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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 06-01-2015 , and ending 05-31-2016

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

C Name of organization
Owensboro Health Inc
% JOHN HACKBARTH

Doing business as

Number and street (or P O box if mail is not delivered to street address) 1201 Pleasant Valley Road | Room/suite

City or town, state or province, country, and ZIP or foreign postal code
Owensboro, KY 42303

D Employer identification number
61-1286361

E Telephone number
(270)417-2000

G Gross receipts $ 735,710,038

F Name and address of principal officer
GREG STRAHAN
1201 PLEASANT VALLEY ROAD
OWENSBORO, KY 42303

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 owensborohealth org

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

L Year of formation 1995

M State of legal domicile KY

Part I Summary

1 Briefly describe the organization's mission or most significant activities
OWENSBORO HEALTH, INC EXISTS TO HEAL THE SICK AND IMPROVE THE HEALTH SICK AND IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE

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**	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	12
5	Total number of individuals employed in calendar year 2015 (Part V, line 2a)	**5**	3,922
6	Total number of volunteers (estimate if necessary)	**6**	124
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	458,724
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-1,139

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	1,033,944	219,729
9	Program service revenue (Part VIII, line 2g)	456,545,029	538,661,443
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	7,519,025	3,373,657
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	9,884,041	10,912,312
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	474,982,039	553,167,141
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,385,430	2,174,654
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)	173,919,135	225,003,210
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)	273,580,431	300,596,697
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	448,884,996	527,774,561
19	Revenue less expenses Subtract line 18 from line 12	26,097,043	25,392,580
Net Assets or Fund Balances		**Beginning of Current Year**	**End of Year**
20	Total assets (Part X, line 16)	1,077,985,694	1,197,529,272
21	Total liabilities (Part X, line 26)	646,064,052	753,487,601
22	Net assets or fund balances Subtract line 21 from line 20	431,921,642	444,041,671

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 — Date: 2016-10-17

JOHN HACKBARTH SVP/CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
JENNIFER D RHODERICK	JENNIFER D RHODERICK			P00395735

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

Firm's address ▶ 111 MONUMENT CIRCLE SUITE 4000
INDIANAPOLIS, IN 46204

Phone no (317) 681-7000

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

OWENSBORO HEALTH, INC EXISTS TO HEAL THE SICK AND IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE

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 $ 351,041,710 including grants of $ 2,174,654) (Revenue $ 543,387,469)

Owensboro Health, Inc ("OH") is the parent organization of a diversified system of health care organizations that provides a broad range of inpatient and outpatient services and other complementary health care services OH employs healthcare professionals, including physicians, nurses, advance practice registered nurses, physician assistants and others licensed professionals who provide direct patient care in the organization's main hospital, Owensboro Health Regional Hospital In addition, the organization operates several wholly owned and controlled subsidiaries, including OH Muhlenberg (OHMCH), LLC, Owensboro Health Medical Group, Inc , Foundation for Health, Inc , One Health Network, LLC, One Health Solutions, LLC, and The Health Network of Western Kentucky, LLC OH's primary activity consists of providing medical and patient care services in its main hospital, Owensboro Health Regional Hospital, serving 11 counties in western Kentucky and southern Indiana Our medical services are delivered by highly skilled physicians along with a caring and compassionate nursing staff OH supports our care teams with state-of-the art equipment to provide our patients with advanced medical treatments and procedures In the fiscal year ended May 31, 2016, OH and OHMCH had total admissions of 19,437, patient days of 107,875, and total ER visits of 89,689 Cost of Participating in Government Programs OH is committed to serving all persons in need, regardless of race, creed, sex, nationality, religion, disability, age or ability to pay To promote access to care, OH participates in the following public health programs Medicaid, Medicare, Tricare and local health departments In general, payments from these programs frequently do not cover the costs OH incurs to serve program beneficiaries Uncompensated Care and Financial Assistance OH provides medical care without charge, or at reduced cost, to residents of the communities that it serves OH's Financial Assistance Program was established to assist patients who do not qualify for medical assistance programs, like Medicaid, and whose annual incomes are at or below certain percentages of the Federal Poverty Guidelines During the reporting period, OH provided $3,581,125 in financial assistance to low-income and/or uninsured patients OH does not include in that amount $30,654,391 (with OHMCH $33,428,159) of bad debt expense, which are amounts written off for providing services to persons who may be able, but are unwilling, to pay for the services they receive As described elsewhere, OH believes a portion of its bad debt expense derives from patients who might have qualified for financial assistance had they submitted assistance applications OH is committed to expanding its programs to improve access to health care in its primary and secondary service areas, which include rural and economically depressed areas and areas that lack adequate numbers of primary care and specialty providers

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 ▶** 351,041,710

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	**1a**	163		
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**	3,922		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	**2b**		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	**3a**		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	**3b**		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? . .	**4a**			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	**5a**			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	**5b**			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	**5c**			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	**6a**			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	**6b**			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	**7a**			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	**7b**			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	**7c**			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	**7e**			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	**7f**			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	**7g**			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	**7h**			
8	**Sponsoring organizations maintaining donor advised funds.** Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	**8**			
9a	Did the sponsoring organization make any taxable distributions under section 4966? . . .	**9a**			
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? . . .	**9b**			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	**11a**			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	**12a**			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	**13a**			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**			
c	Enter the amount of reserves on hand	**13c**			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	**14a**			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	**14b**			

Part VI Governance, Management, and Disclosure

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a**	14		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	12		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**		Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	**5**			No
6	Did the organization have members or stockholders?	**6**			No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**		Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**		Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

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

Section C. Disclosure

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

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

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

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

20 State the name, address, and telephone number of the person who possesses the organization's books and records ▶ JOHN HACKBARTH 1201 PLEASANT VALLEY ROAD OWENSBORO, KY 42303 (270) 417-4814

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

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

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								8,200,938	0	868,830

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
WYATT TARRANT COMBS LLP, 500 WEST JEFFERSON ST SUITE 2800 LOUISVILLE, KY 40202	LEGAL SERVICES	2,007,602
MAYO COLLABORATIVE SVCS INC, PO BOX 9146 MINNEAPOLIS, MN 554809146	LABORATORY SERVICES	1,478,047
OBHG KENTUCKY PSC, 10 CENTIMETERS DRIVE MAULDIN, SC 29662	OB SERVICES	1,282,926
CROTHALL LAUNDRY SERVICES, 13028 COLLECTION CENTER DRIVE CHICAGO, IL 60693	LAUNDRY SVC & HK SVC	2,348,359
GE HEALTHCARE, PO BOX 96483 CHICAGO, IL 60693	RADIOLOGY SERVICES	1,159,065

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 ▶ 66

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 0				
	d Related organizations	1d 202,446				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 17,283				
	g Noncash contributions included in lines 1a-1f $	0				
	h **Total.** Add lines 1a-1f		219,729			
Program Service Revenue		Business Code				
	2a PATIENT REVENUE-OTHER INS	622110	348,741,794	348,741,794	0	0
	b MEDICARE/MEDICAID PAYMENT	622110	188,803,887	188,803,887	0	0
	c REVENUE - OASF	621493	931,851	931,851	0	0
	d REVENUE - OCHN	622110	-20,491	-20,491	0	0
	e REVENUE - CANCER RESEARCH	622110	-105,655	-105,655	0	0
	f All other program service revenue		310,057	310,057	0	0
	g **Total.** Add lines 2a–2f		538,661,443			
	3 Investment income (including dividends, interest, and other similar amounts)		4,041,165			4,041,165
	4 Income from investment of tax-exempt bond proceeds		0			
	5 Royalties		0			

		(i) Real	(ii) Personal				
	6a Gross rents	2,885,844					
	b Less rental expenses	570,632					
	c Rental income or (loss)	2,315,212	0				
	d Net rental income or (loss)			2,315,212			2,315,212

		(i) Securities	(ii) Other				
	7a Gross amount from sales of assets other than inventory	180,939,000					
	b Less cost or other basis and sales expenses	181,606,508					
	c Gain or (loss)	-667,508					
	d Net gain or (loss)			-667,508			-667,508
Other Revenue	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a					
	b Less direct expenses	b					
	c Net income or (loss) from fundraising events			0			
	9a Gross income from gaming activities See Part IV, line 19	a					
	b Less direct expenses	b					
	c Net income or (loss) from gaming activities			0			
	10a Gross sales of inventory, less returns and allowances	a 664,043					
	b Less cost of goods sold	b 365,757					
	c Net income or (loss) from sales of inventory			298,286			298,286
	Miscellaneous Revenue	Business Code					
	11a CAFETERIA & VENDING REV	722514	3,114,064		0	3,114,064	
	b PHARMACY 340B	900099	2,089,074	2,089,074	0	0	
	c LAUNDRY, CATERING & 990T	812300	461,683	0	461,683	0	
	d All other revenue		2,633,993	2,636,952	-2,959		
	e **Total.** Add lines 11a–11d		8,298,814				
	12 **Total revenue.** See Instructions		553,167,141	543,387,469	458,724	9,101,219	

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments See Part IV, line 21	1,939,452	1,939,452		
2 Grants and other assistance to domestic individuals See Part IV, line 22	235,202	235,202		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals See Part IV, lines 15 and 16	0	0		
4 Benefits paid to or for members	0	0		
5 Compensation of current officers, directors, trustees, and key employees	7,033,210	0	7,033,210	0
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	796,806	40,341	756,465	0
7 Other salaries and wages	166,657,403	134,555,981	32,101,422	0
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	11,538,459	8,537,337	3,001,122	0
9 Other employee benefits	25,355,083	16,596,862	8,758,221	0
10 Payroll taxes	13,622,249	10,692,266	2,929,983	0
11 Fees for services (non-employees)				
a Management	11,318,962	6,310,699	5,008,263	0
b Legal	2,222,163	0	2,222,163	0
c Accounting	258,335	0	258,335	0
d Lobbying	90,555	0	90,555	0
e Professional fundraising services See Part IV, line 17	0			0
f Investment management fees	537,119	0	537,119	0
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	43,322,288	31,114,469	12,207,819	
12 Advertising and promotion	3,632,451	65,682	3,566,769	0
13 Office expenses	11,727,587	6,525,999	5,201,588	0
14 Information technology	7,894,113	1,234,030	6,660,083	0
15 Royalties	132,210	71,257	60,953	0
16 Occupancy	6,205,284	4,085,437	2,119,847	0
17 Travel	1,449,336	510,869	938,467	0
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19 Conferences, conventions, and meetings	411,543	143,781	267,762	0
20 Interest	32,583,496	0	32,583,496	0
21 Payments to affiliates	0	0	0	0
22 Depreciation, depletion, and amortization	41,216,619	0	41,216,619	0
23 Insurance	6,201,314	26,118	6,175,196	0
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a MEDICAL SUPPLIES	87,621,467	87,491,628	129,839	0
b BAD DEBT EXPENSE	33,428,159	33,428,159	0	0
c PROVIDER TAX	4,304,910	4,304,910	0	0
d DIETARY	3,543,871	2,857,615	686,256	0
e All other expenses	2,494,915	273,616	2,221,299	
25 **Total functional expenses.** Add lines 1 through 24e	527,774,561	351,041,710	176,732,851	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)	0			

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		10,775	1	13,710
	2	Savings and temporary cash investments		19,276,270	2	3,813,146
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		196,344,418	4	273,787,212
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		9,554,707	8	12,047,388
	9	Prepaid expenses and deferred charges		11,989,769	9	20,146,819
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 854,592,468			
	b	Less accumulated depreciation	10b 292,522,807	570,614,056	10c	562,069,661
	11	Investments—publicly traded securities		170,983,102	11	155,490,982
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		25,253,286	13	25,432,903
	14	Intangible assets		11,328,434	14	12,004,135
	15	Other assets See Part IV, line 11		62,630,877	15	132,723,316
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1,077,985,694	16	1,197,529,272
Liabilities	17	Accounts payable and accrued expenses		56,018,998	17	70,555,251
	18	Grants payable		0	18	0
	19	Deferred revenue		7,670,673	19	8,566,850
	20	Tax-exempt bond liabilities		496,615,157	20	561,818,987
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	143,024
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		85,759,224	25	112,403,489
	26	**Total liabilities.** Add lines 17 through 25		646,064,052	26	753,487,601
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		431,921,642	27	444,041,671
	28	Temporarily restricted net assets		0	28	0
	29	Permanently restricted net assets		0	29	0
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		431,921,642	33	444,041,671
	34	Total liabilities and net assets/fund balances		1,077,985,694	34	1,197,529,272

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	553,167,141
2	Total expenses (must equal Part IX, column (A), line 25)	2	527,774,561
3	Revenue less expenses Subtract line 2 from line 1	3	25,392,580
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	431,921,642
5	Net unrealized gains (losses) on investments	5	-3,616,784
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	0
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-9,655,767
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	444,041,671

Part XII Financial Statements and Reporting

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

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

Additional Data

Software ID:
Software Version:
EIN: 61-1286361
Name: Owensboro Health Inc

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Knight Robert MD Board Member	30 00	X						0	0	0
Nunley Deborah Board Chair	30 20	X		X				0	0	0
Presser Ron Board Member	30 00	X						0	0	0
Scherm Janice Board Member	30 00	X						0	0	0
Woodward Terry Board Member	30 00	X						0	0	0
Meyer Tom Board Member	30 00	X						0	0	0
Carpenter Jeff Board Vice Chair	30 30	X		X				0	0	0
Harris Suzanne Board Member	30 00	X						0	0	0
Millsap Mark Board Member	30 00	X						0	0	0
Wells Jack Secretary	30 20	X		X				0	0	0
Yeiser Michael Board Member	30 00	X						0	0	0
Harrison William Board Member	30 00	X						0	0	0
Blazar Suzanne Northern Board Member	30 10	X						0	0	0
Farmer Bob Board Member	30 00	X						0	0	0
Patterson Philip President / CEO until 3/2016	40 0 10 0			X				967,451	0	329,327
Hackbarth Jr John Chief Financial Officer	40 0 10 0			X				479,610	0	30,672
Heath Jr Edward L OHMCH Chief Executive Officer	45 0 50			X				302,406	0	29,505
Strahan Greg COO, Interim CEO(as of 4/2016)	40 0 10 0			X				584,427	0	30,259
Scherm Michael J MD Chief Surgical Officer	40 0 10 0				X			417,306	0	23,202
Begley II Ernest E Chief Legal Officer	40 0 10 0				X			382,802	0	29,427
Jones Lisa Vice President of Clinical Svc	40 0 10 0				X			291,948	0	22,821
Medley Jr Richard W Chief Medical Officer	40 0 10 0				X			469,813	0	15,890
Mills Michael Vice President - Ancillary Svc	40 0 10 0				X			292,984	0	23,050
Ranallo Russell Vice President - Financial Svc	40 0 10 0				X			343,781	0	30,118
Johnson Stephen M VP of Govt and Community	40 0 10 0				X			200,348	0	27,043

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			
Suter Mia Chief Administrative Officer	40 0 10 0				X			413,292	0	11,076
Danhauer David E Chief Medical Info Officer	40 0 10 0				X			368,786	0	26,287
Jacildo Ruby vice president/Controller	40 0 10 0				X			224,272	0	14,537
Bryant MD Bill Chief Quality and PT Safety	40 0 10 0				X			346,355	0	28,004
Cordini Rosalind Associate Gen Counsel & CCO	40 0 10 0				X			224,060	0	15,592
Toler Chris R Clinical Integration Officer	40 0 10 0				X			453,433	0	24,423
Stogsdill Vicki thru 82015 Chief Nursing Officer	40 0 10 0				X			330,240	0	18,060
Chapman William Physician	40 0 0 0					X		316,893	0	42,129
Chaudhary Alok Exec Dir of IT Applications	40 0 10 0					X		209,133	0	27,916
Haynes Heather Director of Pharmacy	45 0 5 0					X		198,006	0	15,064
Taylor Joseph W Executive Director, Facilities	40 0 10 0					X		195,761	0	34,301
Montaven Simone J Exec Dir of Human Resources	40 0 10 0					X		187,831	0	20,127

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

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

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
Owensboro Health Inc

Employer identification number
61-1286361

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 331/3% 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 331/3% 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? Yes	(iv) No	(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
Total						

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

Section A. Public Support

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally-Integrated Supporting Organizations

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

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

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

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

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

Section A - Adjusted Net Income

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

Section B - Minimum Asset Amount

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

Section C - Distributable Amount

			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	**Distributable Amount.** Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	

7 Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions) ☐

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			
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			
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

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493291001316

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	Employer identification number
Owensboro Health Inc	61-1286361

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		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

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

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?

☐ Yes ☐ No

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 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) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	0
d	Mailings to members, legislators, or the public?		No	0
e	Publications, or published or broadcast statements?		No	0
f	Grants to other organizations for lobbying purposes?		No	0
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		73,327
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	0
i	Other activities?	Yes		17,228
j	Total Add lines 1c through 1i			90,555
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Return Reference	Explanation
SCHEDULE C, PART II-B, LINE 1I	POLITICAL CAMPAIGN AND LOBBYING ACTIVITIES PERCENTAGE OF LOBBYING ACTIVITIES FROM KENTUCKY HOSPITAL ASSOCIATION DUES
Schedule C, Part II-B, Line 1G	IRS INSUBSTANTIAL LOBBYING WITHIN THE CONTEXT OF GOVERNMENTAL, COMMUNITY AND LEGISLATIVE AFFAIRS, OH HAS ONE EMPLOYEE THAT ENGAGES IN LOBBYING ACTIVITIES OR ATTEMPTS TO INFLUENCE LEGISLATION HOWEVER, UNDER NO CIRCUMSTANCES IS THERE ANY ENGAGEMENT IN POLITICAL ACTIVITIES LOBBYING ACTIVITIES INCLUDE BOTH DIRECT LOBBYING AND GRASS ROOTS LOBBYING FROM A DIRECT LOBBYING PERSPECTIVE, THE EXECUTIVE DIRECTOR OF GOVERNMENTAL, COMMUNITY AND LEGISLATIVE AFFAIRS ENGAGES IN LOBBYING ACTIVITIES AT THE FEDERAL, STATE AND LOCAL LEVELS THE EXECUTIVE DIRECTOR DOES MEET WITH MEMBERS OF CONGRESS ON OCCASION DURING THE YEAR EITHER IN WASHINGTON OR IN OWENSBORO AT THE STATE LEVEL, THE EXECUTIVE DIRECTOR IS REGISTERED AS A LEGISLATIVE AGENT WITH THE KENTUCKY GENERAL ASSEMBLY LOBBYING EFFORTS ARE GENERALLY LIMITED TO THAT PERIOD OF TIME IN WHICH THE GENERAL ASSEMBLY IS IN SESSION THIS PERIOD INCLUDES A 30-DAY LEGISLATIVE SESSION IN ODD NUMBERED YEARS AND A 60-DAY LEGISLATIVE SESSION IN EVEN NUMBERed YEARS IN ADDITION, LOBBYING AT THE LOCAL LEVEL IS GENERALLY CONFINED TO REGULATORY MATTERS AND IS NOT ONGOING FROM A GRASS ROOTS LOBBYING PERSPECTIVE, THE EXECUTIVE DIRECTOR OVERSEES THE HEALTH IN ACTION NETWORK HEALTH IN ACTION IS AN ELECTRONIC EMAIL SYSTEM THAT PROVIDES OH EMPLOYEES WITH UPDATES ON LEGISLATION AND 'CALLS TO ACTION' WHEN APPROPRIATE JOINING THE NETWORK AND CHOOSING TO RESPOND ARE VOLUNTARY THIS NETWORK IS ONLY ACTIVATED WHEN ISSUES OF CONCERN ARE BEING CONSIDERED AT THE FEDERAL AND STATE LEVELS IT IS ESTIMATED THAT DURING THE FISCAL YEAR ENDING MAY 31, 2016, ALL LOBBYING ACTIVITY BY THE EXECUTIVE DIRECTOR DID NOT EXCEED 30% OF TOTAL WORK-RELATED DUTIES AND RESPONSIBILITIES

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
Owensboro Health Inc

Employer identification number
61-1286361

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) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

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

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

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

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

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

6 Staff and volunteer hours devoted to monitoring, inspecting, 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

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

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

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

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

		(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a	Beginning of year balance					
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

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

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

Part VI Land, Buildings, and Equipment.

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	Accumulated (c) depreciation	(d)Book value
1a Land		15,653,332		15,653,332
b Buildings		557,277,131	92,360,820	464,916,311
c Leasehold improvements				
d Equipment		261,423,251	200,161,987	61,261,264
e Other		20,238,754		20,238,754
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				562,069,661

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

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

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

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

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

(a) Description	(b) Book value
(1) COST OF ISSUANCE SERIES A 2010	2,236,167
(2) COST OF ISSUANCE SERIES B 2010	158,887
(3) LTD USE ASSETS FROM SERIES A&B	128,883,723
(4) COST OF ISSUANCE SERIES A 2015	843,417
(5) COST OF ISSUANCE SERIES B 2015	274,807
(6) AUDIT ADJUSTMENT	326,315
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	132,723,316

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

1. (a) Description of liability	(b) Book value
Federal income taxes	0
DUE TO THIRD PARTY PAYORS	22,031,194
ACCRUED PENSION	69,172,057
WORKMAN'S COMP RESERVE	5,420,103
MALPRACTICE RESERVE	10,021,328
OHMCH LEASE OBLIGATION	3,997,000
HNWK INTRACOMPANY A/P	1,761,807
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	112,403,489

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

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

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

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

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

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

Part XIII Supplemental Information

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

Return Reference	Explanation
ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES	FORM 990, SCHEDULE D, PART X, LINE 2 THE SYSTEM APPLIES FINANCIAL ACCOUNTING STANDARDS BOARD (FASB) ACCOUNTING STANDARDS CODIFICATION (ASC) TOPIC 740 (TOPIC 740), ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES TOPIC 740 PROVIDES GUIDANCE ON WHEN TAX POSITIONS ARE RECOGNIZED IN AN ENTITY'S FINANCIAL STATEMENTS AND HOW THE VALUES OF THESE POSITIONS ARE DETERMINED THERE IS CURRENTLY NO IMPACT ON THE SYSTEM'S CONSOLIDATED FINANCIAL STATEMENTS AS A RESULT OF TOPIC 740

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" 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
Owensboro Health Inc

Employer identification number
61-1286361

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year			
	☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☐ 100% ☐ 150% ☐ 200% ☑ Other 225 %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b	Yes	
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other 375 %			
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			4,212,774	0	4,212,774	0 850 %
b Medicaid (from Worksheet 3, column a)			106,730,543	79,055,258	27,675,285	5 600 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			110,943,317	79,055,258	31,888,059	6 450 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			417,728	0	417,728	0 080 %
f Health professions education (from Worksheet 5)			424,441	0	424,441	0 090 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)			298,784		298,784	0 060 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			989,115	10,181	978,934	0 200 %
j **Total.** Other Benefits			2,130,068	10,181	2,119,887	0 430 %
k **Total.** Add lines 7d and 7j			113,073,385	79,065,439	34,007,946	6 880 %

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	5	500	162,780		162,780	
3	Community support	2		251,800		251,800	
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building	1		15,000		15,000	
7	Community health improvement advocacy						
8	Workforce development	1		50,000		50,000	
9	Other						
10	**Total**	9	500	479,580		479,580	

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	33,428,159	
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	16,714,079	
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	148,774,148
6	Enter Medicare allowable costs of care relating to payments on line 5	6	189,623,098
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-40,848,950
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures

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

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1	OWENSBORO CHN	PROVIDER NETWORK	50 %		50 %
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

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

Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)

	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
See Additional Data Table										

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or letter of facility reporting group OWENSBORO HEALTH INC

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

			Yes	No
Community Health Needs Assessment				
1	Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?	1		No
2	Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2		No
3	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	3	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The significant health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Section C)			
4	Indicate the tax year the hospital facility last conducted a CHNA 20 15			
5	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5	Yes	
6a	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a		No
b	Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities?" If "Yes," list the other organizations in Section C	6b		No
7	Did the hospital facility make its CHNA report widely available to the public?	7	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) SEE PART V, SECTION C			
b	☐ Other website (list url)			
c	☑ Made a paper copy available for public inspection without charge at the hospital facility			
d	☐ Other (describe in Section C)			
8	Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	8	Yes	
9	Indicate the tax year the hospital facility last adopted an implementation strategy 20 15			
10	Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	Yes	
a	If "Yes" (list url) See Part V, Section C			
b	If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b		No
11	Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed			
12a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	12a		No
b	If "Yes" on line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	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)

OWENSBORO HEALTH INC

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?	13	Yes	
	If "Yes," indicate the eligibility criteria explained in the FAP			
a	☑ Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 225 % and FPG family income limit for eligibility for discounted care of 375 %			
b	☐ Income level other than FPG (describe in Section C)			
c	☑ Asset level			
d	☐ Medical indigency			
e	☑ Insurance status			
f	☐ Underinsurance discount			
g	☐ Residency			
h	☐ Other (describe in Section C)			
14	Explained the basis for calculating amounts charged to patients?	14	Yes	
15	Explained the method for applying for financial assistance?	15	Yes	
	If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply)			
a	☑ Described the information the hospital facility may require an individual to provide as part of his or her application			
b	☐ Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application			
c	☑ Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process			
d	☐ Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications			
e	☐ Other (describe in Section C)			
16	Included measures to publicize the policy within the community served by the hospital facility?	16	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a	☑ The FAP was widely available on a website (list url) www owensborohealth org			
b	☑ The FAP application form was widely available on a website (list url) www owensborohealth org			
c	☑ A plain language summary of the FAP was widely available on a website (list url) www owensborohealth org			
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)*

OWENSBORO HEALTH INC

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?	**19**		No
	If "Yes," check all actions in which the hospital facility or a third party engaged			
a	☐ Reporting to credit agency(ies)			
b	☐ Selling an individual's debt to another party			
c	☐ Actions that require a legal or judicial process			
d	☐ Other similar actions (describe in Section C)			
20	Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 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?	**21**	Yes	
	If "No," indicate why			
a	☐ The hospital facility did not provide care for any emergency medical conditions			
b	☐ The hospital facility's policy was not in writing			
c	☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)			
d	☐ Other (describe in Section C)			

Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)

22	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a	☑ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b	☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c	☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d	☐ Other (describe in Section C)			
23	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	**23**		No
	If "Yes," explain in Section C			
24	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	**24**		No
	If "Yes," explain in Section C			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or letter of facility reporting group OH MUHLENBERG LLC

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

			Yes	No
Community Health Needs Assessment				
1	Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?	1		No
2	Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2	Yes	
3	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	3		No
	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 ___			
5	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5		
6a	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a		
b	Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities?" If "Yes," list the other organizations in Section C	6b		
7	Did the hospital facility make its CHNA report widely available to the public?	7		
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☐ Hospital facility's website (list url) _____			
b	☐ Other website (list url) _____			
c	☐ Made a paper copy available for public inspection without charge at the hospital facility			
d	☐ Other (describe in Section C)			
8	Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	8		
9	Indicate the tax year the hospital facility last adopted an implementation strategy 20 ___			
10	Is the hospital facility's most recently adopted implementation strategy posted on a website?	10		
a	If "Yes" (list url) _____			
b	If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b		
11	Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed			
12a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	12a		No
b	If "Yes" on line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	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)

OH MUHLENBERG LLC

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?	13	Yes	
	If "Yes," indicate the eligibility criteria explained in the FAP			
a	☑ Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 225 % and FPG family income limit for eligibility for discounted care of 375 %			
b	☐ Income level other than FPG (describe in Section C)			
c	☑ Asset level			
d	☐ Medical indigency			
e	☑ Insurance status			
f	☐ Underinsurance discount			
g	☐ Residency			
h	☐ Other (describe in Section C)			
14	Explained the basis for calculating amounts charged to patients?	14	Yes	
15	Explained the method for applying for financial assistance?	15	Yes	
	If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply)			
a	☑ Described the information the hospital facility may require an individual to provide as part of his or her application			
b	☐ Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application			
c	☑ Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process			
d	☐ Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications			
e	☐ Other (describe in Section C)			
16	Included measures to publicize the policy within the community served by the hospital facility?	16	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a	☑ The FAP was widely available on a website (list url) www owensborohealth org			
b	☑ The FAP application form was widely available on a website (list url) www owensborohealth org			
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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)*

OH MUHLENBERG LLC

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?	**19**		No
	If "Yes," check all actions in which the hospital facility or a third party engaged			
a	☐ Reporting to credit agency(ies)			
b	☐ Selling an individual's debt to another party			
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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)			
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d	☑ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy			
e	☐ Other (describe in Section C)			
f	☐ None of these efforts were made			

Policy Relating to Emergency Medical Care

21	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**21**	Yes	
	If "No," indicate why			
a	☐ The hospital facility did not provide care for any emergency medical conditions			
b	☐ The hospital facility's policy was not in writing			
c	☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)			
d	☐ Other (describe in Section C)			

Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)

22	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a	☑ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b	☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c	☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d	☐ Other (describe in Section C)			
23	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	**23**		No
	If "Yes," explain in Section C			
24	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	**24**		No
	If "Yes," explain in Section C			

Part V **Facility Information** *(continued)*

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

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

Form and Line Reference	Explanation

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	OWENSBORO AMBULATORY SURGICAL FACILITY 1201 PLEASANT VALLEY ROAD OWENSBORO,KY 42303	AMBULATORY SURGERY CENTER
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
FORM 990, SCHEDULE H, PART I, LINE 7	BAD DEBT EXPENSE WHEN CALCULATING THE COMMUNITY BENEFIT PERCENTAGES IN PART I, LINE 7, BAD DEBT EXPENSE OF $33,428,159, WAS EXCLUDED

Form and Line Reference	Explanation
FORM 990, SCHEDULE H, PART II	COMMUNITY BUILDING ACTIVITIES IN ORDER TO PROMOTE THE HEALTH OF THE COMMUNITY WE SERVE, Owensboro health ("Oh") PARTICIPATES IN NUMEROUS COMMUNITY BUILDING ACTIVITIES WHICH ARE NOT A PART OF PART I CHARITY CARE AND OTHER COMMUNITY BENEFITS, AND ARE NOT INCLUDED ELSEWHERE ON SCHEDULE H AS THE LARGEST EMPLOYER IN the REGION, OH RECOGNIZES THE RESPONSIBILITY WE HAVE TO IMPROVE THE HEALTH OF OUR COMMUNITY IRRESPECTIVE OF IRS COMMUNITY BENEFIT CLASSIFICATION IN GENERAL, OUR EFFORTS IN COMMUNITY BUILDING activities ADDRESS COMMUNITY ISSUES INCLUDING HEALTH IMPROVEMENT, EDUCATION, POVERTY, WORKFORCE DEVELOPMENT AND ACCESS TO CARE MORE SPECIFICALLY AND, AS AN OUTGROWTH OF OUR COMMUNITY BENEFIT GRANT PROGRAM, OH ENCOURAGES OUR EMPLOYEES TO PARTNER WITH ANY OF OUR MORE THAN A HUNDRED COMMUNITY AND SOCIAL SERVICE ORGANIZATIONS FROM AROUND THE REGION THAT ARE WORKING TO ADDRESS ROOT CAUSES OF HEALTH PROBLEMS THAT IMPACT THE HEALTH OF OUR COMMUNITY OUR COMMUNITY OUTREACH MANAGER ENGAGES WITH OUR GRANT PARTNERS AND ASSISTS IN IDENTIFYING COLLABORATIVE WAYS THAT WE CAN ADVANCE SOCIAL IMPACT AND IMPROVE THE HEALTH OF OUR POPULATION COLLECTIVELY MOREOVER, OUR EMPLOYEES SERVE ON A MYRIAD OF COMMUNITY, ARTS AND SOCIAL SERVICE BOARDS THEY ADVOCATE ON KEY HEALTH ISSUES AND ADVOCACY PROGRAMS SUCH AS SMOKE-FREE KENTUCKY TO PROMOTE THE HEALTH OF THE COMMUNITIES WE SERVE ADVOCACY PROGRAMS SPECIFICALLY IDENTIFIED INCLUDE OUR EFFORTS WITH LOCAL CHAMBERS AND THE LIFE SCIENCES ACADEMY OUR DUES AND CONTRIBUTIONS TO AREA CHAMBERS AND ECONOMIC DEVELOPMENT AGENCIES ALLOW THOSE ORGANIZATIONS TO INVEST IN ECONOMIC DEVELOPMENT ACTIVITIES CREATING NEW EMPLOYMENT OPPORTUNITIES, WORKER TRAINING AND WORKFORCE HEALTH PROMOTION OUR INVESTMENT IN THE KENTUCKY CHAMBER OF COMMERCE HAS ASSISTED IN THE DEVELOPMENT AND ADVOCACY OF A STATEWIDE WORKFORCE HEALTH IMPROVEMENT PROGRAM THESE ORGANIZATIONS HAVE ALSO BEEN ENGAGED IN COLLATION BUILDING AND LEADERSHIP DEVELOPMENT FOR OUR COMMUNITY MEMBERS FORM 990, SCHEDULE H, PART III, LINE 2 BAD DEBT ESTIMATE PATIENT ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR BAD DEBTS IN EVALUATING THE COLLECTABILITY OF ACCOUNTS RECEIVABLE, THE SYSTEM ANALYZES HISTORICAL COLLECTIONS AND WRITE-OFFS AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR BAD DEBTS AND PROVISION FOR BAD DEBTS MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYOR SOURCES OF REVENUE IN EVALUATION OF THE SUFFICIENCY OF THE ALLOWANCE FOR BAD DEBTS

Form and Line Reference	Explanation
FORM 990, SCHEDULE H, PART III, LINE 3	BAD DEBT ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER FAP FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS OR WITH BALANCES REMAINING AFTER THE THIRD-PARTY COVERAGE HAS ALREADY PAID, THE SYSTEM RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS HISTORICAL COLLECTIONS, WHICH INDICATES THAT MANY PATIENTS DECLINE TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE THE DIFFERENCE BETWEEN THE DISCOUNTED RATE AND THE AMOUNTS COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS WRITTEN OFF AGAINST THE ALLOWANCE FOR BAD DEBTS FORM 990, SCHEDULE H, PART III, LINE 4 TEXT OF BAD DEBT EXPENSE FOOTNOTE SEE AUDITED FINANCIAL STATEMENTS - FOOTNOTE 8, PAGE 22

Form and Line Reference	Explanation
Form 990, Schedule H, Part III, Line 8	Treatment of Medicare Shortfall as Community Benefit The costing methodology used is the cost to charge ratio calculated in worksheet 2 of Part I of Schedule H of this 990 The charges and payments are from the Medicare paid claims reports As a Medicare designated Sole Community Hospital, we are the only provider in the region to provide certain services (psych and OB services, for example) to Medicaid patients and those costs are typically not covered by the payments received We are ensuring access to services and care for the counties we serve Therefore, all of the shortfall is considered community benefit

Form and Line Reference	Explanation
Form 990, Schedule H, Part III, Line 9	APPLICATON OF COLLECTION PRACTICES TO THOSE QUALIFYING FOR FINANCIAL ASSISTANCE THE POLICIES OF OWENSBORBO HEALTH (OH) ATTEMPT TO ENSURE ALL UNINSURED PATIENTS OF OH HAVE the OPPORTUNITY TO APPLY AND QUALIFY FOR FINANCIAL ASSISTANCE PROGRAMS OH HAS FINANCIAL AID APPLICATIONS AVAILABLE AT REGISTRATION AREAS, VIA THE INTERNET, VIA PHONE, AND ARE SENT ROUTINELY VIA MAIL TO PATIENTS OF THE HOSPITAL OH EMPLOYS FINANCIAL COUNSELORS AND CONTRACTS WITH AN OUTSIDE FIRM TO ENSURE PATIENTS ARE EVALUATED FOR ELIGIBILITY IN THE FINANCIAL ASSISTANCE PROGRAMS AVAILABLE OH DOES NOT CONTRACT PRIMARY COLLECTION AGENCIES ALL SELF-PAY AND BALANCE AFTER INSURANCE ACCOUNTS ARE REVIEWED BY HOSPITAL STAFF TO ENSURE THAT THE PATIENT IS GIVEN EVERY OPPORTUNITY TO APPLY FOR FINANCIAL ASSISTANCE SELF-PAY DISCOUNTS ARE AVAILABLE TO ALL UNINSURED PATIENTS AS LONG AS THEY COMPLETE THE financial assistance APPLICATION DISCOUNTS GIVEN ARE EQUIVALENT TO THE AVERAGE INSURANCE DISCOUNTS THE HOSPITAL CONTRACTS ALLOW ADDITIONALLY, PATIENTS WITH A BALANCE ARE PERMITTED TO ESTABLISH PAYMENT PLANS OH DOES NOT CHARGE INTEREST TO ITS PATIENTS

Form and Line Reference	Explanation
Schedule H, Part VI, Line 2, Needs assessment	OH WORKS WITH COMMUNITY PARTNERS ON AN ONGOING BASIS TO ADDRESS PRIORITY NEEDS STRATEGIES AND ACTIVITIES IMPLEMENTED TO ADDRESS THOSE NEEDS ARE ANNUALLY ASSESSED AND AT TIMES, REVISED WHEN NEEDED OH IS A PARTNER TO OTHER ORGANIZATIONS, AND ENTITIES ASSESSMENT PROCESSES AS WELL, WHO ARE WORKING AS THEIR MISSIONS DIRECT TO ADDRESS SPECIFIC PRIORITY AREAS AND SOCIAL DETERMINANTS OF HEALTH THESES PARTNERSHIPS, COMMUNITY EFFORTS AND OH SPECIFIC STRATEGIES ARE ANNUALLY UPDATED ON SCHEDULE H IN ADDITION THOSE EFFORTS OUTSIDE THE CHNA, OH CONTINUALLY ASSESSES SERVICE LINES / SPECIFIC HEALTH INDICATORS SUCH AS CANCER, HEART DISEASE, STROKE AND DIABETES THE HEALTH NETWORK OF WESTERN KY WORKS TO ASSESS SPECIFIC POPULATION REPRESENTATIVE OF THE COMMUNITIES WE SERVE COLLABORATIVE EFFORTS ARE BEING MADE TO ADDRESS PRIORITY COMMUNITY HEALTH ISSUES THROUGHOUT THE SYSTEM TO UTILIZE AVAILABLE OH RESOURCES TO IMPACT COMMUNITY HEALTH NEEDS

Form and Line Reference	Explanation
Schedule H, Part VI, Line 3, Patient education	Patient education of eligibility for assistance OH EDUCATES its PATIENTS IN A VARIETY OF WAYS OH HAS SIGNAGE AT ACCESS POINTS REGARDING FINANCIAL ASSISTANCE OFFERINGS OH HAS FINANCIAL AID APPLICATIONS AVAILABLE AT REGISTRATION AREAS, VIA THE INTERNET AT THE HOSPITAL WEBSITE, VIA PHONE, AND SENT ROUTINELY VIA MAIL TO PATIENTS OF THE HOSPITAL OH EMPLOYS FINANCIAL COUNSELORS AND CONTRACTS WITH AN OUTSIDE FIRM TO ENSURE PATIENTS ARE INTERVIEWED AND EVALUATED FOR ELIGIBILITY IN THE FINANCIAL ASSISTANCE PROGRAMS AVAILABLE ALL SELF-PAY AND BALANCE AFTER INSURANCE ACCOUNTS ARE REVIEWED BY HOSPITAL STAFF TO ENSURE THAT THE PATIENT IS GIVEN EVERY OPPORTUNITY TO APPLY FOR FINANCIAL ASSISTANCE ADDITIONALLY INFORMATION ABOUT APPLYING FOR FINANCIAL ASSISTANCE IS INCLUDED ON THE PATIENT STATEMENTS, BILLS, AND LETTERS AND THE PATIENT GUIDE THEY MAY RECEIVE FROM OH THE OH POLICY FOR FINANCIAL ASSISTANCE INCLUDES THE FOLLOWING ELIGIBILITY CRITERIA FOR FINANCIAL ASSISTANCE, THE BASIS FOR CALCULATING AMOUNTS CHARGED TO PATIENTS, METHOD FOR APPLYING FOR FINANCIAL ASSISTANCE, MEASURES TO WIDELY PUBLICIZE THE POLICY, WRITTEN POLICY REQUIRING the ORGANIZATION TO PROVIDE CARE FOR EMERGENCY MEDICAL CONDITIONS WITHOUT DISCRIMINATION AS DESCRIBED ABOVE THE ORGANIZATION DOES NOT CHARGE GROSS CHARGES TO PATIENTS AND LIMITS AMOUNTS CHARGED TO PATIENTS ELIGIBLE FOR FINANCIAL ASSISTANCE TO AMOUNTS GENERALLY BILLED TO INDIVIDUALS WHO HAVE INSURANCE RECEIVING SUCH CARE THE ORGANIZATION DOES NOT ENGAGE IN EXTRAORDINARY COLLECTION ACTIVITY BEFORE EFFORTS TO DETERMINE ELIGIBILITY FOR ASSISTANCE HAVE BEEN MADE

Form and Line Reference	Explanation
Schedule H, Part VI, Line 4, Community information	THE "PRIMARY SERVICE AREA" FOR OH (AND THE DEFINED COMMUNITY FOR THE CHNA) IS DAVIESS COUNTY, KENTUCKY OWENSBORO IS THE COUNTY SEAT OF DAVIESS COUNTY, KENTUCKY, AND LIES ON THE SOUTHERN BANKS OF THE OHIO RIVER IN WESTERN KENTUCKY OWENSBORO HEALTH REGIONAL HOSPITAL IS THE ONLY HOSPITAL LOCATED WITHIN ITS PRIMARY SERVICE AREA OF DAVIESS COUNTY OWENSBORO IS LOCATED 39 MILES SOUTHEAST OF EVANSVILLE, INDIANA, 131 MILES NORTH OF NASHVILLE, TENNESSEE, AND 111 MILES SOUTHWEST OF LOUISVILLE, KENTUCKY THE TOTAL POPULATION OF DAVIESS COUNTY IS 98,685 ACCORDING TO 2016 CLARITAS DATA MEDIAN HOUSEHOLD INCOME FOR THE PRIMARY SERVICE AREA IS $50,492, WITH 3,493 (13 21%) FAMILIES LIVING BELOW THE POVERTY LEVEL OTHER KEY DEMOGRAPHIC AND HEALTH INDICATORS CAN BE FOUND ON THE OH WEBSITE WITHIN THE COMMUNITY HEALTH INDICATORS AND DASHBOARD AT HTTPS //WWW OWENSBOROHEALTH ORG/HEALTH-RESOURCES/HEALTH-NEEDS-ASSESSMENT/? HCN=INDICATORS

Form and Line Reference	Explanation
Schedule H, Part VI, Line 5, Promotion of community	OH IS NOT JUST THE LARGEST EMPLOYER IN THE REGION, IT IS ALSO THE LARGEST PRIVATE EMPLOYER IN THE COMMONWEALTH OF KENTUCKY WEST OF LOUISVILLE, AND THE 35TH LARGEST PRIVATE EMPLOYER IN THE STATE AS SUCH, WE CONSIDER OUR RESPONSIBILITY TO SERVE AND STRENGTHEN OUR COMMUNITIES IN WAYS MUCH BROADER THAN PROVIDING DIRECT HEALTH SERVICES OR ADDRESSING ONLY "IDENTIFIED HEALTH NEEDS" WE BELIEVE THE SECOND PART OF OUR MISSION PROFESSING TO IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE OFTEN INVOLVES SUPPORT OF COMMUNITY BUILDING ACTIVITIES INVOLVING PHYSICAL IMPROVEMENTS IN HOUSING, ECONOMIC DEVELOPMENT, COMMUNITY SUPPORT, ENVIRONMENTAL IMPROVEMENTS, LEADERSHIP DEVELOPMENT FOR COMMUNITY MEMBERS, COALITION BUILDING, COMMUNITY HEALTH ADVOCACY AND WORKFORCE DEVELOPMENT WE BELIEVE THESE IRS CATEGORIZED COMMUNITY BUILDING ACTIVITIES ARE EQUALLY AS IMPORTANT TO OUR CHARITABLE PURPOSES AS ARE OUR COMMUNITY BENEFIT ACTIVITIES WHERE CASH AND IN-KIND ALLOCATIONS FROM OUR COMMUNITY BENEFIT GRANT PROGRAM ARE MADE FOR COMMUNITY BUILDING PROGRAMS AND ACTIVITIES, WE STILL REQUIRE THESE ORGANIZATIONS TO IDENTIFY ON THEIR REQUEST FOR FUNDING HOW THESE PROGRAMS AND ACTIVITIES ADDRESS ROOT CAUSES OF HEALTH PROBLEMS AND IMPACT THE HEALTH OF OUR COMMUNITY IN THIS WAY, THESE ORGANIZATIONS ARE ALSO ABLE TO UNDERSTAND HOW IMPROVING THE HEALTH OF OUR COMMUNITY CAN BE ACCOMPLISHED IN MANY DIFFERENT WAYS IN PARTNERSHIP WITH ONE ANOTHER ADDITIONALLY, WE ARE OFTEN ASKED TO BE A FACILITATOR FOR COMMUNITY CONCEPTS TO ADVANCE ECONOMIC DEVELOPMENT PLANS, MEET URGENT NEEDS SUCH AS FOOD INEQUITY OR BRING LIKE ORGANIZATIONS TOGETHER TO PLAN AND COLLABORATE IN WAYS THAT HAVE NOT BEEN DONE PREVIOUSLY ASSISTING THE LOCAL FOOD BANK AND LIKE ORGANIZATIONS DEVELOPING A TRAUMA INFORMED COMMUNITY ARE SUCH EXAMPLES COMMUNITY APPOINTED MEMBERS WHO SERVE ON THE OWENSBORO HEALTH BOARD OF DIRECTORS AND THE COMMUNITY NEEDS AND STRATEGIC PLANNING COMMITTEE OVERSEE THE COMMUNITY BENEFIT WORK CONSEQUENTLY, THEY ARE ALSO WORKING TO ENSURE THAT STRATEGIC PLANNING FOR THE HOSPITAL WORKS IN CONJUNCTION WITH INTERNAL AND EXTERNAL EFFORTS AND ALINGS WITH COMMUNITY ORGANIZATIONS TO ADDRESS PRIORITY HEALTH NEEDS AND RELIEVE THE BURDEN FROM LOCAL AND STATE GOVERNMENTS PLANNING COMMITTEE OVERSEE THE COMMUNITY BENEFIT WORK CONSEQUENTLY, THEY ARE ALSO WORKING TO ENSURE THAT STRATEGIC PLANNING FOR THE HOSPITAL WORKS IN CONJUNCTION WITH INTERNAL AND EXTERNAL EFFORTS AND ALINGS WITH COMMUNITY ORGANIZATIONS TO ADDRESS PRIORITY HEALTH NEEDS AND RELIEVE THE BURDEN FROM LOCAL AND STATE GOVERNMENTS

Form and Line Reference	Explanation
Schedule H, Part VI, Line 6, Affiliated health care system	OH, AS REQUIRED, CONDUCTS A CHNA IN PARTERNSHIP WITH PUBLIC HEALTH AND MANY COMMUNTIY PARTNERS OH DEVELOPS AN IMPLEMENTATION STRATEGY STATING HOW IT WILL ADDRESS NAMED PRIORITY HEALTH NEEDS HOWEVER WHILE PRESENT IRS GUIDELINES ONLY ALLOW COMMUNTIY BENEFIT WHICH IS CONDUCTED UNDER OH TO BE REPORTED, IT FAR FROM TELLS THE STORY OF WHAT OWENSBORO HEALTH, THE SYSTEM, IS DOING COLLECTIVELY TO ADDRESS PRIORITY HEALTH NEEDS BOTH THE OWENSBORO HEALTH MEDICAL GROUP (ONE HEALTH) AND OWENSBORO HEALTH FOUNDATION ARE CLOSELY ALIGNED WITH OH IN STRIVING TO MEET PRIORITY HEALTH NEEDS AS WE FURTHER DEVELOP AND REFINE OUR SYSTEM STRATEGIC PLANNING PROCESS TO IMPACT THE HEALTH OF THE POPULATION WE WILL NEED ALL AVAILABLE RESOURCES WITHIN OUR SYSTEM TO MEET OUR MISSION TO IMPROVE THE HEATLH OF THE COMMUNITIES WE SERVE OWENSBORO HEALTH SYSTEM DEVELOPED A FIVE YEAR STRATEGIC PLAN IN WHICH IMPROVING THE HEALTH OF THE COMMUNITY IS SPECIFICALLY REFERENCED IN GOAL 2 POSITIVELY IMPACT HEALTH ISSUES IN OUR COMMUNITY UNDER WHICH FOUR OBJECTIVES WERE SET THIS STRATEGIC PLAN IS UNDER REVISION WITH OBJECTIVES TO ADDRESS PRIORITY HEALTH NEEDS AND IMPACT THE HEALTH OF THE POPULATION BEING A SIGNIFICANT DRIVER OWENSBORO HEALTH COMMUNITY BENEFIT GRANT PROGRAM HAS FUNDED OVER $3 2 MILLION IN COMMUNITY PROGRAMS FOCUSED ON ADDRESSING PRIORITY HEALTH AREAS NAMED IN COMMUNITY HEALTH NEEDS ASSESSMENTS PLANNING WILL TAKE PLACE SO THAT SYSTEM POPULATION HEALTH GOALS CAN BE SUPPORTED BY COMMUNITY PARTNERSHIPS AND FUNDING OF THOSE PARTNERSHIP PROJECTS IN THE COMMUNITY THE GRANT DOLLARS COME FROM THE HOSPITAL, BUT SYSTEM-WIDE PLANNING AND ADDITIONAL SUPPORT IS OFTEN NEEDED TO ASSIST LOCAL NONPROFIT ORGANIZATION IN ADDRESSING POPULATION HEALTH ISSUES THE OWENSBORO HEALTH SYSTEM CONTINUES TO INVEST SIGNIFICANT DOLLARS TO INCREASE COMMUNITY ACCESS POINTS AND THE NUMBER OF PROVIDERS IN RECOGNITION OF ACCESS TO CARE BEING A RECOGNIZED PRIORITY HEALTH ISSUE THE OWENSBORO HEALTH SYSTEM HAS AN ACCOUNTABLE CARE ORGANIZATION (ACO) AND DEVELOPED A CLINICALLY INTEGRATED NETWORK (CIN) TO MANAGE THE HEALTH OF SPECIFIC PATIENT POPULATIONS WHILE EFFORTS TO REACH ADDITIONAL TARGETED UNDERSERVED POPULATIONS IN THE COMMUNITY THERE ARE DEDICATED STAFF UNDER THE ACO AND CIN WHO ALSO SUPPORT OH STRATEGIES, AND THOUGH NOT COUNTABLE ON THE IRS FROM 990 H, CERTAINLY MAKE SIGNIFICANT CONTRIBUTIONS TO THE IMPACT WE CAN HAVE TO ADDRESS CHRONIC HEALTH DISEASE AND PRIORITY HEALTH ISSUES IN ASSISTING COMMUNITY EFFORTS TO INCREASE ACCESS POINTS, IT IS OFTEN THE PROVIDERS IN THE MEDICAL GROUP, NAVIGATORS AND CARE PARTNERS FROM THE ACO AND CIN, AS WELL AS SPECIALISTS FROM THE MEDICAL FITNESS FACILITY WITHIN OUR SYSTEM WHO PLAY AN INSTRUMENTAL ROLE IN CARRYING OUT THE WORK TO ENSURE WE ARE MEETING THE NEEDS OF THE UNDERSERVED THEY ALSO PROVIDE OUTREACH EFFORTS TO IMPACT COMMUNITY MEMBERS WHO ARE REPRESENTATIVE OF THE PRIORITY HEALTH ISSUES WE ISOLATE THE INVESTMENTS WE MAKE PER 501(R) GUIDELINES WHILE RECOGNIZING THE CHALLENGE OF CAPTURING AND QUANTIFYING IN MONETARY TERMS THE TRUE MAGNITUDE OF OUR COMMUNITY BENEFIT EXPENDITURES

Form and Line Reference	Explanation
Schedule H, Part VI, Line 7, State filing of community benefit report	THERE ARE NO REQUIREMENTS IN THE STATE OF KENTUCKY TO FILE A COMMUNITY BENEFIT REPORT AT THIS TIME

Additional Data

Software ID:
Software Version:
EIN: 61-1286361
Name: Owensboro Health Inc

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?
2

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	OWENSBORO HEALTH INC 1201 PLEASANT VALLEY RD OWENSBORO,KY 42303 www owensborohealth org 100092	X	X					X			
2	OH MUHLENBERG LLC 1201 PLEASANT VALLEY ROAD OWENSBORO,KY 42303 WWW OWENSBOROHEALTH ORG 100344	X	X					X			

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990.**

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

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
Owensboro Health Inc

Employer identification number
61-1286361

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments.

Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than $5,000 Part II can be duplicated if additional space is needed

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
See Additional Data Table							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 34

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

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
(1) TUITION ASSISTANCE	116	184,915			
(2) PATIENT MEDICAL FUND	382	42,998			
(3) CANCER CENTER MEDICAL FUND	38	7,289			

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
DESCRIPTION OF ORGANIZATION'S PROCEDURES FOR MONITORING THE USE OF GRANTS	SCHEDULE I, PART I, LINE 2 SERVICES AND ACTIVITIES MUST SERVE INDIVIDUALS IN THE OWENSBORO HEALTH SERVICE AREA, INCLUDING DAVIESS, HANCOCK, OHIO, HENDERSON, HOPKINS, MCLEAN, MUHLENBERG, BRECKINRIDGE AND WEBSTER COUNTIES IN KENTUCKY AND SPENCER AND PERRY COUNTIES, INDIANA APPLICATIONS MUST SPECIFICALLY DESCRIBE HOW THE ORGANIZATION'S SERVICES ADDRESS ROOT CAUSES OF HEALTH PROBLEMS AFFECTING THE HEALTH OF OUR COMMUNITY ELIGIBLE GROUPS INCLUDE ECONOMIC, EDUCATIONAL, CIVIC, ARTS AND CULTURAL ORGANIZATIONS

Additional Data

Software ID:
Software Version:
EIN: 61-1286361
Name: Owensboro Health Inc

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
OWENSBORO COMMUNITY AND TECHNICAL COLLEGE 1501 FREDERICA STREET OWENSBORO,KY 42301	61-1320380	501(c)(3)	107,500				COMMUNITY SUPPORT
MUNDAY ACTIVITY CENTER INC 1650 W SECOND ST OWENSBORO,KY 42301	31-1044915	501(c)(3)	69,603				Community Support
COMMUNITY DENTAL CLINIC 2315 MAYFAIR DR STE 32 OWENSBORO,KY 42301	26-2343126	501(c)(3)	61,000				COMMUNITY SUPPORT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
FRIENDS OF SINNERS 320 CLAY STREET OWENSBORO,KY 42303	27-0332382	501(c)(3)	60,000				Community Support
GREEN RIVER DISTRICT HLTH DEPT P O BOX 309 OWENSBORO,KY 42302	61-1010686	501(c)(3)	54,661				Community Support
DAVIESS COUNTY PUBLIC SCHOOLS P O BOX 21510 OWENSBORO,KY 42304	61-6001338	GOVT	40,500				COMMUNITY SUPPORT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
UNION COUNTY PUBLIC SCHOOLS 510 SOUTH MART STREET MORGANFIELD,KY 42437	61-6001327	501(c)(3)	29,362				COMMUNITY SUPPORT
FOUNDATION FOR DCPS P O BOX 21510 OWENSBORO,KY 42304	61-1346930	501(c)(3)	25,000				COMMUNITY SUPPORT
OWENSBORO DANCE THEATRE 2705 BRECKENRIDGE STREET OWENSBORO,KY 42303	61-1040701	501(c)(3)	25,000				COMMUNITY SUPPORT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
CASA OF OHIO VALLEY INC 415 ST ANN ST OWENSBORO,KY 42303	61-1303511	501(c)(3)	23,560				COMMUNITY SUPPORT
BOULWARE MISSION INC 609 WING AVE OWENSBORO,KY 42303	61-0486968	501(c)(3)	20,850				COMMUNITY SUPPORT
DAVIESS CO DIABETES COALITION 1501 BRECKENRIDGE STREET OWENSBORO,KY 42303	61-1328046	501(c)(3)	20,000				COMMUNITY SUPPORT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
INTERNATIONAL BLUEGRASS MUSIC MUSEUM 207 EAST 2ND STREET OWENSBORO,KY 42303	61-1229037	501(c)(3)	20,000				COMMUNITY SUPPORT
OWENSBORO MUSEUM OF SCIENCE AND HISTORY 122 EAST SECOND STREET OWENSBORO,KY 42303	61-1164857	501(c)(3)	20,000				COMMUNITY SUPPORT
JUNIOR ACHIEVEMENT OF WEST KY 1195 WING AVE OWENSBORO,KY 42303	61-0564988	501(c)(3)	19,000				COMMUNITY SUPPORT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
OWENSBORO MUSEUM OF FINE ART 901 FREDERICA STREET OWENSBORO,KY 42301	61-1297343	501(c)(3)	19,000				COMMUNITY SUPPORT
THEATRE WORKSHOP OF OWENSBORO P O BOX 644 OWENSBORO,KY 42302	61-0968600	501(c)(3)	19,000				COMMUNITY SUPPORT
OWENSBORO SYMPHONY ORCHESTRA 211 EAST 2ND STREET OWENSBORO,KY 42303	61-6055984	501(c)(3)	18,000				COMMUNITY SUPPORT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
RIVERPARK CENTER 101 DAVIESS STREET OWENSBORO,KY 42303	61-1147328	501(c)(3)	18,000				COMMUNITY SUPPORT
SUPPLIES OVER SEAS 1500 ARLINGTON AVE LOUISVILLE,KY 40206	27-2624272	501(c)(3)	17,880				COMMUNITY SUPPORT
SUSAN G KOMEN FOUNDATION 4424 VOGEL ROAD STE 205 EVANSVILLE,IN 47715	75-2844632	501(c)(3)	15,000				COMMUNITY SUPPORT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
AUDUBON AREA COMMUNITY SERVICES 1650 WEST SECOND STREET OWENSBORO,KY 42301	23-7364935	501(c)(3)	14,354				COMMUNITY SUPPORT
KIDS FOOTBALL LEAGUE 3238 KIDRON VALLEY ROAD SUITE 6 OWENSBORO,KY 42303	46-1675920	501(c)(3)	12,000				COMMUNITY SUPPORT
NORTH SPENCER COMMUNITY ACTION 26 SOUTH WASHINGTON ST DALE,IN 47523	35-1885941	501(c)(3)	10,000				COMMUNITY SUPPORT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
SPENCER COUNTY COMMUNITY FOUNDATION 2792 N US HWY 231 ROCKPORT,IN 47635	35-1830262	501(c)(3)	9,360				COMMUNITY SUPPORT
OASIS P O BOX 315 OWENSBORO,KY 42302	61-0995748	501(c)(3)	8,400				COMMUNITY SUPPORT
BACK ALLEY MUSICALS 2615 DARTMOUTH DRIVE OWENSBORO,KY 42301	27-3522260	501(c)(3)	8,000				COMMUNITY SUPPORT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
OWENSBORO REGIONAL SUICIDE PREVENTION 991 BELLEWOOD DRIVE HENDERSON,KY 42420	26-1136007	501(c)(3)	8,000				COMMUNITY SUPPORT
GRADSA P O BOX 2031 OWENSBORO,KY 42302	61-1312541	501(c)(3)	7,751				Community Support
FATHER BRADLEY SHELTER FOR WOMEN P O BOX 1617 HENDERSON,KY 42419	61-1335313	501(c)(3)	7,472				COMMUNITY SUPPORT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
OWENSBORO CATHOLIC SCHOOL SYSTEM 1524 W PARRISH AVE OWENSBORO,KY 42301	62-1357472	501(c)(3)	5,892				Community Support
MAXIMILIAN MONTESSORI ACADEMY 1401-B SPRING BANK DRIVE OWENSBORO,KY 42303	26-2559147	501(c)(3)	5,220				Community Support
OWENSBORO HEALTH FOUNDATION INC 1201 PLEASANT VALLEY RD OWENSBORO,KY 42303	61-1251763	501(c)(3)	556,237				Community Support

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
MUHLENBERG COUNTY BOARD OF EDUCATION 510 W MAIN ST powderly, KY 42367	61-6001286	501(c)(3)	175,789				Community Support

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ **Complete if the organization answered "Yes" 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
Owensboro Health Inc

Employer identification number
61-1286361

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed 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 idemnification and gross-up payments	☑ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III			
	☐ Compensation committee	☑ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☐ Form 990 of other organizations	☑ Approval by the board or compensation committee		
4	During the year, did any person listed 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?	**4a**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.			
5	For persons listed 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?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," on line 5a or 5b, describe in Part III			
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?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," on line 6a or 6b, describe in Part III			
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**	Yes	
8	Were any amounts reported on Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" 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
	Base **(i)** compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table							

Part III Supplemental Information

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

Return Reference	Explanation
FORM 990, SCHEDULE J, PART I, LINE 1A	TAX INDEMNIFICATION AND GROSS UP PAYMENTS THE ORGANIZATION PROVIDES A NONQUALIFIED SUPPLEMENTAL RETIREMENT PLAN FOR CERTAIN EXECUTIVE EMPLOYEES BECAUSE BENEFITS UNDER THE SUPPLEMENTAL PLAN MUST BE INCLUDED IN TAXABLE INCOME WHEN THEY BECOME VESTED, AND AS REQUIRED BY THE SUPPLEMENTAL PLAN'S TERMS, THE ORGANIZATION PROVIDES AN ADDITIONAL BENEFIT THAT COVERS THE TAX LIABILITY WHEN IT IS INCURRED THE TAX LIABILITY PAYMENTS ARE THEMSELVES INCLUDED IN W-2 INCOME IN THE YEAR MADE TO THE EXECUTIVES, AND ARE INCLUDED IN THE FIGURES DISCLOSED ON SCHEDULE J, PART II CLUB DUES DURING THE REPORTING PERIOD, THE ORGANIZATION PAID THE CEO AND COO'S MEMBERSHIP DUES IN A SOCIAL CLUB THE CLUB MEMBERSHIP WAS USED FOR BUSINESS PURPOSES ANY PERSONAL RELATED EXPENSES ARE TREATED AS TAXABLE WAGE INCOME AND FULLY INCLUDED ON THE RECIPIENT'S FORM W2 Form 990, Schedule J, Part I, line 4a Severance payment Philip Patterson has $294,720 of severance which will be paid in FY 17
FORM 990, SCHEDULE J, PART I, LINE 4B	OWENSBORO HEALTH PROVIDES A NONQUALIFIED SUPPLEMENTAL RETIREMENT PLAN FOR CERTAIN EXECUTIVE EMPLOYEES PARTICIPATION IN THE PLAN IS SUBJECT TO THE RECOMMENDATION OF THE CHIEF EXECUTIVE OFFICER AND THE APPROVAL OF THE BOARD OF DIRECTORS AS OF DECEMBER 31, 2015 OWENSBORO HEALTH SHALL CREDIT THE PARTICIPANTS ACCOUNT WITH AN EMPLOYER CONTRIBUTION THE PARTICIPANT MUST BE EMPLOYED BY OWENSBORO HEALTH THE END OF THE PLAN YEAR IN ORDER TO RECEIVE AN EMPLOYER CONTRIBUTION FOR THAT PLAN YEAR EMPLOYER CONTRIBUTIONS FOR EACH CONTRIBUTION CLASS YEAR SHALL BE 100% VESTED AS OF THE END OF THE PLAN YEAR WHICH IS FIVE YEARS AFTER THE DATE ON WHICH THE EMPLOYER CONTRIBUTION WAS MADE FOR SUCH CONTRIBUTION CLASS YEAR 457F PLAN TO EXECUTIVES ERNEST E BEGLEY $5,321, JOHN HACKBARTH $5,966, EDWARD HEATH $3,111, LISA JONES $3,923, RICHARD W MEDLEY $3,610, MICHAEL MILLS $3,825, RUSSELL RANALLO $4,199, VICKI STOGSDILL $5,974, GREG STRAHAN $7,590, MIA SUTER $4,689
FORM 990, SCHEDULE J, PART I, LINE 7	THE SUCCESS SHARING PLAN IS A PROGRAM DESIGNED TO FOCUS ON THE ACCOUNTABILITY OF ALL EMPLOYEES TO INFLUENCE THE FINANCIAL, QUALITY, PATIENT SATISFACTION AND EMPLOYEE DEVELOPMENT GOALS, AND TO REINFORCE THE OH CORE COMMITMENTS (RESPECT, INTEGRITY, INNOVATION, SERVICE, EXCELLENCE AND TEAMWORK) WHILE WORKING TO ACHIEVE THESE GOALS THE PLAN ACHIEVES THIS BY PROVIDING A DIRECT LINK BETWEEN ACHIEVEMENT OF ORGANIZATIONAL OBJECTIVES AND THE TOTAL COMPENSATION OF THOSE WHOSE DECISIONS AND ACTIONS ARE ACCOUNTABLE FOR THE OUTCOMES WHICH DRIVE THE ORGANIZATION'S SUCCESS ELIGIBILITY IS BASED ON HOURS WORKED IN THE YEAR, STAFF EMPLOYEES ARE PAID A PRO-RATED AMOUNT OF A DOLLAR MAXIMUM AND MANAGEMENT IS PAID A FIXED PERCENTAGE OF ANNUAL SALARY BASED ON LEVEL OF MANAGEMENT PAYMENT IS PREDICATED ON BOARD APPROVAL

Additional Data

Software ID:
Software Version:
EIN: 61-1286361
Name: Owensboro Health Inc

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1Patterson Philip President / CEO until 3/2016	(I)	732,649	220,665	14,137	308,537	20,790	1,296,778	0
	(II)	0	0	0	0	0	0	0
1Hackbarth Jr John Chief Financial Officer	(I)	344,299	104,813	30,498	9,581	21,091	510,282	0
	(II)	0	0	0	0	0	0	0
2Heath Jr Edward L OHMCH Chief Executive Officer	(I)	216,561	67,080	18,765	8,032	21,473	331,911	0
	(II)	0	0	0	0	0	0	0
3Scherm Michael J MD Chief Surgical Officer	(I)	305,804	87,485	24,017	8,978	14,224	440,508	0
	(II)	0	0	0	0	0	0	0
4Begley II Ernest E Chief Legal Officer	(I)	276,977	85,076	20,749	8,731	20,696	412,229	0
	(II)	0	0	0	0	0	0	0
5Jones Lisa Vice President of Clinical Svc	(I)	204,729	63,367	23,852	7,935	14,886	314,769	0
	(II)	0	0	0	0	0	0	0
6Medley Jr Richard W Chief Medical Officer	(I)	337,559	99,409	32,845	9,395	6,495	485,703	0
	(II)	0	0	0	0	0	0	0
7Mills Michael Vice President - Ancillary Svc	(I)	204,537	63,342	25,105	7,945	15,105	316,034	0
	(II)	0	0	0	0	0	0	0
8Ranallo Russell Vice President - Financial Svc	(I)	247,562	76,084	20,135	8,393	21,725	373,899	0
	(II)	0	0	0	0	0	0	0
9Strahan Greg COO, Interim CEO(as of 4/2016)	(I)	424,371	128,288	31,768	10,479	19,780	614,686	0
	(II)	0	0	0	0	0	0	0
10Johnson Stephen M VP of Govt and Community	(I)	141,663	42,726	15,959	5,701	21,342	227,391	0
	(II)	0	0	0	0	0	0	0
11Suter Mia Chief Administrative Officer	(I)	303,382	89,082	20,828	8,896	2,180	424,368	0
	(II)	0	0	0	0	0	0	0
12Danhauer David E Chief Medical Info Officer	(I)	290,731	69,404	8,651	5,300	20,987	395,073	0
	(II)	0	0	0	0	0	0	0
13Jacildo Ruby vice president/Controller	(I)	167,498	50,060	6,714	6,454	8,083	238,809	0
	(II)	0	0	0	0	0	0	0
14Bryant MD Bill Chief Quality and PT Safety	(I)	271,928	48,463	25,964	12,382	15,622	374,359	0
	(II)	0	0	0	0	0	0	0
15Cordini Rosalind Associate Gen Counsel & CCO	(I)	179,272	31,777	13,011	7,471	8,121	239,652	0
	(II)	0	0	0	0	0	0	0
16Toler Chris R Clinical Integration Officer	(I)	422,543	25,000	5,890	13,309	11,114	477,856	0
	(II)	0	0	0	0	0	0	0
17Chapman WilliamPhysician	(I)	307,497	7,483	1,913	21,920	20,209	359,022	0
	(II)	0	0	0	0	0	0	0
18Chaudhary Alok Exec Dir of IT Applications	(I)	158,640	49,108	1,385	7,630	20,286	237,049	0
	(II)	0	0	0	0	0	0	0
19Haynes Heather Director of Pharmacy	(I)	173,004	24,704	298	14,026	1,038	213,070	0
	(II)	0	0	0	0	0	0	0

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
21 Taylor Joseph W Executive Director, Facilities	(I)	166,904	25,010	3,847	14,664	19,637	230,062	0
	(II)	-	-	-	-	-	-	-
		0	0	0	0	0	0	0
1 Montaven Simone J Exec Dir of Human Resources	(I)	140,361	46,001	1,469	13,657	6,470	207,958	0
	(II)	-	-	-	-	-	-	-
		0	0	0	0	0	0	0
2 Stogsdill Vicki thru 82015 Chief Nursing Officer	(I)	216,255	84,277	29,708	8,192	9,868	348,300	0
	(II)	-	-	-	-	-	-	-
		0	0	0	0	0	0	0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
Owensboro Health Inc

Employer identification number
61-1286361

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	KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY	61-0600439	49126KHT1	08-13-2015	97,567,179	SEE PART VI		X		X		X
B	KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY	61-0600439	49126KGX3	03-03-2010	512,772,595	SEE PART VI		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	0	5,885,000		
2	Amount of bonds legally defeased	0	0		
3	Total proceeds of issue	98,331,405	522,526,166		
4	Gross proceeds in reserve funds	3,454,908	37,973,722		
5	Capitalized interest from proceeds	0	71,314,017		
6	Proceeds in refunding escrows	26,757,740	0		
7	Issuance costs from proceeds	1,765,964	8,204,303		
8	Credit enhancement from proceeds	0	0		
9	Working capital expenditures from proceeds	0	0		
10	Capital expenditures from proceeds	66,352,793	346,058,405		
11	Other spent proceeds	0	58,975,719		
12	Other unspent proceeds	0	0		
13	Year of substantial completion	2015	2013		

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

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

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X		X				
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?	X			X				
b	Exception to rebate?		X		X				
c	No rebate due?		X	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	0		0					
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was the hedge terminated?								

Part IV Arbitrage *(Continued)*

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

Part V Procedures To Undertake Corrective Action

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

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

Return Reference	Explanation
SCHEDULE K, PART I, BOND A	PROCEEDS FINANCED 1) CONSTRUCTION OF HEALTHPLEXES TO IMPROVE ACCESS TO CARE IN THE SECONDARY SERVICE AREA 2) REFUNDED PORTION OF THE SERIES 2010B BONDS (ISSUED 3/3/2010) AND FUNDED PORTION OF THE DEBT SERVICE RESERVE FUND SCHEDULE K, PART I, BOND B PROCEEDS FINANCED 1) A 9-STORY REPLACEMENT ACUTE CARE HOSPITAL, 2) A 4-STORY SUPPORT SERVICES BLDG, 3) A ONE AND A HALF STORY CENTRAL ENERGY PLANT, 4) PARKING LOT IN ADDITION, PROCEEDS REFUNDED A PORTION OF THE SERIES 2001 BONDS (ISSUED 6/13/01) AND FUNDED A PORTION OF THE DEBT SERVICE RESERVE FUND SCHEDULE K, PART II, LINE 3, BOND A & B THE DIFFERENCE IN THE ISSUE PRICE REPORTED ON SCHEDULE K, PART I IS ATTRIBUTABLE TO INVESTMENT EARNINGS SCHEDULE K, PART IV, LINE 2C, BOND B 3/3/2015

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**
▶ **Attach to Form 990 or Form 990-EZ.**
▶ **Information about Schedule L (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
Owensboro Health Inc

Employer identification number
61-1286361

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefiting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) BRIAN E GRANT	BIL OF MICHAEL MILLS	107,027	EMPLOYEE COMPENSATION		No
(2) CHRISTINE M SCHEPERS	SISTER OF DAVID DANHAUER	74,097	EMPLOYEE COMPENSATION		No
(3) JENNIFER RANALLO	WIFE OF RUSSELL RANALLO	40,341	EMPLOYEE COMPENSATION		No
(4) JESSICA L EMERY	DAUGHTER-WILLIAM HARRISON	64,646	EMPLOYEE COMPENSATION		No
(5) MICHAEL J SCHERM	HUSBAND OF JANICE SCHERM	417,306	EMPLOYEE COMPENSATION		No
(6) MOLLIE M RIDDLE	DAUGHTER OF MICHAEL MILLS	40,473	EMPLOYEE COMPENSATION		No
(7) NANCY D VELOTTA	SISTER OF DAVID DANHAUER	26,077	EMPLOYEE COMPENSATION		No
(8) WILLIAM J STRAHAN	SON OF GREG STRAHAN	26,839	EMPLOYEE COMPENSATION		No

Part V Supplemental Information

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

Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization	Employer identification number
Owensboro Health Inc	61-1286361

Return Reference	Explanation
FORM 990, PART I, LINE 6	VOLUNTEERS VOLUNTEER SERVICES SUPPORT THE MISSION AND GOALS OF OWENSBORO HEALTH, INC (''OH'') THEY STAFF THE PATIENT INFORMATION DESK, DELIVER FLOWERS, AND PLAY A CRUCIAL ROLE AS LIAISON BETWEEN FAMILIES AND PHYSICIANS IN THE SURGERY WAITING AREAS VOLUNTEERS ARE AN ESSENTIAL PART OF THE CARE AND COMFORT OH PROVIDES Form 990, Part III, Line 2 DESCRIPTION OF NEW SERVICES ACQUISITION OF OPERATIONS OF OWENSBORO HEALTH MUHLENBERG COMMUNITY HOSPITAL ('OHMCH') ON JULY 1ST, 2015 OHMCH IS LICENSED FOR 90 ACUTE CARE BEDS AND 45 LONG TERM CARE BEDS OHMCH IS WHOLLY OWNED AND CONTROLLED BY OH

Return Reference	Explanation
FORM 990, PART VI, LINE 2	FAMILY OR BUSINESS RELATIONSHIPS MICHAEL SCHERM, KEY EMPLOYEE OF OH, IS THE HUSBAND OF JANICE SCHERM AN OH BOARD MEMBER

Return Reference	Explanation
FORM 990, PART VI, LINE 7A	POWER TO ELECT OR APPOINT MEMBERS OH IS GOVERNED BY A FOURTEEN-MEMBER BOARD OF DIRECTORS PURSUANT TO THE CORPORATION'S BYLAWS THREE (3) DIRECTORS ARE APPOINTED BY THE COUNTY JUDGE/EXECUTIVE OF DAVIESS COUNTY ('COUNTY JUDGE') WITH THE CONSENT OF THE DAVIESS COUNTY FISCAL COURT, THREE (3) DIRECTORS ARE APPOINTED BY THE MAYOR OF THE CITY OF OWENSBORO ('MAYOR') WITH THE CONSENT OF THE BOARD OF THE OWENSBORO CITY COMMISSION, ONE (1) DIRECTOR IS APPOINTED JOINTLY BY THE COUNTY JUDGE AND THE MAYOR, THREE (3) DIRECTOR POSITIONS ARE RESERVED FOR PHYSICIANS WHO ARE MEMBERS OF THE OH ACTIVE MEDICAL STAFF, AND FOUR(4) DIRECTORS ARE ELECTED OR APPOINTED BY THE BOARD OF DIRECTORS FROM THE COMMUNITY THE BOARD OF DIRECTORS IS RESPONSIBLE FOR OVERSEEING THE MANAGEMENT AND OPERATION OF OH THE BOARD MEMBERS SERVE THREE-YEAR TERMS, AND CAN SERVE NO MORE THAN THREE (3) CONSECUTIVE TERMS, BUT ARE ELIGIBLE FOR REAPPOINTMENT TO THE BOARD AFTER HAVING BEEN OFF OF THE BOARD FOR ATLEAST ONE (1) YEAR THE BOARD HAS REGULARLY SCHEDULED MONTHLY meetings

Return Reference	Explanation
FORM 990, PART VI, LINE 7B	DECISIONS RESERVED TO MEMBERS OR STOCKHOLDERS THE FOLLOWING CORPORATE ACTIONS SHALL REQUIRE THE AFFIRMATIVE ACT OF THE FISCAL COURT OF DAVIESS COUNTY ('COUNTY') AND THE COMMISSIONERS OF THE CITY OF OWENSBORO ('CITY') FOLLOWING A RECOMMENDATION BY THE BOARD OF DIRECTORS (1) THE ADMISSION OF ANY MEMBER TO THE CORPORATION,(2) THE TRANSFER OF ALL, OR SUBSTANTIALLY ALL, OF THE MANAGEMENT RESPONSIBILITY FOR THE CORPORATION TO A NONRELATED PERSON, (3) A MERGER, CONSOLIDATION OR OTHER SIMILAR ACTION THAT IS DILUTIVE OF THE ASSETS OF THE CORPORATION OR THAT ADVERSELY AFFECTS ANY RIGHTS OF THE COUNTY OR CITY PROVIDED FOR IN THE CORPORATION'S ARTICLES OF INCORPORATION OR THE BYLAWS, (4) ANY AMENDMENTS TO ARTICLES 4,5,7,8 AND 10 OF THE ARTICLES OF INCORPORATION, OR ANY AMENDMENT TO SECTION VII OF THE BYLAWS, (5) THE DISSOLUTION OF THE CORPORATION, (6) ANY CHANGE OF THE NAME OF THE CORPORATION, AND (7) THE TRANSFER (IN ONE OR MORE RELATED TRANSACTIONS) DURING ANY TWELVE MONTH PERIOD OF 5% OR MORE OF THE TOTAL ASSETS OF THE CORPORATION TO AN UNAFFILIATED PERSON(S) 'TOTAL ASSETS' SHALL MEAN THE AGGREGATE ASSETS FROM THE MOST RECENT FINANCIAL STATEMENTS OF THE CORPORATION

Return Reference	Explanation
FORM 990, PART VI, LINE 11B	THE FORM 990 IS REVIEWED WITH THE CFO BEFORE FILING

Return Reference	Explanation
FORM 990, PART VI, LINE 12C	MONITORING AND ENFORCEMENT OF COMPLIANCE WITH CONFLICT OF INTEREST POLICY UNDER OUR CONFLICT OF INTEREST POLICY (#100-214), EACH BOARD DIRECTOR, OFFICER, MEMBER OF A COMMITTEE WITH BOARD-DELEGATED POWER, AND KEY EMPLOYEE IS REQUIRED ANNUALLY TO COMPLETE THE FOLLOWING (1) CONFIDENTIALITY STATEMENT, (2) DISCLOSURE CERTIFICATE, AND (3) INDEPENDENCE AND RELATED PARTY QUESTIONNAIRE. THESE DISCLOSURES ARE REVIEWED AND RETAINED BY THE CHIEF LEGAL OFFICER, WHO IS ALSO IN THE APPROVAL CHAIN FOR ALL OH CONTRACTS. ALL COMPLETED CONTRACTS ARE MAINTAINED BY THE LEGAL OFFICE IN A SEARCHABLE DATABASE (THROUGH MEDITRACT). THESE WILL BE REVIEWED AND MAINTAINED BY THE COMPLIANCE OFFICER. THE COMPLIANCE OFFICER ALSO HAS ACCESS TO THE CONTRACT'S DATABASE AND COMPLETES AN OIG SANCTION CHECK FOR NEW CONTRACTS. ONCE THE CONFLICT OF INTEREST DATA HAS BEEN COLLECTED, NEW CONTRACTS WILL BE SCREENED FOR POTENTIAL CONFLICTS OF INTEREST. IN ADDITION, OH MAINTAINS A COMPLIANCE HOTLINE THROUGH WHICH ANY ONE WITH KNOWLEDGE OF A CONFLICT OF INTEREST OR IMPROPER VENDOR RELATIONSHIP CAN ANONYMOUSLY REPORT SUSPECTED VIOLATIONS OF THE OH POLICY. OF THOSE INDIVIDUALS FOUND TO HAVE A CONFLICT OF INTEREST, EMPHASIS IS MADE THAT THEY MAINTAIN IN CONFIDENCE ANY INFORMATION, KNOWLEDGE, OR DOCUMENTS ACQUIRED AS THE RESULT OF THEIR POSITION OR ATTENDANCE.

Return Reference	Explanation
FORM 990, PART VI, LINE 15A	OFFICES & POSITIONS FOR WHICH PROCESS WAS USED, & YEAR PROCESS WAS BEGUN TOTAL COMPENSATION IS THE SUM OF EACH EXECUTIVE'S BASE SALARY, INCENTIVE OPPORTUNITY, BENEFITS, AND PERQUISITES -OUR TOTAL COMPENSATION PHILOSOPHY WILL APPLY TO the CEO OF THE ORGANIZATION -CASH COMPENSATION AND BENEFIT PLANS PROVISIONS WILL BE BASED ON MARKET DATA, COMPETITIVE WITH THOSE HEALTHCARE ORGANIZATIONS WITHIN WHICH WE COMPETE FOR EXECUTIVE TALENT OUR LABOR MARKET IS DEFINED AS SUCCESSFUL AND COMPARABLY SIZED HEALTHCARE ORGANIZATIONS ON A NATIONAL LEVEL SUCCESS IS MEASURED IN TERMS OF FINANCIAL AND OPERATIONAL PERFORMANCE AND MARKET LEADERSHIP -COMPETITIVE POSITIONING OF BASE SALARIES, AS REFLECTED BY THE SALARY RANGE MIDPOINTS, WILL BE AT THE 50TH PERCENTILE. the CEO MAY BE PLACED ABOVE OR BELOW THE SALARY RANGE BASED ON THE CEO'S KNOWLEDGE, COMPETENCIES, AND EXPERIENCE, PERFORMANCE OF THE CEO, THE CEO'S CONTRIBUTION TO THE ORGANIZATION'S OVERALL PERFORMANCE, INTERNAL EQUITY CONSIDERATIONS, THE FINANCIAL RESOURCES AVAILABLE, AND, CEO'S BASE SALARY INCREASES PROVIDED IN THE COMPETITIVE MARKET -ANNUAL MERIT INCREASE IS BASED ON JOB PERFORMANCE, REVIEWED BY THE FINANCE COMMITTEE, AND THEN APPROVED BY THE BOARD OF DIRECTORS -ANNUAL INCENTIVE OPPORTUNITIES WILL BE POSITIONED BETWEEN THE 50TH AND 75TH PERCENTILE DEPENDING ON THE DEGREE TO WHICH PERFORMANCE GOALS ARE MET OR EXCEEDED TOTAL CASH COMPENSATION, AS REFLECTED BY BASE SALARIES AND ANNUAL INCENTIVES, WILL ALSO BE POSITIONED BETWEEN THE 50TH AND 75TH PERCENTILES AND WILL BE INFLUENCED BY PERFORMANCE RESULTS AS MEASURED AGAINST ESTABLISHED GOALS THE INCENTIVE COMPENSATION PLAN IS REVIEWED BY THE FINANCE COMMITTEE AND THEN APPROVED BY THE BOARD OF DIRECTORS -THE ORGANIZATION WILL PROVIDE APPROPRIATE AND COMPETITIVE SUPPLEMENTAL BENEFITS AND PERQUISITES DELIVERED IN A FLEXIBLE STRUCTURE TO ALLOW FOR INDIVIDUAL CHOICE AND BASED ON THE ORGANIZATION'S MISSION AND BUSINESS NEEDS -OUR EXECUTIVE TOTAL COMPENSATION PLAN WILL BE DESIGNED, MANAGED AND MAINTAINED IN A MANNER THAT WILL SUPPORT AND COMPLEMENT OUR MISSION, MANAGEMENT PHILOSOPHY, SHORT- AND LONG-TERM BUSINESS STRATEGIES, AND EMPLOYEE RELATIONS GOALS, ATTRACT AND RETAIN EXECUTIVES WITH THE RIGHT SKILLS, ABILITIES AND MOTIVATION TO ACHIEVE OUR BUSINESS OBJECTIVE, AND ENSURE THE EXECUTIVE TOTAL COMPENSATION IS REASONABLE AND COMPETITIVE. -OUR CASH COMPENSATION AND BENEFIT PLANS WILL BE REVIEWED BY A HR CONSULTING FIRM AND ADJUSTED PERIODICALLY TO MEET THE CHANGING BUSINESS AND ORGANIZATIONAL CHARACTERISTICS OF OUR ORGANIZATION AND ITS EXECUTIVE STAFF AS DIRECTED BY THE FINANCE COMMITTEE. FORM 990, PART VI, LINE 15B OFFICES & POSITIONS FOR WHICH PROCESS WAS USED, & YEAR PROCESS WAS BEGUN TOTAL COMPENSATION IS THE SUM OF EACH EXECUTIVE'S BASE SALARY, INCENTIVE OPPORTUNITY, BENEFITS, AND PERQUISITES -OUR TOTAL COMPENSATION PHILOSOPHY WILL APPLY TO ALL EXECUTIVES OF THE ORGANIZATION -CASH COMPENSATION AND BENEFIT PLANS PROVISIONS WILL BE, ON AVERAGE, COMPETITIVE WITH THOSE HEALTHCARE ORGANIZATIONS WITHIN WHICH WE COMPETE FOR EXECUTIVE TALENT OUR LABOR MARKET IS DEFINED AS SUCCESSFUL AND COMPARABLY SIZED HEALTHCARE ORGANIZATIONS ON A NATIONAL LEVEL SUCCESS IS MEASURED IN TERMS OF FINANCIAL AND OPERATIONAL PERFORMANCE AND MARKET LEADERSHIP -COMPETITIVE POSITIONING OF BASE SALARIES, AS REFLECTED BY THE SALARY RANGE MIDPOINTS, WILL BE AT THE 50TH PERCENTILE. EXECUTIVES MAY BE PLACED ABOVE OR BELOW THE SALARY RANGE BASED ON THE EXECUTIVE'S KNOWLEDGE, COMPETENCIES, AND EXPERIENCE, PERFORMANCE OF THE EXECUTIVE'S AREA OF RESPONSIBILITY, THE EXECUTIVE'S CONTRIBUTION TO THE ORGANIZATION'S OVERALL PERFORMANCE, INTERNAL EQUITY CONSIDERATIONS, THE FINANCIAL RESOURCES AVAILABLE, AND, EXECUTIVE BASE SALARY INCREASES PROVIDED IN THE COMPETITIVE MARKET -ANNUAL INCENTIVE OPPORTUNITIES WILL BE POSITIONED BETWEEN THE 50TH AND 75TH PERCENTILE DEPENDING ON THE DEGREE TO WHICH PERFORMANCE GOALS ARE MET OR EXCEEDED TOTAL CASH COMPENSATION, AS REFLECTED BY BASE SALARIES AND ANNUAL INCENTIVES, WILL ALSO BE POSITIONED BETWEEN THE 50TH AND 75TH PERCENTILES AND WILL BE INFLUENCED BY PERFORMANCE RESULTS AS MEASURED AGAINST ESTABLISHED GOALS -THE ORGANIZATION WILL PROVIDE APPROPRIATE AND COMPETITIVE SUPPLEMENTAL BENEFITS AND PERQUISITES DELIVERED IN A FLEXIBLE STRUCTURE TO ALLOW FOR INDIVIDUAL CHOICE AND BASED ON THE ORGANIZATION'S MISSION AND BUSINESS NEEDS -OUR EXECUTIVE COMPENSATION PLAN WILL BE DESIGNED, MANAGED AND MAINTAINED IN A MANNER THAT WILL SUPPORT AND COMPLEMENT OUR MISSION, MANAGEMENT PHILOSOPHY, SHORT- AND LONG-TERM BUSINESS STRATEGIES, AND EMPLOYEE RELATION'S GOALS, ATTRACT AND RETAIN EXECUTIVES WITH THE RIGHT SKILLS, ABILITIES AND MOTIVATION TO ACHIEVE OUR BUSINESS OBJECTIVE, AND ENSURE THE EXECUTIVE TOTAL COMPENSATION IS REASONABLE AND COMPETITIVE. -OUR CASH COMPENSATION AND BENEFIT PLANS WILL BE REVIEWED AND ADJUSTED PERIODICALLY TO MEET THE CHANGING BUSINESS AND ORGANIZATIONAL CHARACTERISTICS OF OUR ORGANIZATION AND ITS EXECUTIVE STAFF THE COMPENSATION OF EACH INDIVIDUAL EXECUTIVE WILL BE REVIEWED AND APPROVED IN A MANNER CONSISTENT WITH THE INTERMEDIATE SANCTION TAX REGULATIONS

Return Reference	Explanation
FORM 990, PART VI, LINE 19	AVAILABILITY OF GOVERNMENT DOCUMENTS, CONFLICT OF INTEREST POLICY & FINSTMTS TO GENERAL PUBLIC THE ORGANIZATION'S FORM 1023 AND FORM 990 ARE AVAILABLE FOR PUBLIC INSPECTION UPON REQUEST THE ORGANIZATION'S FORM 990 IS ALSO AVAILABLE ON GUIDESTAR'S DATABASE AVAILABLE AT WWW GUIDESTAR ORG THE ORGANIZATION'S ARTICLES OF INCORPORATION ARE AVAILABLE ON THE KENTUCKY SECRETARY OF STATE'S WEBSITE AT HTTPS //APP SOS KY GOV/FTSEARCH/ OTHERWISE, THE ORGANIZATION DOES NOT MAKE ITS GOVERNING DOCUMENTS OR CONFLICT OF INTEREST POLICY AVAILABLE TO THE PUBLIC A COPY OF THE ORGANIZATION'S FINANCIAL STATEMENTS IS ATTACHED TO ITS 990 IN COMPLIANCE WITH THE REQUIREMENTS OF THE AFFORDABLE CARE ACT

Return Reference	Explanation
FORM 990, PART XI, LINE 9	OTHER CHANGES IN NET ASSETS PENSION PLAN MARKET ADJUSTMENT - (17,161,054) EXCESS OF NET ASSETS ACQUIRED IN MUHLENBERG ACQUISITION - 7,276,000 HNWK Net assets or fund balances at beginning year - (98,999) Audit adjustment - 326,316 ROUNDING - 1,970 Total = (9,655,767)

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

▶ Attach to Form 990. ▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
Owensboro Health Inc

Employer identification number
61-1286361

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) COMMONWEALTH MEDICAL MANAGEMENT LLC 1201 PLEASANT VALLEY ROAD OWENSBORO, KY 42303 20-4796653	PHYS CLNC SRV	KY	0	0	OH
(2) THE HEALTH NETWORK OF WESTERN KY LLC 1201 PLEASANT VALLEY ROAD OWENSBORO, KY 42303 46-5739460	MSSP ACO	KY	132,704	91,601	OH
(3) OH MUHLENBERG LLC 1201 PLEASANT VALLEY ROAD OWENSBORO, KY 42303 47-3944197	HLTHCARE SVCS	KY	36,512,653	20,315,000	OH
(4) ONE HEALTH NETWORK LLC 1201 PLEASANT VALLEY ROAD OWENSBORO, KY 42303 47-4114254	HLTHCARE SVCS	KY	0	0	OH
(5) ONE HEALTH SOLUTIONS LLC 1201 PLEASANT VALLEY ROAD OWENSBORO, KY 42303 47-4106977	HLTHCARE SVCS	KY	0	0	OH

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1)OWENSBORO HEALTH FOUNDATION INC 1201 PLEASANT VALLEY ROAD OWENSBORO, KY 42303 61-1251763	HEALTHCARE	KY	501(c)(3)	7	OH	Yes	
(2)OWENSBORO HEALTH MEDICAL GROUP INC 1201 PLEASANT VALLEY ROAD OWENSBORO, KY 42303 61-1197638	HEALTHCARE	KY	501(c)(3)	9	OH	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) OWENSBORO AM SR FAC 1000 BRECKENRIDGE ST OWENSBORO, KY 42303 75-2184992	SURGERY CENTER	KY	NA	Related	1,000,585	5,512,971		No	0		No	65 700 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
OWENSBORO MEDICAL **(1)**CENTER LABORATORY INC 1201 PLEASANT VALLEY ROAD OWENSBORO, KY 42303 61-0999592	MED LABORATORY	KY	NA	C Corp	4,993,094	3,492,788	100 000 %	Yes	

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

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

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

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

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

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

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

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

Part VII Supplemental Information

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

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 61-1286361
Name: Owensboro Health Inc

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

	(a) Name of related organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
(1)	OWENSBORO HEALTH MEDICAL GROUP INC	j	736,190	FMV
(1)	OWENSBORO HEALTH MEDICAL GROUP INC	p	87,299,074	FMV
(2)	OWENSBORO HEALTH MEDICAL GROUP INC	s	41,393,389	FMV
(3)	OWENSBORO HEALTH MEDICAL GROUP INC	k	2,311,802	FMV
(4)	OWENSBORO MEDICAL CENTER LAB	p	2,847,039	FMV
(5)	OWENSBORO HEALTH FOUNDATION INC	b	556,237	FMV
(6)	OWENSBORO HEALTH FOUNDATION INC	c	202,446	FMV