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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

2015

Open to Public Inspection

A For the 2015 calendar year, or tax year beginning 01-01-2015, and ending 12-31-2015

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

C Name of organization
Central Washington Health Services Association

Doing business as
CENTRAL WASHINGTON HOSPITAL

Number and street (or P O box if mail is not delivered to street address) Room/suite
1201 S Miller St

City or town, state or province, country, and ZIP or foreign postal code
Wenatchee, WA 98801

F Name and address of principal officer
Peter D Rutherford MD
1201 S Miller St
Wenatchee,WA 98801

D Employer identification number

91-0171250

E Telephone number

(509) 662-1515

G Gross receipts \$ 465,672,125

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.cwhs.com

K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶
L Year of formation 1978 **M** State of legal domicile WA

Part I

Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
DEDICATED TO IMPROVING OUR PATIENTS' HEALTH BY PROVIDING SAFE, HIGH-QUALITY CARE

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

3 Number of voting members of the governing body (Part VI, line 1a)	3	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 2015 (Part V, line 2a)	5	1,719
6 Total number of volunteers (estimate if necessary)	6	243
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	82,969
b Net unrelated business taxable income from Form 990-T, line 34	7b	-247,886

Revenue

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	1,259,185	115,121
9 Program service revenue (Part VIII, line 2g)	269,836,042	296,870,669
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	5,077,595	-22,250,257
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,374,398	1,842,088
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	277,547,220	276,577,621

Expenses

13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	15,557
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)	103,043,885	110,017,702
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)	156,073,612	172,638,206
18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	259,117,497	282,671,465
19 Revenue less expenses Subtract line 18 from line 12	18,429,723	-6,093,844

Net Assets or Fund Balances

	Beginning of Current Year	End of Year
20 Total assets (Part X, line 16)	355,846,297	350,707,974
21 Total liabilities (Part X, line 26)	146,922,870	150,138,928
22 Net assets or fund balances Subtract line 21 from line 20	208,923,427	200,569,046

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

Peter D Rutherford MD Chief Executive Officer
Type or print name and title

2016-11-08
Date

Paid Preparer Use Only

Print/Type preparer's name
Robert Grannum

Preparer's signature
Robert Grannum

Date
2016-11-07

Firm's name ▶ Moss Adams LLP

Firm's address ▶ 2707 Colby Avenue Suite 801
Everett, WA 98201

Check ☐ if self-employed

PTIN
P00355876

Firm's EIN ▶ 91-0189318

Phone no (425) 259-7227

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

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990(2015)

Part III

Statement of Program Service Accomplishments

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

☐

1 Briefly describe the organization’s mission

We are dedicated to improving our patients' health by providing safe, high-quality care in a compassionate and cost-effective manner Our Core Values A Our patients are the reason for our being, and their needs will drive all of our actions B We will treat everyone (including patients, their families, referring offices and colleagues) with dignity, respect and compassion C We will work as a team, utilizing collaboration, active participation and open communication among all physicians and staff D We will continue to innovate ways to improve the delivery of excellent, high value care E We will measure successes and failures, and use the results to drive further improvementF We will be a good neighbor in the communities we serve with donations of time, talent and capital G We will be ethical and accountable in all of our decisions and actions

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 \$ 237,872,153	including grants of \$ 15,557)	(Revenue \$ 295,456,764)
CENTRAL WASHINGTON HEALTH SERVICES ASSOCIATION, DBA CENTRAL WASHINGTON HOSPITAL (THE ASSOCIATION), IS ACCREDITED BY THE JOINT COMMISSION ON ACCREDITATION OF HEALTHCARE ORGANIZATIONS AND OPERATES A LICENSED 198-BED ACUTE CARE HOSPITAL DELIVERING A FULL RANGE OF HEALTH CARE SERVICES IN WENATCHEE, WASHINGTON, AND THE NORTH CENTRAL WASHINGTON AREA THE ASSOCIATION IS A NOT-FOR-PROFIT INSTITUTION GOVERNED BY A BOARD OF DIRECTORS, PROVIDING GENERAL INPATIENT SERVICES INCLUDING MEDICAL, SURGICAL, HOME INFUSION SERVICES, INTENSIVE CARE AND CORONARY CARE, NEONATAL INTENSIVE CARE, PEDIATRICS, OBSTETRICS, GYNECOLOGY AND ONCOLOGY THE ASSOCIATION IS A FEDERAL REGIONAL REFERRAL CENTER, AND IS DESIGNATED BY THE STATE AS A LEVEL III GENERAL TRAUMA CENTER AND LEVEL III PEDIATRIC TRAUMA CENTER, SUPPORTED BY A COMPREHENSIVE RANGE OF SURGICAL PROCEDURES IN ORTHOPEDIC, NEUROSURGERY, VASCULAR SURGERY, INTERVENTIONAL CARDIAC CATHETERIZATION, AND OPEN-HEART SURGERY CONFLUENCE HEALTH WAS FORMED IN 2012 AS A HEALTH SYSTEM THAT REPRESENTS AN AFFILIATION BETWEEN CENTRAL WASHINGTON HOSPITAL (A NOT-FOR-PROFIT ORGANIZATION) AND WENATCHEE VALLEY MEDICAL CENTER (WVMC) (A FOR-PROFIT ORGANIZATION) EFFECTIVE JANUARY 1, 2013, THE ASSOCIATION AFFILIATED WITH CONFLUENCE HEALTH, AND CONFLUENCE HEALTH BECAME THE SOLE MEMBER OF THE ASSOCIATION THE BOARD OF DIRECTORS OF CONFLUENCE HEALTH CONSISTS OF 9 COMMUNITY MEMBERS AND 6 PHYSICIANS OF WVMC THE ASSOCIATION HAS CONTRACTED WITH WVMC FOR PHYSICIAN SERVICES THE ASSOCIATION PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES BECAUSE THE ASSOCIATION DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, THEY ARE NOT REPORTED AS REVENUE THE ASSOCIATION MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CHARITY CARE IT PROVIDES THESE RECORDS INCLUDE THE AMOUNT OF CHARGES FORGONE FOR SERVICES AND SUPPLIES FURNISHED UNDER ITS CHARITY CARE POLICY AND THE ESTIMATED COST OF THOSE SERVICES AND SUPPLIES CHARGES FORGONE, BASED ON ESTABLISHED RATES TOTALLED \$5,302,615 AND \$8,529,749 IN 2015 AND 2014 RESPECTIVELY MANAGEMENT ESTIMATES CHARITY CARE COSTS BY CALCULATING A RATIO OF COST TO GROSS CHARGES, AND THEN MULTIPLYING THAT RATIO BY THE GROSS UNCOMPENSATED CHARGES ASSOCIATED WITH PROVIDING CARE TO CHARITY PATIENTS CHARITY CARE COSTS WERE \$2,179,000 AND \$3,924,000 FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014, RESPECTIVELY The Association serviced 42,771 acute patient days, 11,131 acute discharges,1,460 deliveries and 36,709 emergency visits				

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 ▶ 237,872,153

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	No
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	No
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII	12a Yes	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV	16	No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	82	
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	1,719	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.	3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	Organizations that may receive deductible contributions under section 170(c).			
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8		
9a	Did the sponsoring organization make any taxable distributions under section 4966?	9a		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b		
10	Section 501(c)(7) organizations. Enter			
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b		
11	Section 501(c)(12) organizations. Enter			
a	Gross income from members or shareholders.	11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.			
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b		
c	Enter the amount of reserves on hand.	13c		
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a		No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b		

Part VI

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

Section A. Governing Body and Management

			Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O	1a	15		
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	Yes		
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			No
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5			No
6 Did the organization have members or stockholders?	6	Yes		
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes		
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b			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			No
b Other officers or key employees of the organization	15b			No
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▶	
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 ▶JOHN DOYLE 1201 South Miller Street WENATCHEE, WA 98801 (509) 662-1511	

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

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

[illegible]

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

[illegible]

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	1,428,675	4,031,070	626,447

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 ► 157

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

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
WENATCHEE VALLEY MEDICAL GROUP PO Box 489 Wenatchee, WA 98807	Physician Services	5,158,853
WENATCHEE EMERGENCY PHYSICIANS PO BOX 4600 Wenatchee, WA 98807	ER Physicians Services	4,402,254
WENATCHEE VALLEY HOSPITAL & CLINICS PO BOX 361 Wenatchee, WA 98807	Medical Services	2,417,817
PACIFIC SECURITY 2009 IRON STREET BELLINGHAM, WA 98225	Security Services	396,283
UNIVERSITY OF WASHINGTON PO BOX 24366 SEATTLE, WA 98124	Medical Services	379,818

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 ► 48

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					
	e	Government grants (contributions)	1e	115,121				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f					
	g	Noncash contributions included in lines 1a-1f \$						
	h	Total. Add lines 1a-1f			115,121			
Program Service Revenue	2a	DAILY PATIENT SERVICES	Business Code					
			621900	294,948,124	294,948,124			
	b	Cafeteria Services	621900	1,872,765			1,872,765	
	c	Trauma Funds	621900	49,780	49,780			
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f			296,870,669			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		2,365,437			2,365,437	
	4	Income from investment of tax-exempt bond proceeds . .						
	5	Royalties						
	6a	(i) Real		(ii) Personal				
		2,117,183						
		b	Less rental expenses	509,208				
		c	Rental income or (loss)	1,607,975				
	d	Net rental income or (loss)			1,607,975	284,487	1,323,488	
	7a	(i) Securities		(ii) Other				
		163,776,007						
		b	Less cost or other basis and sales expenses	188,383,732	7,969			
		c	Gain or (loss)	-24,607,725	-7,969			
	d	Net gain or (loss)			-24,615,694		-24,615,694	
	8a	Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18		a				
		b	Less direct expenses	b				
		c	Net income or (loss) from fundraising events . .					
	9a	Gross income from gaming activities See Part IV, line 19		a				
		b	Less direct expenses	b				
		c	Net income or (loss) from gaming activities . . .					
	10a	Gross sales of inventory, less returns and allowances		a				
				253,335				
		b	Less cost of goods sold . . .	b	193,595			
		c	Net income or (loss) from sales of inventory . .			59,740	82,969	-23,229
	Miscellaneous Revenue		Business Code					
	11a	MISCELLANEOUS		900099	116,020	116,020		
	b	PURCHASE DISCOUNTS		900099	58,730	58,730		
	c	Income from K-1		900099	-377	-377		
	d	All other revenue						
e	Total. Add lines 11a-11d			174,373				
12	Total revenue. See Instructions			276,577,621	295,456,764	82,969	-19,077,233	

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

☐		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.					
1	Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21.	15,557	15,557		
2	Grants and other assistance to domestic individuals. See Part IV, line 22.				
3	Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16.				
4	Benefits paid to or for members.				
5	Compensation of current officers, directors, trustees, and key employees.	175,316	140,253	35,063	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
7	Other salaries and wages.	86,847,148	69,477,718	17,369,430	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	3,947,376	3,157,901	789,475	
9	Other employee benefits.	11,462,481	9,169,985	2,292,496	
10	Payroll taxes.	7,585,381	6,068,305	1,517,076	
11	Fees for services (non-employees):				
a	Management.	39,095,981	35,186,383	3,909,598	
b	Legal.	236,742		236,742	
c	Accounting.	43,021		43,021	
d	Lobbying.				
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.	180,951		180,951	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	560,064	392,046	168,018	
12	Advertising and promotion.	41,651	33,321	8,330	
13	Office expenses.	4,490,476	3,592,381	898,095	
14	Information technology.	396,135	316,908	79,227	
15	Royalties.				
16	Occupancy.	4,877,060	4,389,354	487,706	
17	Travel.	411,526	329,221	82,305	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.				
20	Interest.	6,191,502	6,191,502		
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	12,513,802	11,262,422	1,251,380	
23	Insurance.	2,334,520		2,334,520	
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	Patient Services	78,239,421	70,415,479	7,823,942	
b	General Services	17,639,789	12,347,852	5,291,937	
c	Bad Debt Expense	3,465,295	3,465,295		
d	LICENSES and TAXES	1,920,270	1,920,270		
e	All other expenses				
25	Total functional expenses. Add lines 1 through 24e.	282,671,465	237,872,153	44,799,312	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ☐ if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

				(A)		(B)	
				Beginning of year		End of year	
Assets	1	Cash—non-interest-bearing		337,695	1	4,447,844	
	2	Savings and temporary cash investments		15,147,306	2	23,857,746	
	3	Pledges and grants receivable, net		248,624	3	248,624	
	4	Accounts receivable, net		47,873,048	4	55,970,853	
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5		
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L			6		
	7	Notes and loans receivable, net		18,051,596	7	14,606,071	
	8	Inventories for sale or use		6,256,209	8	6,680,093	
	9	Prepaid expenses and deferred charges		12,097,956	9	2,344,559	
	10a	Land, buildings, and equipment—cost or other basis. Complete Part VI of Schedule D	10a	317,414,840			
	b	Less: accumulated depreciation	10b	171,033,812	149,855,359	10c	146,381,028
	11	Investments—publicly traded securities		95,819,748	11	89,080,017	
	12	Investments—other securities. See Part IV, line 11			12		
	13	Investments—program-related. See Part IV, line 11			13		
	14	Intangible assets			14		
	15	Other assets. See Part IV, line 11		10,158,756	15	7,091,139	
16	Total assets. Add lines 1 through 15 (must equal line 34)		355,846,297	16	350,707,974		
Liabilities	17	Accounts payable and accrued expenses		34,924,622	17	24,545,695	
	18	Grants payable			18		
	19	Deferred revenue			19		
	20	Tax-exempt bond liabilities		108,480,000	20	121,939,201	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21		
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22		
	23	Secured mortgages and notes payable to unrelated third parties			23		
	24	Unsecured notes and loans payable to unrelated third parties		203,228	24	188,712	
	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		3,315,020	25	3,465,320	
	26	Total liabilities. Add lines 17 through 25		146,922,870	26	150,138,928	
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		208,674,803	27	200,320,422	
	28	Temporarily restricted net assets		248,624	28	248,624	
	29	Permanently restricted net assets			29		
	Organizations that do not follow SFAS 117 (ASC 958), check here ☐ and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds			30		
	31	Paid-in or capital surplus, or land, building or equipment fund			31		
	32	Retained earnings, endowment, accumulated income, or other funds			32		
	33	Total net assets or fund balances		208,923,427	33	200,569,046	
	34	Total liabilities and net assets/fund balances		355,846,297	34	350,707,974	

Part XI **Reconciliation of Net Assets**

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	276,577,621
2	Total expenses (must equal Part IX, column (A), line 25)	2	282,671,465
3	Revenue less expenses Subtract line 2 from line 1	3	-6,093,844
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	208,923,427
5	Net unrealized gains (losses) on investments	5	-2,287,430
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	26,893
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	200,569,046

Part XII **Financial Statements and Reporting**

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

		Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis		No
b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☒ Both consolidated and separate basis	Yes	
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
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		

Additional Data

Software ID:

Software Version:

EIN: 91-0171250

Name: Central Washington Health Services Association

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			
Marc C Heminger Chairperson	1 00 3 00	X		X				0	0	0
Krstine S Loomis Vice-Chairperson	1 00 3 00	X		X				0	0	0
Frank J Kuntz Treasurer	1 00 3 00	X		X				0	0	0
David Daniel MD Secretary	1 00 3 00	X		X				0	0	0
Toby Bond MD Board of Directors	1 00 2 00	X						0	0	0
Edwin Carmack MD Board of Directors	1 00 2 00	X						0	0	0
D Scott Duncan Board of Directors	1 00 2 00	X						0	0	0
Mitchell A Garrison MD Board of Directors	1 00 2 00	X						0	0	0
Karen Jackson Board of Directors	1 00 2 00	X						0	0	0
Robert E Justus MD Board of Directors	1 00 2 00	X						0	0	0

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			
Laura Mounter Board of Directors	1 00 2 00	X						0	0	0
David W Parks DMD Board of Directors	1 00 2 00	X						0	0	0
Michael Rossi MD Board of Directors	1 00 2 00	X						0	0	0
Robert Trask Jr Board of Directors	1 00 2 00	X						0	0	0
Patncia Wachtel Board of Directors	1 00 2 00	X						0	0	0
Peter Rutherford MD Chief Executive Officer	10 00 30 00			X				0	631,674	54,703
John Doyle Chief Financial Officer	10 00 30 00			X				0	383,545	48,932
John T Evans Former CEO of CWH Through 3/30/12	0 00 0 00						X	391,015	0	0
John Hamilton Former COO of CH	0 00 0 00						X	0	183,763	14,300
Richard Canning Former COO of CH Through 4/1/15	2 50 7 50				X			0	495,923	23,694

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			
James Wood Chief Administrative Officer	10 00 30 00				X			0	288,285	32,453
Stuart Freed MD Chief Medical Officer	10 00 30 00				X			0	410,057	48,668
Robert Pageler Chief Information Officer	10 00 30 00				X			0	276,981	34,042
Tracey A Kasnic RN Chief Nursing Officer	10 00 30 00				X			0	288,566	46,132
Vikki Noyes Chief Operating Officer	10 00 30 00				X			0	157,136	6,548
Jay H Johnson Senior VP of Network Strategy	10 00 30 00				X			0	311,347	51,088
Peter Lolos Senior VP of Facilities & Support	10 00 30 00				X			0	208,730	34,789
Glenn Adams Senior VP of Ancillary Services	10 00 30 00				X			74,339	134,260	39,716
Jeanine Allen Senior VP of Specialty Care	0 00 40 00				X			76,360	88,480	33,671
Jeanette Wood Senior VP of Primary Care	0 00 40 00				X			0	172,323	24,579

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			
Ceryl Nance Director of Surgery	40 00					X		238,370	0	23,830
Robert Henkes OR	40 00					X		176,776	0	26,777
Brant Krause OR	40 00					X		159,786	0	17,330
Shan Williams Registered Nurse	40 00					X		155,562	0	34,350
Laura Shepard Registered Nurse	40 00					X		156,467	0	30,845

SCHEDULE A
(Form 990 or 990EZ)

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
2015
Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
Central Washington Health Services Association

Employer identification number
91-0171250

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 (Form 990 or 990-EZ))

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 (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
Total						

Part II

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ►	(a)2011	(b)2012	(c)2013	(d)2014	(e)2015	(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)2011	(b)2012	(c)2013	(d)2014	(e)2015	(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 2015 (line 6, column (f) divided by line 11, column (f))		14				
15 Public support percentage for 2014 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2015.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—2014.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—2015.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—2014.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)2011	(b)2012	(c)2013	(d)2014	(e)2015	(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)2011	(b)2012	(c)2013	(d)2014	(e)2015	(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 2015 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2014 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2015 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2014 Schedule A, Part III, line 17	18	

19a 33 1/3% support tests—2015. 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—2014. 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? <i>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.</i>		
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? <i>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.</i>		

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)? <i>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).</i>		

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally-Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions)			
a	☐ The organization satisfied the Activities Test. Complete line 2 below.		
b	☐ The organization is the parent of each of its supported organizations. Complete line 3 below.		
c	☐ The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
2 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? <i>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.</i>		
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? <i>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.</i>		
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? <i>Provide details in Part VI.</i>		
b	Did the organization exercise a substantial degree of direction over the policies, programs and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		

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) ☐		

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

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 2015 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-2015	(iii) Distributable Amount for 2015
1 Distributable amount for 2015 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2015 (reasonable cause required--see instructions)			
3 Excess distributions carryover, if any, to 2015			
a			
b			
c			
d From 2013.			
e From 2014.			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2015 distributable amount			
i Carryover from 2010 not applied (see instructions)			
j Remainder Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2015 from Section D, line 7 \$			
a Applied to underdistributions of prior years			
b Applied to 2015 distributable amount			
c Remainder Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2015, if any Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions)			
6 Remaining underdistributions for 2015 Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions)			
7 Excess distributions carryover to 2016. Add lines 3j and 4c			
8 Breakdown of line 7			
a			
b			
c Excess from 2013.			
d From 2014.			
e From 2015.			

Part VI Supplemental Information.

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

Facts And Circumstances Test

Return Reference

Explanation

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶Complete if the organization is described below. ▶Attach to Form 990 or Form 990-EZ.
▶Information about Schedule C (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2015

Open to Public Inspection

If the organization answered "Yes" on 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" on 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" on 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 Central Washington Health Services Association	Employer identification number 91-0171250
--	--

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-
2				
3				
4				
5				
6				

Part II-A

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

A

Check

☐

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

B

Check

☐

if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b	Total lobbying expenditures to influence a legislative body (direct lobbying)														
c	Total lobbying expenditures (add lines 1a and 1b)														
d	Other exempt purpose expenditures														
e	Total exempt purpose expenditures (add lines 1c and 1d)														
f	Lobbying nontaxable amount Enter the amount from the following table in both columns														
<table><tr><th>If the amount on line 1e, column (a) or (b) is:</th><th>The lobbying nontaxable amount is:</th></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g	Grassroots nontaxable amount (enter 25% of line 1f)														
h	Subtract line 1g from line 1a If zero or less, enter -0-														
i	Subtract line 1f from line 1c If zero or less, enter -0-														
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?														

☐ 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)2012	(b)2013	(c)2014	(d)2015	(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 on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity		(a)		(b)	
		Yes	No	Amount	
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of				
a	Volunteers?		No		
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No		
c	Media advertisements?		No		
d	Mailings to members, legislators, or the public?		No		
e	Publications, or published or broadcast statements?		No		
f	Grants to other organizations for lobbying purposes?		No		
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No		
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No		
i	Other activities?	Yes		29,892	
j	Total. Add lines 1c through 1i.			29,892	
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 1	WA STATE HOSPITAL ASSOCIATION DUES - 21.00% OF \$106,479 = \$22,361 AMERICAN HOSPITAL ASSOCIATION DUES - 22.12% OF \$34,047 = \$7,531 TOTAL \$29,892

Name of the organization Central Washington Health Services Association	Employer identification number 91-0171250
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Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on 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" on 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) ☐ Protection of natural habitat ☐ Preservation of open space ☐ Preservation of an historically important land area ☐ Preservation of a certified historic structure
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
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register
3	Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►
4	Number of states where property subject to conservation easement is located ►
5	Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No
6	Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ►
7	Amount of expenses incurred in monitoring, inspecting, handling of violations, 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" on 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 on 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 on 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" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a

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

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?

☐ Yes

☐ No

b

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

☐

Part V

Endowment Funds.

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2

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

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Temporarily restricted endowment ▶

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

3a

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

(i) unrelated organizations

(ii) related organizations

3a(i)

3a(ii)

Yes

No

b

If "Yes" on 3a(ii), are the related organizations listed as required on Schedule R?

3b

Yes

No

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)	Accumulated (c)depreciation	(d)Book value
1a Land		8,276,004		8,276,004
b Buildings		94,467,870	26,120,379	68,347,491
c Leasehold improvements		21,567,643	15,654,801	5,912,842
d Equipment		182,232,751	126,024,908	56,207,843
e Other		10,870,572	3,233,724	7,636,848
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) ▶				146,381,028

Part XI

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

1	Total revenue, gains, and other support per audited financial statements			1	270,670,838
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains (losses) on investments	2a	-2,287,430		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	377		
e	Add lines 2a through 2d			2e	-2,287,053
3	Subtract line 2e from line 1			3	272,957,891
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	180,951		
b	Other (Describe in Part XIII)	4b	3,438,779		
c	Add lines 4a and 4b			4c	3,619,730
5	Total revenue Add lines 3 and 4c.(This must equal Form 990, Part I, line 12)			5	276,577,621

Part XII

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

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

1	Total expenses and losses per audited financial statements			1	279,025,219
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	0
3	Subtract line 2e from line 1			3	279,025,219
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	180,951		
b	Other (Describe in Part XIII)	4b	3,465,295		
c	Add lines 4a and 4b			4c	3,646,246
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)			5	282,671,465

Part XIII

Supplemental Information

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

Return Reference	Explanation
Part X, Line 2	The Association is a notforprofit corporation and has been recognized as taxexempt pursuant to Section 501(c)(3) of the Internal Revenue Code. The Association is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code except to the extent of unrelated business taxable income as defined under IRC Sections 511 through 515. Any unrelated business income generated is not significant, therefore, no provision for income taxes has been recorded. The Association adopted accounting for uncertain tax positions. The accounting standard prescribes a recognition threshold and measurement process for uncertain tax positions. As of December 31, 2015 and 2014, the Association had no uncertain tax positions requiring accrual.

Part XIII **Supplemental Information** *(continued)*

Return Reference	Explanation
Part XI, Line 4b - Other Adjustments	Bad Debt Expense 3,465,295 Loss adjustment on Bond Refunding -26,516
Part XII, Line 4b - Other Adjustments	Bad Debt Expense 3,465,295

SCHEDULE H
(Form 990)

Department of the
Treasury
Internal Revenue
Service

Hospitals

▶ Complete if the organization answered "Yes" on 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

2015

Open to Public
Inspection

Name of the organization Central Washington Health Services Association	Employer identification number 91-0171250
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Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☐ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care ☐ 100% ☐ 150% ☐ 200% ☐ Other _____ %	3a	Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ 10000 0000000000 %	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 eligible for free or discounted care?	5c		
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b		No
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)			6,842,961		6,842,961	2 420 %
b Medicaid (from Worksheet 3, column a)			54,407,707	28,647,618	25,760,089	9 110 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			61,250,668	28,647,618	32,603,050	11 530 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		287	4,305		4,305	0 %
f Health professions education (from Worksheet 5)			2,688,662		2,688,662	0 950 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)				7,203	-7,203	0 %
j Total. Other Benefits		287	2,692,967	7,203	2,685,764	0 950 %
k Total. Add lines 7d and 7j		287	63,943,635	28,654,821	35,288,814	12 480 %

Part II Community Building Activities

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

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

1

Yes

No

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

3,465,295

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

0

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

128,139,586

6

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

6

154,645,384

7

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

7

-26,505,798

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

No

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

No

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				

Section A. Hospital Facilities

1

See Additional Data Table

Schedule H (Form 990) 2015

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)

CENTRAL WASHINGTON HOSPITAL

Name of hospital facility or letter of facility reporting group				
Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A):		1		
		<table><tr><td>Yes</td><td>No</td></tr></table>	Yes	No
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?	<table><tr><td>1</td><td>No</td></tr></table>	1	No
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	<table><tr><td>2</td><td>No</td></tr></table>	2	No
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	<table><tr><td>3</td><td>Yes</td></tr></table>	3	Yes
3	Yes			
If "Yes," indicate what the CHNA report describes (check all that apply)				
a ☐ A definition of the community served by the hospital facility				
b ☐ Demographics of the community				
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community				
d ☐ How data was obtained				
e ☐ The significant health needs of the community				
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups				
g ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs				
h ☐ The process for consulting with persons representing the community's interests				
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs				
j ☐ Other (describe in Section C)				
4	Indicate the tax year the hospital facility last conducted a CHNA 20 13			
5	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	<table><tr><td>5</td><td>Yes</td></tr></table>	5	Yes
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	<table><tr><td>6a</td><td>Yes</td></tr></table>	6a	Yes
6a	Yes			
6b	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	<table><tr><td>6b</td><td>No</td></tr></table>	6b	No
6b	No			
7	Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	<table><tr><td>7</td><td>Yes</td></tr></table>	7	Yes
7	Yes			
a ☐ Hospital facility's website (list url) www.cwhs.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	<table><tr><td>8</td><td>Yes</td></tr></table>	8	Yes
8	Yes			
9	Indicate the tax year the hospital facility last adopted an implementation strategy 20 13			
10	Is the hospital facility's most recently adopted implementation strategy posted on a website?	<table><tr><td>10</td><td>Yes</td></tr></table>	10	Yes
10	Yes			
a If "Yes" (list url) www.cwhs.com				
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?		<table><tr><td>10b</td><td>No</td></tr></table>	10b	No
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)?	<table><tr><td>12a</td><td>No</td></tr></table>	12a	No
12a	No			
b If "Yes" on line 12a, did the organization file Form 4720 to report the section 4959 excise tax?		<table><tr><td>12b</td><td></td></tr></table>	12b	
12b				
c If "Yes" on 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)

Financial Assistance Policy (FAP)

CENTRAL WASHINGTON HOSPITAL

Name of hospital facility or letter of facility reporting group		Yes	No
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? If "Yes," indicate the eligibility criteria explained in the FAP	13	Yes
a ☐ Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 100 000000000000 % and FPG family income limit for eligibility for discounted care of 100 000000000000 %			
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? 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)	15	Yes
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? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	16	Yes
a ☐ The FAP was widely available on a website (list url) www cwhs com			
b ☐ The FAP application form was widely available on a website (list url) www cwhs com			
c ☐ A plain language summary of the FAP was widely available on a website (list url) www cwhs 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)

CENTRAL WASHINGTON HOSPITAL

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

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

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? 1

Name and address	Type of Facility (describe)
1 1 - CONFLUENCE HEALTH 1201 South Miller Street Wenatchee, WA 98801	Administrative and Shared Functions for the Health System
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Provide the following information

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

Form and Line Reference	Explanation
Part I, Line 6a	Confluence Health, a related entity, prepared the community benefit report

Form and Line Reference	Explanation
Part 1, Question 3B	Greater than 100%

Form and Line Reference	Explanation
Part III, Line 2	NET PATIENT SERVICE REVENUE - THE ASSOCIATION HAS AGREEMENTS WITH THIRD-PARTY PAYORS THAT PROVIDE FOR PAYMENTS TO THE ASSOCIATION AT AMOUNTS DIFFERENT FROM ITS ESTABLISHED RATES. PAYMENT ARRANGEMENTS INCLUDE PROSPECTIVELY DETERMINED RATES PER DISCHARGE, REIMBURSED COSTS, DISCOUNTED CHARGES, AND PER DIEM PAYMENTS. NET PATIENT SERVICE REVENUE IS REPORTED AT ESTIMATED NET REALIZABLE AMOUNTS FROM PATIENTS, THIRD PARTY PAYORS, AND OTHERS FOR SERVICES RENDERED, INCLUDING ESTIMATED RETROACTIVE ADJUSTMENTS UNDER REIMBURSEMENT AGREEMENTS WITH THIRD-PARTY PAYORS. RETROACTIVE ADJUSTMENTS ARE ACCRUED ON AN ESTIMATED BASIS IN THE PERIOD THE RELATED SERVICES ARE RENDERED AND ADJUSTED IN FUTURE PERIODS AS FINAL SETTLEMENTS ARE DETERMINED. PATIENT ACCOUNTS RECEIVABLE - FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS (WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL), THE ASSOCIATION RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE. THE DIFFERENCE BETWEEN THE STANDARD RATES (OR THE DISCOUNTED RATES IF NEGOTIATED) AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS.

Form and Line Reference	Explanation
Part III, Line 4	Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Association analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Association analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Association records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts. The Association's allowance for doubtful accounts for selfpay patients is approximately 60% of selfpay accounts receivable at December 31, 2015 and 2014. In addition, the Association's selfpay writeoffs were \$3,465,000 and \$6,376,000 for the years ended December 31, 2015 and 2014, respectively.

Form and Line Reference	Explanation
Part III, Line 8	Medicare - Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. The Association qualifies for disproportionate share payments from Medicare. The disproportionate share (DSH) payment rate is added to the prospective rate for each inpatient discharge. The Association is eligible for a higher disproportionate share payment rate estimated at 13.89% in 2015 and 13.78% in 2014. The Association met the criteria for this additional payment as a result of the high number of low-income patients served exceeding the eligibility threshold of qualified patient days as a percentage of total patient days. Section 3133 of the Affordable Care Act amended DSH payments effective October 1, 2013. With this change, the Association receives 25 percent of the previous payment method along with payments for uncompensated care based on changes in the percentage of individuals that are uninsured. The uncompensated care payments are set annually by Medicare. Each hospital eligible for DSH will receive uncompensated care payments. The majority of outpatient services are reimbursed on a prospective payment system or fee schedule. The Association's Medicare cost reports have been audited by the Medicare fiscal intermediary through 2012. Net revenue billed under the Medicare program totaled approximately \$128,140,000 and \$117,247,000 for 2015 and 2014, respectively.

Form and Line Reference	Explanation
Part III, Line 9b	It is the policy to work with patient to obtain payment in full, secure financial assistance, or establish appropriate payment arrangements on patient balances within 30 days of the initial statement date 1 When possible the scheduler, and/or receptions, will alert the patient of any self-pay deposit, pre-payment or insurance co-payment, which may be requested at the time of service 2 Payment in full on all self-pay balances is expected within 30 days of receipt of the first statement. The responsibility for payment remains with the guarantor. The Association does not become involved in disputes that occur as a result of divorce settlements, child custody, and accidental injury or third party litigation 3 Working with the guarantor, the Association will establish payment arrangements when payment in full cannot be made. Collection efforts are suspended when the guarantor requests a Financial Assistance application. This suspension is in effect for 30 calendar days giving the appropriate party time to complete the application and provide the required documentation. Collection efforts remain suspended until the final determination of qualification is completed 4 All transactions are required to age a minimum of 120 days, allowing for 4 statements and at least 1 letter, before being considered for transfer to an outside collection agency 5 If an account has a Mail Return status and all steps taken to find the address were unsuccessful the account may be turned to collection for further research

Form and Line Reference	Explanation
Part VI, Line 2	Central Washington Hospital participated in a community wide needs assessment in cooperation with Community Choice, Columbia Valley Community Health, Chelan-Douglas Public Health, and other regional hospitals

Form and Line Reference	Explanation
Part VI, Line 3	Communications to the Public Information about the Association's financial assistance and charity care policy also known as Compassionate Care Program (CCP) shall be made publicly available as follows 1 A notice advising patients that the Hospital provides Compassionate Care shall be posted in key public areas of the facility 2 The Association will distribute a written notice about the availability of Compassionate Care to all patients at the time of new patient registration through the emergency department and during admissions This information will also be available on the website, with each billing statement, and in any collection letters sent by the Association 3 The written notice shall be available in any language spoken by more than ten percent of the population in the Association's service area, and interpreted for other non-English speaking or limited-English speaking patients and for other patients who cannot understand the writing and/or explanation The Association's Service area is defined as, Chelan, Douglas, Okanogan and Grant Counties The Association finds that following no-English translation(s) of the notice shall be made available Spanish 4 The Association will refer all Compassionate Care inquiries to the Financial Assistance Department or when possible directly to the Compassionate Care Coordinator so that all concerns can be addressed in a timely manner 5 Written notice about the Association's Compassionate Care policy shall be made available to any person who requests the information, either by mail, by telephone or in person The Association's Compassionate Care sliding scale discount table shall also be made available upon request

Form and Line Reference	Explanation
Part VI, Line 4	THE ASSOCIATION IS ACCREDITED BY THE JOINT COMMISSION ON ACCREDITATION OF HEALTHCARE ORGANZIATIONS AND OPERATES A LICENSED 198-BED ACUTE CARE HOSPITAL DELIVERING A FULL RANGE OF HEALTH CARE SERVICES IN WENATCHEE, WASHINGTON, AND THE NORTH CENTRAL WASHINGTON AREA THE ASSOCIATION IS A NOT-FOR-PROFIT INSTITUTION GOVERNED BY A BOARD OF DIRECTORS, PROVIDING GENERAL INPATIENT SERVICES INCLUDING MEDICAL, SURGICAL, HOME INFUSION SERVICES, INTENSIVE CARE AND CORONARY CARE, NEONATAL INTENSIVE CARE, PEDIATRICS, OBSTETRICS, GYNECOLOGY, AND ONCOLOGY THE ASSOCIATION IS A FEDERAL REGIONAL REFERRAL CENTER, AND IS DESIGNATED BY THE STATE AS A LEVEL III GENERAL TRAUMA CENTER AND LEVEL III PEDIATRIC TRAUMA CENTER, SUPPORTED BY A COMPREHENSIVE RANGE OF SURGICAL PROCEDURES IN ORTHOPEDIC, NEUROSURGERY, VASCULAR SURGERY, INTERVENTIONAL CARDIAC CATHETERIZATION, AND OPEN-HEART SURGERY WENATCHEE, WASHINGTON IS APPROXIMATELY 150 MILES EAST OF SEATTLE, WASHINGTON AND 170 MILES WEST OF SPOKANE, WASHINGTON CHELAN AND DOUGLAS COUNTIES COMPRISE THE ASSOCIATION'S PRIMARY SERVICE AREA WHILE GRANT AND OKANOGAN COUNTIES REPRESENT SECONDARY SERVICE AREAS APPROXIMATELY 96% OF THE ASSOCIATION'S PATIENT ADMISSIONS ARE FROM THE PRIMARY AND SECONDARY SERVICE AREAS THE SERVICE AREAS POPULATION IS HEAVILY WEIGHTED IN THE 65+ AGE COHORT AS WELL AS MEDICARE/MEDICAID ELIGIBLE, WHICH REPRESENTS APPROXIMATELY 69% OF THE ASSOCIATION'S PATIENTS IN ADDITION, THE ASSOCIATION HAS A HIGH CONCENTRATION OF FARM AND AGRICULTURE RELATED EMPLOYERS/EMPLOYEES

Form and Line Reference	Explanation
Part VI, Line 5	Central Washington Hospital's governing board is comprised of local area residents. The hospital extends its medical staff privileges to all qualified physicians in the community. CWH uses its income to update equipment, technology and facilities to improve patient care. The hospital offers education for area physicians and community members. Also available to physicians and the community is the Heminger Health library. We collaborate with many local and state colleges, universities, and our local high school in support of student learning opportunities. In 2010 an electronic medical record was implemented. The system gives our providers all the medical information needed to make the best decisions in the care of our patients. The hospital is a Federal Regional Referral center and a Level III General and Pediatric Trauma center.

Form and Line Reference	Explanation
Part VI, Line 6	Confluence Health was formed in 2012 as a health system that represents an affiliation between the Association and Wenatchee Valley Medical Center (a for-profit organization) and Wenatchee Valley Hospital. Effective January 1, 2013, the Association affiliated with Confluence Health, and Confluence Health became the sole member of the Association. The Board of Directors of Confluence Health consists of 9 community members and 6 physicians of Wenatchee Valley Medical Center. The mission statement of Confluence Health is: We are dedicated to improving our patient's health by providing safe, high-quality care in a compassionate and cost effective manner.

Form and Line Reference	Explanation
PART VI, LINE 7	WA

Additional Data

Software ID:

Software Version:

EIN: 91-0171250

Name: Central Washington Health Services
Association

Form 990 Schedule H, Part V Section A. Hospital Facilities

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)

How many hospital facilities did the organization operate during the tax year?

1

Name, address, primary website address, and state license number

		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
1	CENTRAL WASHINGTON HOSPITAL 1201 S Miller St Wenatchee, WA 98801 http //www.cwhs.com	X	X		X			X		SNF	

Open to Public Inspection

91-0171250

General Purpose

Schedule I (Form 990) 2015

Part III

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

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

Part IV

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

Return Reference	Explanation
Part I, Line 2	OUTSIDE ORGANIZATIONS SUBMIT REQUESTS TO THE ORGANIZATION THROUGHOUT THE YEAR THE REQUESTS ARE SEPARATED BASED ON THE MONETARY VALUE REQUESTED EACH REQUEST REQUIRES SUPPORT FROM THE REQUESTING ORGANIZATION AS TO THE PURPOSE/USE OF THE FUNDS AND WHETHER THE REQUEST BENEFITS THE COMMUNITY TWO COMMITTEES REVIEW THE REQUESTS BASED ON THE MONETARY VALUE OF THE REQUEST

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" on 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

2015

Open to Public Inspection

Name of the organization
Central Washington Health Services Association

Employer identification number
91-0171250

Part I Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on 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 indemnification 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 on 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? b Participate in, or receive payment from, a supplemental nonqualified retirement plan? c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	4a 4b 4c	Yes No No
Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.		
5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: a The organization? b Any related organization? If "Yes," on line 5a or 5b, describe in Part III	5a 5b	No Yes
6 For persons listed on 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? b Any related organization? If "Yes," on line 6a or 6b, describe in Part III	6a 6b	No No
7 For persons listed on 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 on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8	No
9 If "Yes" on 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 on 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 on 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
Part I, Line 4a	Richard Canning received \$356,942 of severance payment.
Part I, Line 5	Every pay period, the employer contributes the match percentage per the plan document into the employees retirement account. Annually, the board determines based on financial results if an additional (or discretionary) will be contributed to the employee's accounts. The percentage is based on employee classification and length of service.
Part II	Compensation for dr. Stuart Freed is reviewed, approved, and paid by an unrelated third party, Wenatchee Valley Medical Group, for services performed for Confluence Health. Compensation paid in 2015 was \$458,725.

Additional Data

Software ID:

Software Version:

EIN: 91-0171250

Name: Central Washington Health Services Association

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 on prior Form 990
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1Peter Rutherford MD Chief Executive Officer	(i)	0	0	0	0	0	0	0
	(ii)	558,074	73,600	0	28,800	-	-	0
						25,903	686,377	
1John Doyle Chief Financial Officer	(i)	0	0	0	0	0	0	0
	(ii)	383,495	50	0	24,900	-	-	0
						24,032	432,477	
2John T Evans Former CEO of CWH Through 3/30/12	(i)	391,015	0	0	0	0	391,015	391,015
	(ii)	0	0	0	0	-	-	0
						0	0	
3John Hamilton Former COO of CH	(i)	0	0	0	0	0	0	0
	(ii)	183,763	0	0	14,300	-	-	198,063
						0	198,063	
4Richard Canning Former COO of CH Through 4/1/15	(i)	0	0	0	0	0	0	0
	(ii)	118,981	20,000	356,942	16,151	-	-	0
						7,543	519,617	
5James Wood Chief Administrative Officer	(i)	0	0	0	0	0	0	0
	(ii)	288,235	50	0	10,600	-	-	0
						21,853	320,738	
6Stuart Freed MD Chief Medical Officer	(i)	0	0	0	0	0	0	0
	(ii)	410,057	0	0	28,469	-	-	0
						20,199	458,725	
7Robert Pageler Chief Information Officer	(i)	0	0	0	0	0	0	0
	(ii)	276,931	50	0	10,600	-	-	0
						23,442	311,023	
8Tracey A Kasnic RN Chief Nursing Officer	(i)	0	0	0	0	0	0	0
	(ii)	288,516	50	0	26,126	-	-	0
						20,006	334,698	
9Vikki Noyes Chief Operating Officer	(i)	0	0	0	0	0	0	0
	(ii)	157,086	50	0	0	-	-	0
						6,548	163,684	
10Jay H Johnson Senior VP of Network Strategy	(i)	0	0	0	0	0	0	0
	(ii)	311,297	50	0	29,256	-	-	0
						21,832	362,435	
11Peter Lolos Senior VP of Facilities & Support	(i)	0	0	0	0	0	0	0
	(ii)	208,680	50	0	23,752	-	-	0
						11,037	243,519	
12Glenn Adams Senior VP of Ancillary Services	(i)	74,339	0	0	3,099	8,653	86,091	0
	(ii)	134,210	50	0	16,505	-	-	0
						11,459	162,224	
13Jeanine Allen Senior VP of Specialty Care	(i)	76,360	0	0	3,181	9,684	89,225	0
	(ii)	88,430	50	0	13,887	-	-	0
						6,919	109,286	
14Jeanette Wood Senior VP of Primary Care	(i)	0	0	0	0	0	0	0
	(ii)	172,323	0	0	18,405	-	-	0
						6,174	196,902	
15Cheryl Nance Director of Surgery	(i)	238,270	100	0	15,768	8,062	262,200	0
	(ii)	0	0	0	0	-	-	0
						0	0	
16Robert HenkesOR	(i)	176,776	0	0	18,139	8,638	203,553	0
	(ii)	0	0	0	0	-	-	0
						0	0	
17Brant KrauseOR	(i)	154,686	5,100	0	0	17,330	177,116	0
	(ii)	0	0	0	0	-	-	0
						0	0	
18Shari Williams Registered Nurse	(i)	155,562	0	0	14,697	19,653	189,912	0
	(ii)	0	0	0	0	-	-	0
						0	0	
19Laura Shepard Registered Nurse	(i)	156,467	0	0	14,743	16,102	187,312	0
	(ii)	0	0	0	0	-	-	0
						0	0	

Schedule K
(Form 990)

Supplemental Information on Tax Exempt Bonds

OMB No 1545-0047

2015

Open to Public Inspection

Department of the Treasury

Internal Revenue Service

Name of the organization

Central Washington Health Services Association

► 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.

Employer identification number

91-0171250

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 Washington Health Care Facilities Authority	91-1108929	93978E4M1	08-12-2009	114,560,771	Construction of Healthcare Facility	X			X		X
B Washington Health Care Facilities Authority	91-1108929	93978HPZ2	05-05-2015	109,863,859	Construction of Healthcare Facility	X			X		X

Part II		Proceeds									
		A		B		C		D			
1	Amount of bonds retired	1,900,000									
2	Amount of bonds legally defeased	110,150,000		3,895,000							
3	Total proceeds of issue	116,535,000		109,863,859							
4	Gross proceeds in reserve funds	2,915,863		4,771,830							
5	Capitalized interest from proceeds	7,667,467									
6	Proceeds in refunding escrows			93,615,000							
7	Issuance costs from proceeds	2,145,873		1,391,468							
8	Credit enhancement from proceeds										
9	Working capital expenditures from proceeds										
10	Capital expenditures from proceeds	80,834,547									
11	Other spent proceeds										
12	Other unspent proceeds			11,477,029							
13	Year of substantial completion	2011									
		Yes	No	Yes	No	Yes	No	Yes	No		
14	Were the bonds issued as part of a current refunding issue?		X		X						
15	Were the bonds issued as part of an advance refunding issue?	X		X							
16	Has the final allocation of proceeds been made?	X		X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X							

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

Part III Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X				
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6	Total of lines 4 and 5								
7	Does the bond issue meet the private security or payment test?		X		X				
8a	Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?.		X		X				
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?.								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?.	X		X					

Part IV Arbitrage

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

Part IV

Arbitrage (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?	X			X				
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X							
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
FORM 990, SCHEDULE K, PART III, LINE 9	THE ORGANIZATION HAS ESTABLISHED PROCEDURES TO ENSURE THAT ANY NONQUALIFIED BONDS ARE REMEDIATED IN ACCORDANCE WITH REQUIREMENTS THE ORGANIZATION IS CURRENTLY IN THE PROCESS OF FORMALLY PUTTING THESE PROCEDURES IN WRITING

Return Reference	Explanation
Form 990, Schedule K, Part IV, Line 5b and 5c, column A	Name of provider of GIC, Line 5b 1 Trinity Funding Company 2 RBC Capital Markets Line 5c 1 14 months 2 3 years and 5 years

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

2015

**Open to Public
Inspection**

Name of the organization Central Washington Health Services Association	Employer identification number 91-0171250
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990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section A, line 2	CONFLUENCE HEALTH AND AFFILIATES SHARE THE SAME BOARD AS PART OF THE OPERATING STRUCTURE AS SUCH, ALL BOARD MEMBERS SERVE WITH EACH OTHER IN A SIMILAR CAPACITY ON RELATED ORGANIZATIONS ADDITIONALLY, SOME BOARD MEMBERS ARE ALSO MINORITY OWNERS IN A JOINT VENTURE WITH OWNERSHIP LESS THAN THE REPORTING THRESHOLD
Form 990, Part VI, Section A, line 3	Central Washington Hospital has a management services arrangement with confluence health, an affiliated organization exempt under section 501(c)(3) as a supporting organization. The agreement provides for shared use of facilities, officer, employees, supplies and other items. The compensation reported in part VII is paid by confluence health under this arrangement.

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section A, line 6	Confluence health, a non-profit corporation organized and existing pursuant to chapter 24 03 of the revised code of washington, which is known as confluence health and is the parent entity of the health system
Form 990, Part VI, Section A, line 7a	UPON THE EXPIRATION OF THE TERM OF OFFICE OF ANY BOARD MEMBER, INCLUDING EACH OF THE INITIAL BOARD MEMBERS SET FORTH IN THE BYLAWS, THE BOARD OF DIRECTORS OF CONFLUENCE HEALTH SHALL SELECT THE PERSON WHO SHALL FILL THE POSITION OF THE BOARD MEMBER WHOSE TERM IS EXPIRING , SUBJECT TO THE COMPOSITION REQUIREMENTS FOR THE BOARD OF DIRECTORS AS SET FORTH IN THE BYLAWS THE PERSONS SELECTED BY THE BOARD OF DIRECTORS OF CONFLUENCE health TO FILL THE POSITION OF THE BOARD MEMBER WHOSE TERM IS EXPIRING SHALL BE OF THE HIGHEST COMPETENCE AND QUALITY WHO ARE WITHOUT CONFLICTS WITH CENTRAL WASHINGTON HOSPITAL THAT WOULD PROHIBIT THEIR SERVING IN ACCORDANCE WITH THE BYLAWS AND TAX OR OTHER REGULATORY REQUIREMENTS

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section B, line 11	A COPY OF THE FORM 990 AND SCHEDULE B, IF ANY , IS REVIEWED BY THE CHIEF FINANCIAL OFFICER AND VICE PRESIDENT OF FINANCE. SUBSEQUENT TO THIS REVIEW THE FORM 990 AND SCHEDULE B IS REVIEWED BY THE GOVERNING BOARD BEFORE BEING FILED WITH THE IRS
Form 990, Part VI, Section B, line 12c	BOARD MEMBERS, EXECUTIVE TEAM MEMBERS, AND DIRECTORS ARE REQUIRED TO REVIEW THE CURRENT CONFLICT OF INTEREST POLICY AND COMPLETE AN ANNUAL QUESTIONNAIRE. THE NOMINATING COMMITTEE OF THE BOARD REVIEWS QUESTIONNAIRES OF EXISTING AND NEW MEMBERS FOR POTENTIAL CONFLICTS OF INTEREST. ANY POTENTIAL CONFLICTS OF INTEREST ARE RESOLVED BY THE NOMINATING COMMITTEE. THE EXECUTIVE TEAM REVIEWS QUESTIONNAIRES SUBMITTED BY EXECUTIVE TEAM MEMBERS AND DIRECTORS FOR POTENTIAL CONFLICTS OF INTEREST. POTENTIAL CONFLICTS OF INTEREST ARE RESOLVED BY THE EXECUTIVE TEAM IN COLLABORATION WITH THE CORPORATE COMPLIANCE OFFICER. REVIEW OF ALL CONFLICT OF INTEREST STATEMENTS IS NOTED WITHIN THE BOARD MINUTES.

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section C, line 19	Central Washington Hospital's governing documents, conflict of interest policy, and financial statements are available upon request
Form 990, Part XI, line 9	Loss on K-1 not included in revenue on Financial statement 377 Loss adjustment on Bond Refunding 26,516

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
Central Washington Health Services
Association

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

2015

Open to Public Inspection

Employer identification number

91-0171250

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

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.							
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1)CONFLUENCE HEALTH 1201 South Miller Street WENATCHEE, WA 98801 45-4789950	HEALTH SYSTEM	WA	501(c)(3)	Line 11b, III	N/A		No
(2)WENATCHEE VALLEY HOSPITAL 820 North Chelan Ave WENATCHEE, WA 98801 45-5563741	HOSPITAL	WA	501(c)(3)	Line 3	CONFLUENCE HEALTH		No

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

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

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

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

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

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

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

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

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

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

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

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

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

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

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

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

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

	Yes	No
1a		No
1b		No
1c		No
1d		No
1e	Yes	
1f		No
1g		No
1h		No
1i		No
1j		No
1k		No
1l		No
1m	Yes	
1n		No
1o	Yes	
1p	Yes	
1q		No
1r		No
1s		No

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

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

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.

[illegible]

Part VII **Supplemental Information**

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

Return Reference	Explanation
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