Section C)			
14 Explained the basis for calculating amounts charged to patients?	**14**	Yes	
15 Explained the method for applying for financial assistance?	**15**	Yes	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply)			
a ☑ Described the information the hospital facility may require an individual to provide as part of his or her application			
b ☑ Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application			
c ☑ Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process			
d ☑ Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications			
e ☐ Other (describe in Section C)			
16 Included measures to publicize the policy within the community served by the hospital facility?	**16**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The FAP was widely available on a website (list url) www baptisthealth com			
b ☑ The FAP application form was widely available on a website (list url) www baptisthealth com			
c ☑ A plain language summary of the FAP was widely available on a website (list url) www baptisthealth com			
d ☑ The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
e ☑ The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)			
f ☑ A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
g ☑ Notice of availability of the FAP was conspicuously displayed throughout the hospital facility			
h ☑ Notified members of the community who are most likely to require financial assistance about availability of the FAP			
i ☐ Other (describe in Section C)			
Billing and Collections			
17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon non-payment?	**17**	Yes	
18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency(ies)			
b ☐ Selling an individual's debt to another party			
c ☐ Actions that require a legal or judicial process			
d ☐ Other similar actions (describe in Section C)			
e ☑ None of these actions or other similar actions were permitted			

Part V Facility Information *(continued)*

Name of hospital facility or letter of facility reporting group A

			Yes	No
19	Did the hospital facility or other authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**19**		No
	If "Yes," check all actions in which the hospital facility or a third party engaged			
a	☐ Reporting to credit agency(ies)			
b	☐ Selling an individual's debt to another party			
c	☐ Actions that require a legal or judicial process			
d	☐ Other similar actions (describe in Section C)			
20	Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 18 (check all that apply)			
a	☑ Notified individuals of the financial assistance policy on admission			
b	☐ Notified individuals of the financial assistance policy prior to discharge			
c	☑ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills			
d	☑ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy			
e	☑ Other (describe in Section C)			
f	☐ None of these efforts were made			
Policy Relating to Emergency Medical Care				
21	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**21**	Yes	
	If "No," indicate why			
a	☐ The hospital facility did not provide care for any emergency medical conditions			
b	☐ The hospital facility's policy was not in writing			
c	☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)			
d	☐ Other (describe in Section C)			
Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)				
22	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a	☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b	☑ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c	☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d	☐ Other (describe in Section C)			
23	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	**23**		No
	If "Yes," explain in Section C			
24	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	**24**		No
	If "Yes," explain in Section C			

Part V Facility Information *(continued)*

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

Form and Line Reference	Explanation
See Additional Data Table	

Part V Facility Information *(continued)*

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

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

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

Part VI Supplemental Information

Provide the following information

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

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

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

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

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

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

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

Form and Line Reference	Explanation
Schedule H, Part I, Line 6a	COMMUNITY BENEFIT REPORT Each hospital within Baptist Healthcare System ("BHS") (61-0444707) prepares a community benefits report In addition, a summary community benefits report is prepared on a consolidated basis for all entities within BHS

Form and Line Reference	Explanation
Schedule H, Part I, Line 7g	No physician clinic costs are included in the costs of subsidized health services

Form and Line Reference	Explanation
Schedule H, Part I, Line 7	COSTING METHODOLOGY BHS utilizes a sophisticated cost accounting system that identifies the cost of delivering care at the individual procedure and item (supply) level for direct costs and a detailed step-down methodology to allocate overhead costs as accurately as possible Costs are determined for each patient based upon the specific procedures performed and items used for each patient Patients are also categorized by 1 patient type (inpatient and outpatient), 2 payer plan (42 unique categories of payer plans Charity, State-sponsored charity and the Uninsured are among the uniquely identified payer plans), and 3 clinical service (53 unique clinical services) The cost of care for uninsured patients who qualify for "full" charity care (under a State-sponsored or BHS sponsored charity program) is determined by calculating the cost of each uninsured charity patient (at the procedure and item level) and accumulating the cost of each patient For insured patients who also qualify for partial charity under the BHS sponsored charity program, costs are allocated to each portion (insurance, partial charity, patient payments and bad debt) using the patient's payer plan cost-to-charge ratio (CCR) For example, this CCR is multiplied by the charges covered by insurance to determine the cost of insurance, multiplied by charges covered by partial charity to determine the cost of partial charity, multiplied by patient payments to determine the cost of paid services and multiplied by unpaid charges to determine the cost of bad debt The cost of care for uninsured patients who do NOT qualify for charity care (full or partial bad debt accounts) are allocated to each portion (patient paid portion and unpaid portion) using the patient's uninsured payer plan CCR For example, this CCR is multiplied by patient payments to determine the cost of paid services and multiplied by unpaid charges to determine the cost of bad debt Much care is taken to ensure that costs used for community benefit reporting are directly related to exempt-purpose patient care (excluding physician-related costs) and that costs are reported accurately For example, the cost of charity and Medicaid are removed from the calculation of the loss on subsidized services

Form and Line Reference	Explanation
Schedule H, Part III, Line 4	BAD DEBT EXPENSE FOOTNOTE A separate footnote for bad debt expense is not included in the audited financial statements However, beginning in 2012 BHS reported the provision for uncollectible accounts related to patient service revenue as a deduction from patient service revenue Costing methodology of bad debt is outlined in Schedule H, Part VI, line 1 The estimated amount of bad debt expense attributable to patients eligible under the organization's FAP was determined using a historical percent to total of net amounts written off as bad debt for those patients with a low propensity to pay or low income to total net amounts written off as bad debt

Form and Line Reference	Explanation
Schedule H, Part III, Line 8	MEDICARE COSTING METHODOLOGY Medicare revenues and allowable costs were taken from the "as filed" Medicare cost report Much care is taken to ensure that all adjustments to remove non-allowable costs are taken Due to the fact that Medicare rates are non-negotiable and are established by the government, all of the shortfall for Medicare should be included as a community benefit

Form and Line Reference	Explanation
Schedule H, Part III, line 9b	COLLECTION PRACTICES Patients and guarantors who qualify for a "full" charity discount will not be billed once the charity determination is made Patients and guarantors who qualify for a "partial" charity discount will be billed only for the non-discounted portion of their account Guarantors who have an ability to pay for services will be billed based on the following guidelines - Patients or guarantors may be asked to pay an estimated patient liability at point of service - BHS facilities will accept and file claims for all insurances assigned to the organization with adequate proof of coverage This assignment does not relieve the guarantor of responsibility for payment if the insurer fails to pay as prescribed by regulation, statute or patient-insurance contract Deductibles, co-payments and non-covered services will be the responsibility of guarantors - Statements will be sent to guarantors once patient liability is determined for insured or uninsured patients and necessary billing follow-up calls will be made by BHS Patient Financial Services and/or a designated external early out vendor over a period of time averaging from 90 to 120 days All statements will contain information regarding the availability of financial assistance If applicable, effort will be made to assist uninsured patients to secure coverage through any governmental or other assistance programs - Patients requesting detailed charge information will be provided with an itemized bill - BHS Patient Financial Services will provide all patients the same information concerning services and charges - Patient accounts not resolved at the end of this cycle will be considered for placement with external collection agencies Collection agencies will continue to pursue patient balances while maintaining compliance with the Fair Debt Collection Practices Act and the ACA International's Code of Ethics and Professional Responsibility

Form and Line Reference	Explanation
Schedule H, Part VI, line 2	NEEDS ASSESSMENT BHS conducts a tri-annual planning process that is driven by the strategic vision to be the health care leader in Kentucky Key industry and community issues (such as prominent health conditions present within each community, underserved areas and underprovided clinical services) are considered and analyzed for their impact on BHS and the five hospitals Frequently, outside experts reaffirm the assessment and assist in the development of plans to address the community need A course of action, including key strategies and goals, are shared with and approved by the BHS Board and the Hospital's administrative Boards

Form and Line Reference	Explanation
Schedule H, Part VI, line 3	PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE Following is a list of various methods/processes used to inform/educate patients on the availability of financial assistance - financial counselors advise and/or screen uninsured patients before or during hospital services, - a third party vendor advises and/or screens uninsured patients during hospital services, - financial counselors provide follow-up contact for patients missed during services, - the State-sponsored DSH form is provided to all ER uninsured patients, - telephone calls and in-person visits are handled by staff trained to discuss financial assistance, - information regarding financial assistance is included in patient statements - The BHS sponsored charity care program policy is posted in key areas of each hospital - The BHS sponsored charity care program policy is posted on the website of each hospital and the System

Form and Line Reference	Explanation
Schedule H, Part VI, Line 4	Community Information BHS is comprised of five regional hospitals each one serves a unique and separate geographic area within Kentucky Baptist Health Louisville (BHLOU) opened in 1975 and is located in St Matthews, approximately five miles east of downtown Louisville area BHLOU is strategically located near interstate 64, a main access to downtown, and interstate 264, a main beltway around Louisville The primary geographic service area for BHLOU consists of Jefferson, Oldham, Shelby, Spencer and Bullitt Kentucky counties BHLOU serves as a general acute care facility, specializing in services such as cardiovascular services, cancer care and comprehensive rehabilitation services that are much needed in the area In addition, BHLOU operates one of the busiest emergency rooms in the state of Kentucky Approximately 14 6% of the population of the local area surrounding the hospital is over 65 and the unemployment rate is 5 9%, as compared to the national average of 6 2% Baptist Health Corbin (BHCOR) opened in 1986 in Corbin, Kentucky It is located one-half mile off of interstate 75, approximately three miles from downtown Corbin and near U S highway 25, which is a main access to several of the surrounding communities The primary geographic service area for BHCOR consists of the counties of Knox, Laurel and Whitley in Kentucky BHCOR serves as a general acute care facility, specializing in services such as psychiatric, substance abuse, comprehensive rehabilitation and emergency care services The psychiatric program at BHCOR has grown over the past several years and BHCOR has plans to continue its growth Approximately 15 2% of the population of the local area surrounding the hospital is over 65 and the unemployment rate is 8 8%, as compared to the national average of 6 2% Baptist Health Lexington (BHLEX) opened in 1954 in Lexington, the second largest city in Kentucky It is located approximately five miles from Interstate 75 and Interstate 64 which provide access for the immediate Lexington metro area patients as well as patients from other areas of central and eastern Kentucky which the hospital serves The primary geographic service area for BHLEX consists of the Kentucky counties of Bourbon, Clark, Fayette, Franklin, Jessamine, Madison, Scott and Woodford In addition, BHLEX serves as a regional referral center with approximately 42% of its discharges coming from Kentucky counties outside of the primary service area As such, BHLEX provides tertiary care services not offered by many hospitals in the surrounding areas including specialty cardiovascular, orthopedic and intensive care services Approximately 13 4% of the population of the local area surrounding the hospital is over 65 and the unemployment rate is 5 2%, as compared to the national average of 6 2% Baptist Health Paducah (BHPAD) was opened in 1953 in Paducah, Kentucky, the largest city in BHPAD's service area the hospital is located approximately one and one-half miles from Interstate 64 BHPAD is one of only two hospitals located in Paducah The primary geographic service area for BHPAD consists of Ballard, Carlisle, Graves, Livingston, Lyon, Marshall and McCracken counties in Kentucky and Massac county in Illinois BHPAD draws nearly 80% of its discharges from the primary service area BHPAD serves as a general acute care facility, specializing in services such as cardiovascular services, cancer care and skilled nursing that are much needed in the area Approximately 19 1% of the population of the local area surrounding the hospital is over 65 and the unemployment rate is 7 19%, as compared to the national average of 6 2% Baptist Health LaGrange, (BHLAG) became part of the BHS system in 1992 Baptist Health LaGrange can serve all of the primary healthcare needs of its service area BHLAG defines its service area by looking at where the majority of its inpatients reside Approximately 85% of BHLAG's inpatients come from Oldham, Henry, Trimble, and Carroll Counties Oldham County is a shared service area between Baptist Health Louisville and BHLAG Approximately 13 1% of the population of the local area surrounding the hospital is over 65 and the unemployment rate is 6 2%, as compared to the national average of 6 2%

Form and Line Reference	Explanation
Schedule H, Part VI, Line 5	Promotion of Community Health The BHS board of directors is comprised of local representatives who, along with the hospital's management and employees, understand that they are responsible for providing high quality health care services to the communities they serve Operating healthcare facilities in today's environment requires a delicate balance between producing a sufficient margin to allow for adequate staffing and investment in new technologies, while also providing enough resources to absorb the cost of care for those patients who do not have the ability to pay for the services In 2015, Baptist was able to re-invest over $81 million into the communities in new technology, construction, renovation and systems improvement BHS hospitals reach out to the community in many ways through - Conducting health fairs for local schools, businesses and churches - Participating in fund-raising and other events to help local agencies such as the American Heart Association, Metro United Way, American Cancer Society, Big Brothers and Big Sisters and the American Red Cross - Donating hospital space for community group meetings - Participating on community health assessment teams that are dedicated to identifying and addressing local health needs in each of the counties we serve - Hosting educational programs, including our pre-natal classes, and safe sitter program - Maintaining necessary, but unprofitable services that meet community needs - Helping to recruit physicians to underserved areas - Helping patients coordinate services with other healthcare providers - Providing resources for support groups, such as cancer recovery groups - Promoting and providing preventive care services - Monitoring clinical outcomes in order to ensure quality care - Committing resources to improving safety and processes of care - Providing services conveniently accessible by patients In addition, BHS employees volunteer thousands of hours in community services and leadership BHS's support for community activities underscores its commitment to improving the lives of those served because BHS and its employees contribute so much of their time, talents and resources to serve others, communities served by BHS are better places to live and work Quantification of many of the community benefits is detailed elsewhere in this schedule However, what the quantifiable amount doesn't measure is the economic benefit derived by the community from BHS being one of the major employers in the area The economic impact of the wages paid to BHS employees is significant considering the dollars they spend on food, housing, services, and other products The Internal Revenue Service revenue ruling 69-545 provides that a hospital can demonstrate it has met the community benefit standard by having a full-time emergency room open to the public regardless of ability to pay for services received BHS hospitals operate emergency departments that are open 24 hours a day, 365 days a year and treated over 191,541 emergency patients during fiscal year 2015 BHS and its emergency departments post policies stating that patients will be treated regardless of their ability to pay Depending on the severity of a patient's condition, as a service to the patient BHS may verify insurance prior to rendering services in the emergency department Under no circumstances is emergency care delayed by discussions regarding insurance coverage or ability to pay for services In addition, BHS does not convey or intimate in any way to any emergency medical transportation service an unwillingness to treat any particular patient in need of medical attention

Form and Line Reference	Explanation
Schedule H, Part VI, line 6	Affiliated Health Care System BHS is a nonprofit, tax-exempt organization that owns and operates five hospitals Baptist Health Richmond, INC is a nonprofit, tax-exempt affiliate that owns and operates a hospital in Richmond, KY Baptist Health Madisonville, INC is a nonprofit, tax-exempt affiliate that owns and operates a hospital in Madisonville, KY Baptist Community Health Services, INC is a nonprofit, tax-exempt affiliate that owns and operates rehabilitation centers, urgent care centers, and occupational and physical therapy clinics within the regions surrounding the hospitals Baptist Health Medical Group, Inc is a nonprofit, tax-exempt affiliate that owns and operates physician practices Baptist Healthcare Foundation, INC , Baptist Health Foundation of Greater Louisville, INC , Baptist Health Foundation Corbin, INC , Baptist Health foundation Richmond, Inc , Baptist Health Foundation Madisonville, Inc , Lexington Cardiac Research Foundation, INC , Baptist Health Foundation Lexington, INC , and Baptist Health Foundation Paducah, Inc are nonprofit, tax-exempt affiliate corporations Baptist Health Plan, INC (BHP) is a nonprofit, taxable affiliate health maintenance organization Baptist Ventures, INC is an affiliate corporation Baptist Physicians' Surgery Center is a limited liability corporation, of which Baptist Community Health Services, INC owns 55% Pet/Ct Management, LLC is a limited liability corporation, of which Baptist Healthcare System, INC owns 83% Baptist Eastpoint Surgery Center, LLC is a limited liability company of which Baptist Community Health Services, INC owns 80% Baptist Health Employer Solutions, INC (BHES), formed in 2010, is a non-profit corporation in which BHS is the sole member BHES is a network of healthcare providers, hospitals and physicians BHES's activities and purposes serve to support the charitable activities and operations of BHS Purchase Health Quality Collaborative, LLC ("PHQC"), formed in 2011, is a non-profit limited liability company whose sole member is BHS PHQC was formed to support a physician/hospital network established by PHP, working with BHPAD to engage in clinical integration activities Mercy Regional Emergency Medical System, LLC ("MREMS"), formed in 1996, is a non-profit taxable corporation, which owns and operates an ambulance service in McCracken county, Kentucky in the service area of BH Paducah BHS owns a 50% interest in MREMS and the remaining 50% interest is owned by Mercy Health System, INC D B A Lourdes Hospital All entities are located in the Commonwealth of Kentucky All entities described in Schedule H, Part VI, Line 6 contributed a combined community benefit amount as follows Charity Care at Cost $24,242,000 Unreimbursed Medicaid 9,890,000 Community Health Improvement 2,187,000 Health Professions Education 79,000 Subsidized Health Services 9,153,000 Cash and In-Kind Contributions 1,189,000 ---------- Total Community Benefit $46,740,000

Additional Data

Software ID:
Software Version:
EIN: 61-0444707
Name: Baptist Healthcare 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
Part V Section B, Line 5	
Part V, Section B, Line 11	A-1 Baptist Health Louisville Based on the data analyzed through this assessment, three ma in issues were identified that the hospital will focus on over the next three years They are health literacy, cancer and cardiovascular disease The other five areas of focus are the aging population, mental health, substance abuse, obesity and diabetes The consensus of the team conducting the assessment is that many of these issues are related and effort s to combat one will result in improvements in one or more of the others Health literacy was defined as an increased awareness of the public to their overall healthcare environmen t, including knowledge of how and when to access care, understanding their personal health status, and the necessity of compliance to medicine and lifestyle regimens assigned by th eir physicians Only through the combined efforts of medical professionals, schools, churc hes and government agencies will we be successful in educating and engaging individuals in caring for themselves Kentucky has some of the highest rates in the nation for preventab le health conditions and for behaviors that have been identified as unhealthy The committ ee felt that continued focus on health literacy and personal responsibility would improve the general health of the population more than any other activity As cancer continues to be a leading cause of death in this service area, the committee ranked it as their second priority in terms of public health issues Although Jefferson county mortality levels are better than the state average they are still higher than the national average The committ ee acknowledged the continued need for board certified oncologists and easy access to canc er related services such as chemotherapy and radiation therapy Cardiovascular disease ran ked as the committee's third priority and encompasses coronary artery disease, heart attac k, arrhythmias, heart failure, cardiomyopathy and vascular disease The discussion focused on education, prevention and treatment The goal is to expand public awareness of disease root causes and common associated conditions to increase compliance with standard of care protocols It is not within the scope of Baptist Health Louisville's services, expertise or resources to be able to address all of the risk factors that have been identified as in fluencers of our community's health status But it is through networking and partnerships with other community stakeholder organizations and agencies that these issues are being ad dressed Baptist Health Louisville works collaboratively with other community resources to provide support and serve as a referral source to address the additional identified healt h needs that fall below the significant prevalence level for our service area Impact issu es such as unemployment and uninsured populations are being dealt with by economic develop ment groups, the Kentucky Chamber of Commerce, city and county governments, and county hea lth departments Schedule H, Part V, Section B, Line 11 A-2 Baptist Health Lexington After compiling and analyzing all of the data in this assessment, BHL will pursue benchmarking, identifying targets and ideas and implementing strategies Some of the strategies will ad dress multiple needs These lists are not intended to be exhaustive and do not imply there is only one way to address the identified health needs Obesity, cardiovascular disease a nd cancer, including breast, colorectal and lung were the health needs of the community wi th the highest priority Obesity issues will be addressed through education, prevention an d community-based initiatives to decrease the no exercise rate in Fayette County as measur ed by the BRFSS, (Behavioral Risk Factor Surveillance System), which collects data through the CDC, (the Centers for Disease Control and Prevention)), by 2018 Efforts will continu e to expand the program directory for physical activity venues and identify mechanisms of assistance for participation in programs The identification of, and increase in the numbe r of organizations in Fayette County that offer worksite wellness programs should produce measurable results and a healthier lifestyle Baptist Health Lexington works collaborative ly with other community resources to provide support and to serve as a referral source to address the additional identified health needs that fall below the significant prevalence level for our service area It is not within the scope of Baptist Health Lexington's servi ces, expertise or resources to be able to address all of the risk factors that have been i dentified as influencers of our community's health status But it is through networking an d partnerships with other community stakeholder organizations and agencies that these issu es are being addressed Impact issues such as unemployment and uninsured populations are b eing dealt with by economic development groups, the Kentucky Chamber of Commerce, city and county governments, and county health departments Schedule H, Part V, Section B, Line 11 A-3 Baptist Health Paducah The committee identified and prioritized community needs for t he service area that Baptist Health Paducah can address and affect by implementing program s, education and preventive screenings Obesity prevention and illnesses related to obesit y are a primary concern Plans are being implemented to increase the awareness of obesity as a health threat to our service area residents and to encourage healthier living through diet, exercise and other means The hospital is providing additional support to meet this need through its new bariatric surgery and metabolic disease management program, Project Fit America fitness programs in area elementary schools and internal programs to improve e mployees' health The ability of individuals in a community to access health care resource s to preserve or improve health is essential Access to health care has an impact on overa ll health status, the prevention of disease and the quality of life Efforts are underway through education and the availability of additional resources to remove the potential bar riers to receiving necessary health care services It is not within the scope of Baptist H ealth Paducah's services, expertise or resources to be able to address all of the risk fac tors that have been identified as influencers of our community's health status But it is through networking and partnerships with other community stakeholder organizations and age ncies that these issues are being addressed Impact issues such as unemployment and uninsu red populations are being dealt with by economic development groups, the Kentucky Chamber of Commerce, city and county governments, and county health departments The use of illici t drugs or the abuse of prescription or over-the-counter medications for purposes other th an those for which they are indicated or in a manner or in quantities other than directed is a growing problem in McCracken County This particular issue presents a need that canno t be met by Baptist Health Paducah, but is better met by services already in the community including those at Four Rivers Behavioral Health Schedule H, Part V, Section B, Line 11 A-4 Baptist Health Corbin Baptist Health Corbin will work to increase the awareness of the importance of early detection and prevention of cardiovascular diseases including Stroke, Hypertension and CHF through screening and educational programs for residents of Whitley, Knox and Laurel County The development of community partnerships to educate local reside nts on healthy lifestyles and ways to manage cardiovascular diseases, diabetes and cancer are primary objectives Increased availability to preventive screenings will provide benef its for these and additional health issues It is not within the scope of Baptist Health C orbin's services, expertise or resources to be able to address all of the risk factors tha t have been identified as influencers of our community's health status But it is through networking and partnerships with other community stakeholder organizations and agencies th at these issues are being addressed Impact issues such as unemployment and uninsured popu lations are being dealt with by economic development groups, the Kentucky Chamber of Comme rce, city and county governments, and county health departments Schedule H, Part V, Secti on B, Line 11 A-5 Baptist Health LaGrange Based on the data analyzed through this assessme nt, three main issues were identified that the hospital will focus on over the next three years They are health literacy, cancer and cardiovascular disease The other five areas of focus are the aging population, mental health, substance abuse, obesity and diabetes T he consensus of the team conducting the assessment is that many of these issues are relate d and efforts to combat one will result in improvements in one or more of the others Heal th literacy was defined as an increased awareness of the public to their overall healthcar
Part V, Section B, Line 19	Billing and Collections Prior to referring individuals to a collection agency, BHS process es all self-pay accounts through an external scoring application to determine additional e ligibility for financial assistance

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990.**

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
Baptist Healthcare System Inc

Employer identification number
61-0444707

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 . . . . . ▶ 30

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

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

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

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

Return Reference	Explanation
Form 990, Schedule I, Part I, Line 2	Description of Organization's Procedures for Monitoring the Use of Grants Baptist Healthcare System provides only direct contributions and other general support, therefore, no monitoring of charitable contributions is performed

Additional Data

Software ID:
Software Version:
EIN: 61-0444707
Name: Baptist Healthcare 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
BAPTIST HLTH FNDTN OF GREATER LOUISVILLE4000 Kresge Way Louisville, KY 40207	20-0292291	501(c)(3)	282,944				General support
PADUCAH JUNIOR COLLEGEPO Box 7380 Paducah, KY 42002	61-6001156	501(c)(3)	100,500				General support
HOPE CENTERPO Box 6 Lexington, KY 40588	61-1107296	501(c)(3)	25,000				General 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
PROJECT FIT AMERICAPO BOX 308 BOYeS HOT SPRINGS, CA 95416	36-3730823	501(c)(3)	65,400				General support
UNIVERSITY OF KENTUCKY ARBORETUM500 ALUMNI DRIVE Lexington, KY 40503	61-6001218	501(c)(3)	25,000				GENERAL SUPPORT
AMERICAN HEART ASSOCIATION240 Whittington Pkwy Louisville, KY 40222	13-5613797	501(c)(3)	52,750				General 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
AMERICAN CANCER SOCIETY1504 College Way Lexington, KY 40502	64-0329009	501(c)(3)	51,450				General support
GREATER PADUCAH ECONOMIC DEVELOPMENT COUNCILPO Box 1155 Paducah, KY 420021155	61-1181577	501(c)(6)	40,000				General support
SUPPLIES OVER SEAS INTERNATIONAL INC1500 Arlington Ave Louisville, KY 40206	27-2624272	501(c)(3)	14,920				General 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
MARCH OF DIMES196 W Lowry Lane Lexington, KY 40503	13-1846366	501(c)(3)	47,134				General support
PADUCAH SYMPHONY2101 Broadway Paducah, KY 42001	61-0965156	501(c)(3)	28,924				General support
FOUR RIVERS CENTER100 Kentucky Ave Paducah, KY 42001	61-1293428	501(c)(3)	23,500				General 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
COMMERCE LEXINGTON 330 E Main St Ste 100 Lexington, KY 40588	61-0258800	501(c)(6)	25,000				General support
MISSION LEXINGTON230 S MLK Blvd Lexington, KY 40508	20-2824933	501(c)(3)	25,000				General support
ST NICHOLAS FAMILY CLINIC1733 Broadway Paducah, KY 42001	61-1260945	501(c)(3)	26,000				General 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
GREATER LOUISVILLE INC 614 W Main St 6000 Louisville, KY 40202	23-7084835	501(c)(3)	50,000				General support
METRO UNITED WAY334 E Broadway Louisville, KY 40202	61-0444680	501(c)(3)	20,500				General support
FUND FOR THE ARTS623 W Main St Louisville, KY 40202	61-0479626	501(c)(3)	25,000				General 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
WOMEN LEADING KENTUCKYPO Box 961 Lexington, KY 40511	86-1120254	501(c)(3)	10,000				General support
SUSAN KOMEN FOR THE CURE324 N Ashland Ave Lexington, KY 40502	75-1835298	501(c)(3)	10,600				General support
LEXINGTON ROTARY CLUB 401 W MAIN STREET Lexington, KY 40507	61-1387338	501(c)(3)	17,500				General 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
AMERICAN DIABETES ASSOCIATIONPO BOX 1638 Merrifield,VA 22116	13-1623888	501(c)(3)	6,500				General support
AMERICAN RED CROSS 1450 NEWTOWN PIKE LEXINGTON,KY 40507	53-0196605	501(c)(3)	6,000				General support
GODS FOOD PANTRY119 SOUTH CENTRAL AVENUE SOMERSET,KY 42501	31-0979404	501(c)(3)	8,000				General 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
KSISA 3425 STONY SPRINGS CIR LOUISVILLE, KY 40220	61-1335267	501(c)(3)	6,500				GENERAL SUPPORT
LEXINGTON PHILHARMONIC SOCIETY 161 N MILL STREET LEXINGTON, KY 40507	61-6033529	501(c)(3)	8,000				GENERAL SUPPORT
OLDHAM CHAMBER & ECONOMIC DEVELOPMENT 112 S 1ST AVENUE PO BOX 366 LAGRANGE, KY 40031	61-4630770	501(c)(6)	5,336				GENERAL 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
OPERATION PARENT1390 KY-393 LAGRANGE,KY 40031	20-3857612	501(c)(3)	15,000				GENERAL SUPPORT
SHAPING OUR APPALACHIAN REGION137 MAIN STREET PIKEVILLE,KY 41501	61-4885874	501(c)(3)	25,000				GENERAL SUPPORT
KY BAPTIST CONVENTION 13420 Eastpoint Cen Dr LOUISVILLE,KY 40223	61-0549873	501(c)(3)	72,520				GENERAL 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 WAY333 BROADWAY SUITE 502 PADUCAH,KY 42001	61-0444680	501(c)(3)	14,000				GENERAL SUPPORT
BAPTIST HEALTH FOUNDATION CORBIN 2701 EASTPOINT PARKWAY LOUISVILLE,KY 40223	47-3033550	501(c)(3)	10,000				GENERAL SUPPORT
BAPTIST HEALTH RICHMONDPO BOX 1600 RICHMOND,KY 40476	61-0461940	501(c)(3)	6,500				GENERAL SUPPORT

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ **Attach to Form 990.**

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
Baptist Healthcare System Inc

Employer identification number
61-0444707

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III			
	☑ Compensation committee	☑ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☑ Form 990 of other organizations	☑ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		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
Form 990, Schedule J, Part I, Line 4b	SIX OFFICERS AND EXECUTIVES WHO PARTICIPATED IN THE SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN ACCRUED AMOUNTS FOR 2014 WHICH IS A PORTION OF THE AMOUNT REPORTED AS DEFERRED COMPENSATION IN SCHEDULE J, COLUMN C OTHER RETIREMENT AND DEFERRED COMPENSATION REPORTED IN SCHEDULE J, COLUMN C INCLUDE AMOUNTS FOR THE RETIREMENT ACCUMULATION PLAN AND THRIFT PLAN THE FOLLOWING INDIVIDUALS PARTICIPATE IN AND ACCRUED AMOUNTS FROM THE SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN DAVID GRAY $93,680 CARL HERDE $93,556 JANET NORTON $60,410 ISAAC MYERS, MD $57,069 TIMOTHY JAHN, MD $59,718 STEPHEN HANSON $308,829 THE FOLLOWING INDIVIDUALS RECEIVED A PAYOUT FROM THE SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN, A NONQUALIFIED DEFERRED COMPENSATION PLAN, AS THEY ARE FULLY VESTED IN THE PLAN WILLIAM BROWN $95,513 ANDREW SEARS, MD $91,673 WILLIAM SISSON $220,953

Additional Data

Software ID:
Software Version:
EIN: 61-0444707
Name: Baptist Healthcare 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				
Janet Norton, Secretary	(I)	417,982	142,725	15,245	76,530	32,640	685,122	0
	(II)	0	0	0	0	0	0	0
Mary Lou Tipgos, Asst Secretary(thru 6/20/14)	(I)	96,240	0	4,398	2,340	14,260	117,238	0
	(II)	0	0	0	0	0	0	0
Stephen Hanson, President & CEO	(I)	940,038	654,800	28,553	318,782	42,970	1,985,143	0
	(II)	0	0	0	0	0	0	0
William Sisson, Vice President	(I)	613,208	210,528	234,928	18,200	37,066	1,113,930	123,782
	(II)	0	0	0	0	0	0	0
David Gray, Vice President	(I)	580,172	167,412	11,087	109,800	36,486	904,957	0
	(II)	0	0	0	0	0	0	0
Carl Herde, Treasurer & CFO	(I)	604,265	196,630	11,311	111,756	29,713	953,675	0
	(II)	0	0	0	0	0	0	0
William Brown, Vice President (1/1/2014)	(I)	490,565	155,000	115,104	9,679	36,200	806,548	19,962
	(II)	0	0	0	0	0	0	0
Timothy Jahn MD, Chief Clinical Officer	(I)	492,247	143,333	11,408	65,949	33,734	746,671	0
	(II)	0	0	0	0	0	0	0
Andrew Sears MD, Chief Strategy Officer	(I)	335,704	112,746	108,896	18,200	24,349	599,895	0
	(II)	0	0	0	0	0	0	0
Isaac Myers MD, Chief Health Integration Offic	(I)	411,573	119,313	13,633	57,069	29,271	630,859	0
	(II)	0	0	0	0	0	0	0
John Barton MD, Physician	(I)	539,420	0	0	16,120	33,312	588,852	0
	(II)	0	0	0	0	0	0	0
Kenneth Anderson MD, Chief Medical Officer, VP	(I)	539,827	40,790	9,016	13,000	33,725	636,358	0
	(II)	0	0	0	0	0	0	0
Susan Stout Tamme, Vice President (thru 11/2011)	(I)	339,752	100,000	9,303	7,543	21,786	478,384	0
	(II)	0	0	0	0	0	0	0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
Baptist Healthcare System Inc

Employer identification number
61-0444707

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	KY Economic Development Finance Authority	61-0600439	49126KFM8	02-09-2009	502,227,848	See Part VI		X		X		X
B	KY Economic Development Finance Authority	61-0600439	49126KHR5	12-14-2011	136,101,238	See Part VI		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	46,065,000	0		
2	Amount of bonds legally defeased	0	0		
3	Total proceeds of issue	502,247,678	136,716,070		
4	Gross proceeds in reserve funds	0	0		
5	Capitalized interest from proceeds	0	13,542,795		
6	Proceeds in refunding escrows	0	0		
7	Issuance costs from proceeds	4,753,545	1,482,800		
8	Credit enhancement from proceeds	661,234	0		
9	Working capital expenditures from proceeds	0	0		
10	Capital expenditures from proceeds	99,994,925	121,712,708		
11	Other spent proceeds	396,837,974	1,617		
12	Other unspent proceeds	0	0		
13	Year of substantial completion	2010	2015		

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?	X			X				
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X							
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		0 100 %		0 %				
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		0 %						
6	Total of lines 4 and 5		0 100 %						
7	Does the bond issue meet the private security or payment test?		X		X				
8a	Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?		X		X				
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X					

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X		X				
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?	X		X					
b	Exception to rebate?								
c	No rebate due?								
	If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X			X				
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X				
b	Name of provider	0		0					
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was the hedge terminated?								

Part IV Arbitrage *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X				
b	Name of provider	0		0					
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X		X				
7	Has the organization established written procedures to monitor the requirements of section 148?	X		X					

Part V Procedures To Undertake Corrective Action

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

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

Return Reference	Explanation
Schedule K, Part I, Line A	Description of Purpose Series 2009A and 2009B Revenue Bonds were issued to redeem the 1/99, 1/05 & 12/05 Bonds and for the costs of acquiring and constructing hospital facilities and equipment

Return Reference	Explanation
Schedule K, Part II, Line 3, Column A	The difference between Part I, Column (e) and Part II, Line 3 is due to investment earnings of $19,830

Return Reference	Explanation
Schedule K, Part I, Line B	Description of Purpose Series 2011 Fixed Rate Hospital Revenue Bonds were issued for the costs of certain hospital projects, including a portion of the costs of constructing and equipping a new medical structure connected to the existing hospital building at Baptist Health Lexington (fka Central Baptist Hospital)

Return Reference	Explanation
Schedule K, Part II, Line 3, Column B	THE DIFERENCE BETWEEN PART I, COLUMN (E) AND PART II, LINE 3 IS DUE TO INVESTMENT EARNINGS OF $614,833

Return Reference	Explanation
Schedule K, Part II, Col A, Line 7-8	THE AMOUNTS ON THE 8038 REPRESENTED ESTIMATES OF THE ISSUANCE COSTS AND THE CREDIT ENHANCEMENT FEES AND THE AMOUNTS REPORTED HERE ARE ACTUAL AMOUNTS PAID FROM THE PROCEEDS

Return Reference	Explanation
Schedule K, Part II, Col B, Line 7-8	THE AMOUNTS ON THE 8038 REPRESENTED ESTIMATES OF THE ISSUANCE COSTS AND THE CREDIT ENHANCEMENT FEES AND THE AMOUNTS REPORTED HERE ARE ACTUAL AMOUNTS PAID FROM THE PROCEEDS

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

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

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
Baptist Healthcare System Inc

Employer identification number
61-0444707

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Total ▶ $			

Part III Grants or Assistance Benefiting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
See Additional Data Table					

Part V Supplemental Information

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

Return Reference	Explanation
SCHEDULE L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS	ALL TRANSACTIONS REPORTED ON PART IV ARE REPORTED AS ARMS-LENGTH FOR FAIR MARKET VALUE (A) NAME OF PERSON JUANITA BAKER (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION ROBERT BAKER, DIRECTOR OF BHS, HAS A FAMILY MEMBER EMPLOYED BY BHS (A) NAME OF PERSON NICOLE JACKSON-GARY (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION FRANCES HAMILTON, DIRECTOR OF BHS, HAS A FAMILY MEMBER EMPLOYED BY BHS (A) NAME OF PERSON PET/CT MANAGEMENT (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION JANET NORTON AND DAVID GRAY, Former officer and current OFFICER OF BHS, Were officers OF PET/CT MANAGEMENT, A LIMITED LIABILITY CORPORATION, prior to the legal dissolution of the corporation on 7/31/2015 (A) NAME OF PERSON ST MATTHEWs SURGERY CENTER (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION DAVID GRAY, VICE PRESIDENT OF BHS, WAS A BOARD MEMBER OF ST MATTHEWS SURGERY CENTER (OPERATIONS CEASED 12/31/2014) (A) NAME OF PERSON BAPTIST PHYSICIANS SURGERY CENTER (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION WILLIAM SISSON, OFFICER OF BHS IS A BOARD MEMBER OF BAPTIST PHYSICIANS SURGERY CENTER, A LIMITED LIABILITY CORPORATION (A) NAME OF PERSON BAPTIST EASTPOINT SURGERY CENTER, LLC (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION SUE STOUT TAMME, former OFFICER OF BHS, IS A BOARD MEMBER OF BAPTIST EASTPOINT SURGERY CENTER, LLC (A) NAME OF PERSON SUSAN D WHITE (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION VICTORIA B BUSTER, DIRECTOR OF BHS, HAS A FAMILY MEMBER EMPLOYED BY BHS (A) NAME OF PERSON CLARK LESTER (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION REV TERRY LESTER, DIRECTOR OF BHC, HAS A FAMILY MEMBER EMPLOYED BY BAPTIST HEALTH CORBIN

Additional Data

Software ID:
Software Version:
EIN: 61-0444707
Name: Baptist Healthcare System Inc

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

(a) Name of interested person	**(b)** Relationship between interested person and the organization	**(c)** Amount of transaction	**(d)** Description of transaction	**(e)** Sharing of organization's revenues?	
				Yes	**No**
(1) Juanita Baker	Family member of director	62,026	Wages		No
(2) Nicole Jackson-Gary	Family member of director	42,696	Wages		No
(3) PETCT Management	Board member	494,964	Equipment services		No
(4) St Matthews Surgery Center	Board member	33,402	Management fees		No
(5) Baptist Physicians Surgery Center	Board member	1,201,369	Lease agreement		No
(6) Baptist Eastpoint Surgery Center	Board member	887,910	Mgmt fees & lease agreement		No
(7) SUSAN D WHITE	Family member of director	127,824	WAGES		No
(8) CLARK LESTER	FAMILY MEMBER OF DIRECTOR	291,696	wages		No

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization	Employer identification number
Baptist Healthcare System Inc	61-0444707

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Sect A, line 2	
Form 990, Part VI, Sect B, line 11b	DESCRIBE THE PROCESS USED BY MANAGEMENT &/OR GOVERNING BODY TO REVIEW 990 A copy of the 99 0 is provided to the board of directors prior to the filing of the return Any questions o r comments are addressed by explanation or a change to the form
Form 990, Part VI, Sect B, line 12c	DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST Annually the secr etary of BHS sends out a conflict of interest questionnaire to each of the directors and o fficers serving on the board of BHS After completion, they are returned to the secretary and reviewed by the Board or the Governance Effectiveness Committee for any potential conf licts A conflict of interest is any circumstance, relationship (financial or otherwise), activity or decision (made in the course of governance, management or professional respons ibilities or otherwise) that adversely influences or appears to adversely influence the ab ility of a Covered Person to 1) make objective decisions on behalf of BHS and/or 2) act i n the best interests of BHS in a manner consistent with the tax-exempt purposes of BHS Th e Board or Committee will determine by a majority vote of disinterested directors whether the disclosed Financial or Special Interest may result in a Conflict of Interest
Form 990, Part VI, Sect B, line 15a & 15b	COMPENSATION DETERMINATION PROCESS Annually in September, the BHS Compensation Committee r eviews the compensation, including base compensation and incentive compensation for the CE O and all officers and key employees of BHS except for the Secretary and Assistant Secreta ry Compensation for these employees is reviewed and approved by the CEO of BHS The BHS C ompensation Committee is comprised of independent Board Members The Committee retains a C ompensation Consultant to advise the Committee and who provides data as to comparable comp ensation for similarly qualified persons in functionally comparable positions at similarly situated healthcare organizations The Committee reviews this information in approving an nual base and incentive compensation and other items of reportable compensation described on Schedule J of the IRS Form 990 The decisions of the Committee regarding compensation a re contemporaneously documented in the minutes of the Committee Annually, the Committee C hairperson and the Compensation Consultant provide a report on executive compensation to t he full Board of Directors of BHS
Form 990, Part VI, Sect C, line 19	AVAILability OF GOVerning DOCuments, CONFLICT OF INTEREST POLICY, & FINancial STateMentS T O GENeral PUBLIC In adherence to the Master Trust Indenture among BHS and U S Bank Natio nal Association, as Master Trustee, Dated as of February 1, 2009, BHS reports its financia l results on a quarterly basis to the Master Trustee who in turn makes them available thro ugh Electronic Municipal Market Access Additionally, the organization will provide any do cuments open to public inspection upon request
Form 990, Part VII	HOURS WORKED FOR RELATED ORGANIZATION Officers for BHS provide services to BHS and its sub sidiaries Hours worked are not tracked on an entity by entity basis Therefore, all offic ers' hours reported on Form 990, Part VII, Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors represent aggreg ate hours worked per week for all entities
Form 990, Part XI, line 9	Other Changes in Net Assets Distribution POST RETIREMENT CHANGE ($4,389,031) IS DEPRECIAT ION ($4,410,420) FUNDING FOR STRATEGIC AND CAPITAL NEEDS ($87,535,035) TRANSFER FROM OTHER ASSETS ($15,328,061) ---------- TOTAL OTHER CHANGES ($111,662,547) ==========

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
Baptist Healthcare System Inc

Employer identification number
61-0444707

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) Purchase Health Quality Collaborative 2501 Kentucky Avenue Paducah, KY 42001 45-4290974	Phys Ntwrk	KY	-317,556	0	BHSI

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
See Additional Data Table							

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
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	(i) No
(1) BAPTIST VENTURES INC 2701 EASTPOINT PARKWAY LOUISVILLE, KY 40223 61-1217018	MANAGEMENT	KY	BHSI	C Corp			100 000 %	Yes	
(2) BAPTIST HEALTH PLAN INC 651 PERIMETER PARK STE 300 LEXINGTON, KY 40517 61-1241101	INSURANCE	KY	BHSI	C Corp			100 000 %	Yes	
(3) BAPTIST HEALTH EMPLOYER SOLUTIONS INC 2701 EASTPOINT PARKWAY LOUISVILLE, KY 40223 27-2939694	ACO	KY	BHSI	C Corp			100 000 %	Yes	
(4) MUTUAL CREDIT SERVICES INC PO BOX 149 MADISONVILLE, KY 42431 61-0660705	COLLECTION	KY	BHSI	C CORP	-2,935	845,141	100 000 %	Yes	
(5) BAPTIST MEDICAL MANAGEMENT SERVICES INC 900 HOSPITAL DRIVE MADISONVILLE, KY 42431 37-1519513	HC MSO	KY	BHSI	c corp	0	620,830	100 000 %	Yes	
(6) MS COMMUNITY HEALTH LLC 2701 EASTPOINT PARKWAY LOUISVILLE, KY 40223 61-1303514	HEALTH CLINIC	KY	BHMG	C-CORP			100 000 %	Yes	

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

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

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
See Additional Data Table			

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

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

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

Part VII Supplemental Information

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

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 61-0444707
Name: Baptist Healthcare 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	(g) No
(1) BAPTIST COMMUNITY HEALTH SERVICES INC 2701 EASTPOINT PARKWAY LOUISVILLE, KY 40223 61-1141242	MEDICAL svcs	KY	501(c)(3)	line 11a	bhsi	Yes	
(1) BAPTIST HEALTH MEDICAL GROUP INC 2701 EASTPOINT PARKWAY LOUISVILLE, KY 40223 20-5497203	PHYSICIAN svc	KY	501(c)(3)	line 3	bhsi	Yes	
(2) BAPTIST HEALTHCARE FOUNDATION INC 2701 EASTPOINT PARKWAY LOUISVILLE, KY 40223 31-1122867	FUNDRAISING	KY	501(c)(3)	line 11a	bhsi	Yes	
(3) BH FOUNDATION GREATER LOUISVILLE 4000 KRESGE WAY LOUISVILLE, KY 40207 20-0292291	FUNDRAISING	KY	501(c)(3)	line 11a	bhsi	Yes	
(4) BAPTIST HEALTH FOUNDATION LEXINGTON INC 1740 NICHOLASVILLE ROAD LEXINGTON, KY 40503 61-1480774	FUNDRAISING	KY	501(c)(3)	line 11a	bhsi	Yes	
(5) LEXINGTON CARDIAC RESEARCH Fnd Inc 1740 NICHOLASVILLE ROAD LEXINGTON, KY 40503 20-4242792	MEDICAL RSrch	KY	501(c)(3)	line 11a	bhsi	Yes	
(6) BAPTIST HEALTH FOUNDATION PADUCAH INC 2501 KENTUCKY AVENUE PADUCAH, KY 42003 26-4057759	FUNDRAISING	KY	501(c)(3)	line 11a	bhsi	Yes	
(7) MERCY REGIONAL EMERGENCY MEDICAL SYSTEMS 126 LONE OAK ROAD PADUCAH, KY 42001 61-1310466	AMBULANCE Svc	KY	501(c)(3)	line 11a	bhsi	Yes	
(8) BAPTIST HEALTH RICHMOND INC 2701 EASTPOINT PARKWAY LOUISVILLE, KY 40223 61-0461940	HOSPITAL	KY	501(c)(3)	line 3	bhsi	Yes	
(9) BAPTIST HEALTH FOUNDATION RICHMOND INC 2701 EASTPOINT PARKWAY LOUISVILLE, KY 40223 31-1506378	FUNDRAISING	KY	501(c)(3)	line 11a	bhsi	Yes	
(10) PATTIE A CLAY HOSPITAL AUXILIARY PO BOX 1600 RICHMOND, KY 40476 51-0172717	SUPPORT HOSP	KY	501(c)(3)	line 11a	bhsi		No
(11) BAPTIST HEALTH MADISONVILLE 900 HOSPITAL DR MADISONVILLE, KY 42431 61-0654587	HOSPITAL	KY	501(c)(3)	line 3	bhsi	Yes	
(12) MEDICAL CENTER AMBULANCE SERVICES INC 629 LAFOON STREET MADISONVILLE, KY 42431 61-0946210	AMBULANCE SVC	KY	501(C)(3)	LINE 9	NA	Yes	
(13) BAPTIST HEALTH FOUNDATION CORBIN INC 2701 EASTPOINT PARKWAY LOUISVILLE, KY 40223 47-3033550	FUNDRAISING	KY	501(C)(3)	LINE 11A	BHSI	Yes	
(14) BAPTIST HEALTH FOUNDATION MADISONVILLE 2701 EASTPOINT PARKWAY LOUISVILLE, KY 40223 47-2893430	FUNDRAISING	KY	501(C)(3)	LINE 11A	BHSI	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) Disproprtionate allocations? Yes	(h) No	(i) Code V-UBI amount in Box 20 of Schedule K-1 (Form 1065)	(j) General or Managing Partner? Yes	(j) No	(k) Percentage ownership
MUHLENBERG MEDICAL CENTER 200 CLINIC DR MADISONVILLE, KY 42431 20-0108053	RENTAL	KY	BMMS	UNRELATED								
BAPTIST EASTMILESTONE LLC 750 CYPRESS STATION DR LOUISVILLE, KY 40207 61-1355065	FITNESS CENTER	KY	BVI	EXCLUDED								
BAPTIST PHYSICIANS' SRGRY CNTR LLC 1720 NICHOLASVILLE Rd 101 LEXINGTON, KY 405031490 04-3665929	AMB SURGERY CENTE	KY	BCHS	RELATED								
BAPTIST EASTPOINT SURGREY CENTER LLC 2400 EASTPOINT PARKWAY LOUISVILLE, KY 40223 26-0834852	AMB SURGERY CEN	KY	BCHS	RELATED								
MEDICAL ASSOCS OF MIDDLETOWN LLC 4000 KRESGE WAY LOUISVILLE, KY 40207 20-0399400	MED OFFICE BLDG	KY	BHSI	RELATED				No			No	
PETCT MANAGEMENT LLC 7807 SHELBYVILLE RD STE 201 LOUISVILLE, KY 40222 20-0154982	MGMT AND EQUIPMEN	KY	BHSI	RELATED				No			No	
D-1 SPORTS TRAINING OF LOUISVILLE 2701 EASTPOINT PARKWAY LOUISVILLE, KY 40223 45-3714318	SPORTS TRAINING	KY	BCHS	RELATED								
ST MATTHEW'S SURGERY CENTER LLC 4130 dutchmans lane suite 200 Louisville, KY 40207 45-3714318	amb surg center	KY	bchs	related								

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
BH FOUNDATION OF GREATER LOUISVILLE INC	B	511,132	COST
BH FOUNDATION OF GREATER LOUISVILLE INC	C	915,611	COST
BAPTIST HEALTH MADISONVILLE INC	P	24,229,704	COST
BAPTIST HEALTH MADISONVILLE INC	Q	754,052	COST
BAPTIST HEALTH MEDICAL GROUP INC	K	1,237,265	COST
BAPTIST HEALTH MEDICAL GROUP INC	P	9,630,763	COST
BAPTIST HEALTH MEDICAL GROUP INC	Q	4,002,423	COST
BAPTIST HEALTH MEDICAL GROUP INC	N	10,001,981	COST
BAPTIST HEALTH RICHMOND INC	A	918,073	COST
BAPTIST HEALTH RICHMOND INC	P	10,204,704	COST
BAPTIST HEALTH FOUNDATION PADUCAH INC	B	144,697	COST
BAPTIST HEALTH FOUNDATION PADUCAH INC	C	312,704	COST
PETCT MANAGEMENT LLC	Q	521,714	COST
BAPTIST COMMUNITY HEALTH SERVICES INC	K	2,887,955	COST
BAPTIST COMMUNITY HEALTH SERVICES INC	P	139,647	COST
BAPTIST COMMUNITY HEALTH SERVICES INC	r	108,846	COST
BAPTIST COMMUNITY HEALTH SERVICES INC	s	23,631,833	COST
BAPTIST EASTMILESTONE LLC	R	78,327	COST
BLUEGRASS FAMILY HEALTH INC	R	475,642	COST
BAPTIST HEALTH MADISONVILLE INC	R	1,744,245	COST
BAPTIST HEALTH RICHMOND INC	R	19,591,266	COST
BAPTIST HEALTH MEDICAL GROUP INC	R	43,067,743	COST
BAPTIST HEALTH MEDICAL GROUP INC	S	9,784,610	COST
BAPTIST VENTURES INC	R	64,583	COST
BAPTIST HEALTHCARE FOUNDATION INC	R	62,753	COST

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
BAPTIST HEALTHCARE FOUNDATION INC	B	282,944	COST
BAPTIST HEALTH FOUNDATION LEXINGTON INC	S	720,803	COST
BAPTIST HEALTH FOUNDATION LOUISVILLE INC	S	77,149	COST
LEXINGTON CARDIAC RESEARCH FOUNDATION INC	R	370,246	COST
BAPTIST HEALTH CORBIN INC	S	907,193	COST