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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 SEP 1, 2015 and ending AUG 31, 2016

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Final return/ termin-ated
- ☐ Amended return
- ☐ Applica-tion pending

C Name of organization
Baptist Healthcare System, Inc.

Doing business as

Number and street (or P.O. box if mail is not delivered to street address) 2701 Eastpoint Parkway

Room/suite

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

F Name and address of principal officer: Stephen R. Oglesby
2701 Eastpoint Pkwy, Louisville, KY 40223

D Employer identification number
61-0444707

E Telephone number
502-896-5000

G Gross receipts $ 1,727,420,524.

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

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

H(c) Group exemption number ▶

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

J Website: ▶ www.baptisthealth.com

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1918

M State of legal domicile: KY

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities. Provide quality healthcare services & enhance the health of the people & communities we serve.	
	2	Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets	
	3	Number of voting members of the governing body (Part VI, line 1a)	17
	4	Number of independent voting members of the governing body (Part VI, line 1b)	17
	5	Total number of individuals employed in calendar year 2015 (Part V, line 2a)	13065
	6	Total number of volunteers (estimate if necessary)	1018
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	3,788,373.
	b	Net unrelated business taxable income from Form 990-T, line 34	311,828.

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	2,468,823.	1,919,191.
	9	Program service revenue (Part VIII, line 2g)	1,503,841,672.	1,681,616,461.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	33,041,855.	25,012,615.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	15,777,360.	18,872,257.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,555,129,710.	1,727,420,524.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	1,931,803.	2,599,445.
	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)	681,540,423.	797,188,743.
	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)	693,201,289.	713,835,164.
	18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	1,376,673,515.	1,513,623,352.
	19	Revenue less expenses. Subtract line 18 from line 12	178,456,195.	213,797,172.

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	2,389,242,122.	2,444,199,286.
	21	Total liabilities (Part X, line 26)	943,596,048.	934,018,886.
	22	Net assets or fund balances Subtract line 21 from line 20	1,445,646,074.	1,510,180,400.

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OGDEN, UT

SCANNED AUG 02 2017

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 7-17-17

▶ Stephen R. Oglesby, CFO & Interim CEO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed	PTIN
Tricia M. Johnson	Tricia M Johnson	07/17/17	☐	P00627205

Firm's name ▶ Ernst & Young U.S. LLP — Firm's EIN ▶ 34-6565596

Firm's address ▶ 1900 Scripps Center, 312 Walnut Street
Cincinnati, OH 45202 — Phone no. 513-612-1400

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

* 997

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission:

See Schedule O.

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

If "Yes," describe these changes on Schedule O.

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

4a (Code _____) (Expenses $ 1,291,269,594. including grants of $ 2,599,445.) (Revenue $ 1,690,342,807.)

See Schedule O

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

See Schedule O

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

See Schedule O

4d Other program services (Describe in Schedule O.)

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

4e Total program service expenses ▶ 1,291,269,594.

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	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors*?	2	X	
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		X
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	X	
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		X
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		X
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		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
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		X
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	X	
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	X	
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		X
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		X
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	X	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
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		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		X
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	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
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		X
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		X
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		X
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*	17		X
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		X
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		X

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	X	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	X	
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	X	
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		X
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	X	
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	X	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		X
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		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		X
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		X
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		X
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		X
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		X
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	X	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b	X	
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	X	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
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		X
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	X	
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	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X	
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	X	
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		X
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		X
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	X	

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	966		
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	X	
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	13065		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a	X	
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	X	
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		X
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		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		X
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		X
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		X
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		X
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		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		X
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		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	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?		13a		
	Note. See the instructions for additional information the organization must report on Schedule O.				
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		X
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 line 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 x

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	1a	17		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	17		
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		x	
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			x
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			x
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			x
6	Did the organization have members or stockholders?	6			x
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			x
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			x
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8a		x	
b	Each committee with authority to act on behalf of the governing body?	8b		x	
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			x

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		x
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	x	
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	x	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	x	
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	x	
13	Did the organization have a written whistleblower policy?	13	x	
14	Did the organization have a written document retention and destruction policy?	14	x	
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	x	
b	Other officers or key employees of the organization	15b	x	
	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	x	
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	x	

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 Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 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 ▶

Stephen R. Oglesby - 502-896-5000

2701 Eastpoint Parkway, Louisville, KY 40223

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 [x]

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, and 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 line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Aaron Thompson, PHD	1.00									
Director (Effective 1/1/16)	0.00	X						3,000.	0.	0.
(2) Thomas O. Davis	1.00									
Director	0.00	X						3,000.	0.	0.
(3) Diane Dalton Evans	1.00									
Director	0.00	X						3,000.	0.	0.
(4) Brenda Hammons	1.00									
Director	0.00	X						3,000.	0.	0.
(5) R. Christion Hutson	1.00									
Director	0.00	X						3,000.	0.	0.
(6) Dr. Terry T. Lester	1.00									
Director (Effective 1/1/16)	0.00	X						3,000.	0.	0.
(7) Frank R. Purdy III	1.00									
Director	0.00	X						3,000.	0.	0.
(8) Steven Reed	1.00									
Director	0.00	X						3,000.	0.	0.
(9) Glenn Leveridge	1.00									
Director (Effective 1/1/16)	0.00	X						3,000.	0.	0.
(10) Marcia Milby Ridings	1.00									
Director	0.00	X						3,000.	0.	0.
(11) Randy Owen, MD	1.00									
Director (Effective 1/1/16)	0.00	X						3,000.	0.	0.
(12) Allen Rudd	1.00									
Director	0.00	X						3,000.	0.	0.
(13) Thelma White, PHD	1.00									
Director	0.00	X						3,000.	0.	0.
(14) Victoria Buster	1.00									
Director	0.00	X						3,000.	0.	0.
(15) Edmund C. Roberts, Jr.	1.00									
Director (Through 12/31/15)	0.00	X						3,000.	0.	0.
(16) Robert G. Baker	1.00									
Director (Through 12/31/15)	0.00	X						3,000.	0.	0.
(17) James D. Rickard	1.00									
Director (Through 12/31/15)	0.00	X						3,000.	0.	0.

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 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			
(18) Brent Cooper	1.00									
Director (Effective 1/1/16)	0.00	X						0.	0.	0.
(19) Ramsey Nassar, MD	1.00									
Director (Effective 1/1/16)	0.00	X						0.	0.	0.
(20) Judge Eugene Siler, Jr.	1.00									
Director	0.00	X						0.	0.	0.
(21) William A. Brown	40.00									
Vice President	0.00			X				755,652.	0.	59,770.
(22) David Gray	40.00									
Vice President	0.00			X				803,359.	0.	169,389.
(23) Stephen C. Hanson	40.00									
President & CEO	0.00			X				1,494,664.	0.	267,512.
(24) Carl Herde	40.00									
Treasurer, CFO, Vice President	0.00			X				1,626,897.	0.	161,728.
(25) Janet Norton	40.00									
Secretary & Vice President	0.00			X				628,094.	0.	134,158.
(26) William G. Sisson	40.00									
Vice President	0.00			X				944,117.	0.	64,951.
1b Sub-total							▶	6,303,783.	0.	857,508.
c Total from continuation sheets to Part VII, Section A							▶	3,133,863.	0.	503,364.
d Total (add lines 1b and 1c)							▶	9,437,646.	0.	1,360,872.

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 ▶ 523

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

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
Huron Consulting Services 550 W. Van Buren Street, Chicago, IL 60607	Consulting	5,950,302.
Medsys Group 5465 Legacy Drive # 550, Plano, TX 75024	Business Management & Consulting	4,023,236.
PST Services, Inc., 1145 Sanctuary Parkway Suite 200, Alpharetta, GA 30009	Consulting	3,155,649.
Anesthesiology of Paducah 2507 Broadway, Paducah, KY 42001	Anesthesia Services	1,901,449.
Central Kentucky Anesthesia, 425 Lewis Hargett Circle, Lexington, KY 40503	Anesthesia Services	1,467,415.

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 ▶ 149

See Part VII, Section A Continuation sheets

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	1,229,716.			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	689,475.			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f	▶	1,919,191.			
			Business Code				
Program Service Revenue	2a	Insurance & Patient Pa	621300	814,157,473.	811,444,593.	2,712,880.	
	b	Medicare & Medicaid Pa	621300	777,928,113.	777,928,113.		
	c	Management Fees-Exempt	561000	61,883,059.	61,883,059.		
	d	Intercompany Interest-	900099	18,703,319.	18,703,319.		
	e	Other Program Service	900099	5,606,974.	5,606,974.		
	f	All other program service revenue	900099	3,337,523.	3,337,523.		
	g	**Total.** Add lines 2a-2f	▶	1,681,616,461.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	▶	15,461,184.			15,461,184.
	4	Income from investment of tax-exempt bond proceeds	▶				
	5	Royalties	▶				
			(i) Real / (ii) Personal				
	6a	Gross rents					
	b	Less: rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)	▶				
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	9,551,431.				
	b	Less: cost or other basis and sales expenses	0.				
	c	Gain or (loss)	9,551,431.				
	d	Net gain or (loss)	▶	9,551,431.			9,551,431.
	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less: direct expenses	b				
	c	Net income or (loss) from fundraising events	▶				
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less: direct expenses	b				
	c	Net income or (loss) from gaming activities	▶				
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less: cost of goods sold	b				
	c	Net income or (loss) from sales of inventory	▶				
		Miscellaneous Revenue	**Business Code**				
	11a	Cafe & Coffee Shops	722514	7,635,010.			7,635,010.
	b	Purchasing Partnership	900099	3,382,675.	3,331,861.	50,814.	
	c	Day Care Center	624410	2,959,482.		1,094,114.	1,865,368.
	d	All other revenue	900099	4,895,090.	5,394,485.	-69,435.	-429,960.
	e	**Total.** Add lines 11a-11d	▶	18,872,257.			
	12	**Total revenue.** See instructions.	▶	1,727,420,524.	1,687,629,927.	3,788,373.	34,083,033.

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	2,599,445.	2,599,445.		
2	Grants and other assistance to domestic individuals. See Part IV, line 22				
3	Grants and other assistance to foreign organizations, foreign governments, and foreign individuals See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	3,849,378.		3,849,378.	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	675,693.	675,693.		
7	Other salaries and wages	642,496,890.	526,130,174.	116,366,716.	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	21,027,541.	20,793,415.	234,126.	
9	Other employee benefits	86,786,705.	84,365,346.	2,421,359.	
10	Payroll taxes	42,352,536.	42,263,815.	88,721.	
11	Fees for services (non-employees).				
a	Management	2,816,486.	2,591,486.	225,000.	
b	Legal	2,603,171.	285,775.	2,317,396.	
c	Accounting	828,350.		828,350.	
d	Lobbying	125,380.		125,380.	
e	Professional fundraising services. See Part IV, line 17				
f	Investment management fees				
g	Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	38,137,912.	25,599,669.	12,538,243.	
12	Advertising and promotion	10,031,225.	31,771.	9,999,454.	
13	Office expenses	79,129,272.	64,166,951.	14,962,321.	
14	Information technology	23,801,708.	79,043.	23,722,665.	
15	Royalties				
16	Occupancy	19,652,895.	17,322,080.	2,330,815.	
17	Travel	7,543,518.	2,309,254.	5,234,264.	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	281,483.	172,353.	109,130.	
20	Interest	10,516,155.	10,516,155.		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	96,497,923.	94,729,058.	1,768,865.	
23	Insurance	13,898,769.	37,913.	13,860,856.	
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	343,179,153.	342,547,788.	631,365.	
b	Purchased Svcs-Non-Med	40,318,445.	32,551,637.	7,766,808.	
c	Provider Tax	21,209,794.	21,209,794.		
d	Administrative Expenses	3,263,525.	290,979.	2,972,546.	
e	All other expenses				
25	**Total functional expenses.** Add lines 1 through 24e	1,513,623,352.	1,291,269,594.	222,353,758.	0.
26	**Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		36,219.	1	36,898.
	2	Savings and temporary cash investments		145,826,856.	2	60,099,800.
	3	Pledges and grants receivable, net		0.	3	0.
	4	Accounts receivable, net		205,943,525.	4	268,825,597.
	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 instr) Complete Part II of Sch L		0.	6	0.
	7	Notes and loans receivable, net		0.	7	0.
	8	Inventories for sale or use		28,963,663.	8	32,035,008.
	9	Prepaid expenses and deferred charges		26,811,768.	9	29,098,837.
	10a	Land, buildings, and equipment. cost or other basis. Complete Part VI of Schedule D	10a 2,233,181,525.			
	b	Less. accumulated depreciation	10b 1,209,757,233.	912,163,283.	10c	1,023,424,292.
	11	Investments - publicly traded securities		835,797,421.	11	797,774,262.
	12	Investments - other securities See Part IV, line 11		0.	12	0.
	13	Investments - program-related See Part IV, line 11		4,388,762.	13	8,932,293.
	14	Intangible assets		14,106,322.	14	13,871,793.
	15	Other assets See Part IV, line 11		215,204,303.	15	210,100,506.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		2,389,242,122.	16	2,444,199,286.
Liabilities	17	Accounts payable and accrued expenses		212,960,291.	17	241,506,550.
	18	Grants payable		0.	18	0.
	19	Deferred revenue		0.	19	0.
	20	Tax-exempt bond liabilities		579,423,915.	20	587,125,362.
	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	50,000,000.
	24	Unsecured notes and loans payable to unrelated third parties		0.	24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		151,211,842.	25	55,386,974.
	26	**Total liabilities.** Add lines 17 through 25		943,596,048.	26	934,018,886.
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ [x] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		1,443,663,673.	27	1,508,084,038.
	28	Temporarily restricted net assets		1,982,401.	28	2,096,362.
	29	Permanently restricted net assets		0.	29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		1,445,646,074.	33	1,510,180,400.
	34	Total liabilities and net assets/fund balances		2,389,242,122.	34	2,444,199,286.

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,727,420,524.
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,513,623,352.
3	Revenue less expenses. Subtract line 2 from line 1	3	213,797,172.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,445,646,074.
5	Net unrealized gains (losses) on investments	5	31,953,965.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-181,216,811.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	1,510,180,400.

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 [x] Accrual [ ] Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: [ ] Separate basis [ ] Consolidated basis [ ] Both consolidated and separate basis	2a		x
b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: [ ] Separate basis [x] Consolidated basis [ ] Both consolidated and separate basis	2b	x	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	x	
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	x	
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	x	

SCHEDULE A (Form 990 or 990-EZ)

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	Employer identification number
Baptist Healthcare System, Inc.	61-0444707

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

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

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

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ))

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above (see instructions))	(iv) Is the organization listed in your governing document? 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 from 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 in line 11 on 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 (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) 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 section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? *If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).*	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 I of Schedule L (Form 990 or 990-EZ).*	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 9a) 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 9a) 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 section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? *If "Yes," answer 10b 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		

Part IV Supporting Organizations *(continued)*

			Yes	No
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		

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, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) 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).			
a Average monthly value of securities	1a		
b Average monthly cash balances	1b		
c Fair market value of other non-exempt-use assets	1c		
d **Total** (add lines 1a, 1b, and 1c)	1d		
e **Discount** claimed for blockage or other factors (explain in detail in **Part VI**):			
2 Acquisition indebtedness applicable to non-exempt-use assets	2		
3 Subtract line 2 from line 1d	3		
4 Cash deemed held for exempt use Enter 1-1/2% of line 3 (for greater amount, see instructions)	4		
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6 Multiply line 5 by .035	6		
7 Recoveries of prior-year distributions	7		
8 **Minimum Asset Amount** (add line 7 to line 6)	8		

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

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

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

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in **Part VI**). See instructions.	
7 **Total annual distributions.** Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in **Part VI**) See instructions	
9 Distributable amount for 2015 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

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

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 organization	Employer identification number
Baptist Healthcare System, Inc.	61-0444707

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

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

2 Political expenditures ▶ $

3 Volunteer hours

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

4-Year Averaging Period Under section 501(h)

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 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?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?	X		60,375.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		65,005.
j Total. Add lines 1c through 1i			125,380.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
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

Part II-B, Line 1, Lobbying Activities:

Fees and related expenses paid for lobbyist.

Part II-B, Line 1i

Lobbying portion of Kentucky Hospital Association and American Hospital Association dues.

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
Baptist Healthcare System, Inc.

Employer identification number
61-0444707

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" 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 a 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 Tax 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 on Part XIII ☐

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	808,699,955.	857,141,112.	762,097,721.	706,444,672.	648,747,137.
b Contributions	33,990,776.	22,188,064.	8,449,636.	9,233,782.	11,668,086.
c Net investment earnings, gains, and losses	56,256,745.	-704,296.	99,265,139.	72,369,664.	58,290,845.
d Grants or scholarships		0.	0.	0.	0.
e Other expenditures for facilities and programs	96,524,337.	67,115,064.	9,949,063.	23,559,813.	10,123,939.
f Administrative expenses	2,552,504.	2,809,861.	2,722,321.	2,390,584.	2,137,407.
g End of year balance	799,870,635.	808,699,955.	857,141,112.	762,097,721.	706,444,722.

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

a Board designated or quasi-endowment ▶ 99.70 %
b Permanent endowment ▶ .00 %
c Temporarily restricted endowment ▶ .30 %

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)		X
(ii) related organizations 3a(ii)		X
b If "Yes" on line 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" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		137,491,018.		137,491,018.
b Buildings		745,363,870.	373,208,934.	372,154,936.
c Leasehold improvements				
d Equipment		1,328,673,764.	836,548,299.	492,125,465.
e Other		21,652,873.		21,652,873.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10c.)* ▶				1,023,424,292.

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		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (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
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (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)	Other Current Assets	15,880,529.
(2)	Due From Affiliate	36,901,542.
(3)	Trustee Funds-Malpractice	72,685,344.
(4)	Trustee Funds-Workers Comp	21,660,386.
(5)	Unamortized Issue Costs	4,650,363.
(6)	Other Investments	18,060,637.
(7)	Other Assets	40,261,705.
(8)		
(9)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15.)* ▶		210,100,506.

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
(1)	Federal income taxes	
(2)	Malpractice Liability	99,470,000.
(3)	Workers Comp Liability	20,020,000.
(4)	Post-Retirement/Miscellaneous	35,991,094.
(5)	Third Party Payable	13,811,031.
(6)	Intercompany	-113,905,151.
(7)		
(8)		
(9)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25.)* ▶		55,386,974.

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

Part V, line 4:

The endowment funds are used to support and enhance patient care at the hospitals, finance capital improvements and provide educational and financial assistance to hospital employees.

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	Employer identification number
Baptist Healthcare System, Inc.	61-0444707

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	X	
b If "Yes," was it a written policy?	1b	X	
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 [X] Applied uniformly to all hospital facilities [ ] Applied uniformly to most hospital facilities [ ] Generally tailored to individual hospital facilities			
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care [ ] 100% [ ] 150% [X] 200% [ ] Other _____ %	3a	X	
b Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care. [ ] 200% [ ] 250% [ ] 300% [ ] 350% [X] 400% [ ] Other _____ %	3b	X	
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	X	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	X	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		X
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		
6a Did the organization prepare a community benefit report during the tax year?	6a	X	
b If "Yes," did the organization make it available to the public?	6b	X	

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)		33,892	37,038,343.	8,484,370.	28,553,973.	1.89%
b Medicaid (from Worksheet 3, column a)		352,801	209,472,790.	195,658,164.	13,814,626.	.91%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs		386,693	246,511,133.	204,142,534.	42,368,599.	2.80%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		59,178	2,565,427.	13,560.	2,551,867.	.17%
f Health professions education (from Worksheet 5)			75,000.		75,000.	.00%
g Subsidized health services (from Worksheet 6)		21,547	60,170,048.	49,365,181.	10,804,867.	.71%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			1,413,342.		1,413,342.	.09%
j **Total.** Other Benefits		80,725	64,223,817.	49,378,741.	14,845,076.	.97%
k **Total.** Add lines 7d and 7j		467,418	310,734,950.	253,521,275.	57,213,675.	3.77%

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?		1	X	
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	11,499,013.		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3	3,198,738.		
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	398,906,153.
6	Enter Medicare allowable costs of care relating to payments on line 5	6	455,800,382.
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-56,894,229.
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	X	
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	X	

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 %

Part V Facility Information

Section A Hospital Facilities

(list in order of size, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 5

Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)	Licensed hospital	Gen. medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
1 Baptist Health Louisville 4000 Kresge Way Louisville, KY 40207 www.BaptistHealth.com 100451	X	X					X			A
2 Baptist Health Lexington 1740 Nicholasville Road Lexington, KY 40503 www.BaptistHealth.com 100101	X	X					X			A
3 Baptist Health Paducah 2501 Kentucky Avenue Paducah, KY 42003 www.BaptistHealth.com 100313	X	X					X			A
4 Baptist Health Corbin 1 Trillium Way Corbin, KY 40701 www.BaptistHealth.com 100417	X	X					X			A
5 Baptist Health LaGrange 1025 New Moody Lane LaGrange, KY 40031 www.BaptistHealth.com 100575	X	X					X			A

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 Facility Reporting Group - A

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1,2,3,4,5

			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		X
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		X
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	X	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	[X] A definition of the community served by the hospital facility			
b	[X] Demographics of the community			
c	[X] Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	[X] How data was obtained			
e	[X] The significant health needs of the community			
f	[X] Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	[X] The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	[X] The process for consulting with persons representing the community's interests			
i	[X] Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	[ ] Other (describe in Section C)			
4	Indicate the tax year the hospital facility last conducted a CHNA. 20 14			
5	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5	X	
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		X
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		X
7	Did the hospital facility make its CHNA report widely available to the public?	7	X	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply):			
a	[X] Hospital facility's website (list url) www.baptisthealth.com			
b	[ ] Other website (list url).			
c	[X] 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	X	
9	Indicate the tax year the hospital facility last adopted an implementation strategy 20 14			
10	Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	X	
a	If "Yes," (list url) www.baptisthealth.com			
b	If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b		X
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		X
b	If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b		
c	If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group Facility Reporting Group - A

			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	X	
	If "Yes," indicate the eligibility criteria explained in the FAP:			
a	[X] Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 200 % and FPG family income limit for eligibility for discounted care of 400 %			
b	[X] Income level other than FPG (describe in Section C)			
c	[X] Asset level			
d	[X] Medical indigency			
e	[X] Insurance status			
f	[X] Underinsurance status			
g	[ ] Residency			
h	[ ] Other (describe in Section C)			
14	Explained the basis for calculating amounts charged to patients?	14	X	
15	Explained the method for applying for financial assistance?	15	X	
	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	[X] Described the information the hospital facility may require an individual to provide as part of his or her application			
b	[X] Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application			
c	[X] Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process			
d	[X] 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	X	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a	[X] The FAP was widely available on a website (list url): www.baptisthealth.com			
b	[X] The FAP application form was widely available on a website (list url). www.baptisthealth.com			
c	[X] A plain language summary of the FAP was widely available on a website (list url): www.baptisthealth.com			
d	[X] The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
e	[X] The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)			
f	[X] 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	[X] Notice of availability of the FAP was conspicuously displayed throughout the hospital facility			
h	[X] 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	X	
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	[X] None of these actions or other similar actions were permitted			

Part V Facility Information *(continued)*

Name of hospital facility or letter of facility reporting group Facility Reporting Group - A

		Yes	No
19	Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged.		X
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

		Yes	No
21	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate why	X	
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)

		Yes	No
23	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Section C		X
24	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Section C		X

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.

Schedule H, Part V, Section B, Facility Reporting Group A

Facility Reporting Group A consists of:

- Facility 1: Baptist Health Louisville
- Facility 2: Baptist Health Lexington
- Facility 3: Baptist Health Paducah
- Facility 4: Baptist Health Corbin
- Facility 5: Baptist Health LaGrange

Group A-Facility 1 -- Baptist Health Louisville

Part V, Section B, line 5: Contact was made with the health departments responsible for the counties in the service area. There are four health departments responsible for the counties BHLOU serves: Louisville Metro Public Health & Wellness (Jefferson County); the Bullitt County Health Department; the Oldham County Public Health Department; and the North Central District Health Department, which serves both Shelby and Spencer counties. Through these contacts, the public meetings that were held, and public surveys conducted in Jefferson and Oldham counties, BHLOU solicited primary feedback on the health issues confronting its service area.

Group A-Facility 1 -- Baptist Health Louisville

Part V, Section B, line 11: Based on the data analyzed through this assessment, three main issues were identified that the hospital will focus on over the next three years. They are: health literacy, cancer & cardiovascular disease. The other five areas of focus are the aging population, mental health, substance abuse, obesity & diabetes. The consensus of the team conducting the assessment is that many of these issues are related & efforts to combat one will result in improvements in

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

one or more of the others.

Health literacy was defined as an increased awareness of the public to their overall healthcare environment, including knowledge of how & when to access care, understanding their personal health status, & the necessity of compliance with medicine & lifestyle regimens assigned by their physicians. Only through the combined efforts of medical professionals, schools, churches & government agencies will we be successful in educating & engaging individuals in caring for themselves. Kentucky has some of the highest rates in the nation for preventable health conditions & for behaviors that have been identified as unhealthy. The committee felt that continued focus on health literacy & personal responsibility would improve the general health of the population more than any other activity.

As cancer continues to be a leading cause of death in this service area, the committee ranked it as their second priority in terms of public health issues. Although Jefferson County mortality levels are better than the state average they are still higher than the national average. The committee acknowledged the continued need for board certified oncologists & easy access to cancer related services such as chemotherapy & radiation therapy. Cardiovascular disease ranked as the committee's third priority & encompasses coronary artery disease, heart attack, arrhythmias, heart failure, cardiomyopathy & vascular disease. The discussion focused on education, prevention & treatment. The goal is to expand public awareness of disease root causes & common associated conditions to increase compliance with standard of care protocols.

It is not within the scope of BHLOU's services, expertise or resources to be able to address all of the risk factors that have been identified as

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

influencers of our community's health status, But it is through networking & partnerships with other community stakeholder organizations & agencies that these issues are being addressed, BHLOU works collaboratively with other community resources to provide support & serve as a referral source to address the additional identified health needs that fall below the significant prevalence level for our service area, Impact issues such as unemployment & uninsured populations are being dealt with by economic development groups, the Kentucky Chamber of Commerce, city & county governments, & county health departments,

Group A-Facility 1 -- Baptist Health Louisville

Part V, Section B, line 20e: Billing and Collections:

Prior to referring individuals to a collection agency, BHS processes all self-pay accounts through an external scoring application to determine additional eligibility for financial assistance,

Group A-Facility 2 -- Baptist Health Lexington

Part V, Section B, line 5: To assess the needs of the greater community of the Lexington-Fayette County area in which Baptist Health Lexington resides, the hospital partnered with the Lexington-Fayette County Health Department as a participant in the MAPP process (Mobilizing for Action through Planning and Partnerships), The MAPP framework is a process designed to assess the community health status and needs, prioritize health issues and identify resources to address them, This is a community-driven process which engages the community and develops partnerships,

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

Group A-Facility 2 -- Baptist Health Lexington

Part V, Section B, line 11: After compiling & analyzing all of the data in this assessment, BHLEX will pursue benchmarking, identifying targets & ideas & implementing strategies. Some of the strategies will address multiple needs. These lists are not intended to be exhaustive & do not imply there is only one way to address the identified health needs.

Obesity, cardiovascular disease & cancer, including breast, colorectal & lung were the health needs of the community with the highest priority.

Obesity issues will be addressed through education, prevention & community-based initiatives to decrease the no exercise rate in Fayette County as measured by the BRFSS, (Behavioral Risk Factor Surveillance System), which collects data through the CDC, by 2018. Efforts will continue to expand the program directory for physical activity venues & identify mechanisms of assistance for participation in programs. The identification of, & increase in the number of organizations in Fayette County that offer worksite wellness programs should produce measurable results & a healthier lifestyle.

BHLEX works collaboratively with other community resources to provide support & to serve as a referral source to address the additional identified health needs that fall below the significant prevalence level for our service area. It is not within the scope of BHLEX's services, expertise or resources to be able to address all of the risk factors that have been identified as influencers of our community's health status. But it is through networking & partnerships with other community stakeholder organizations & agencies that these issues are being addressed. Impact issues such as unemployment & uninsured populations are being dealt with by economic development groups, the Kentucky Chamber of Commerce, city &

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

county governments, & county health departments.

Group A-Facility 2 -- Baptist Health Lexington

Part V, Section B, line 20e: Billing and Collections:

Prior to referring individuals to a collection agency, BHS processes all self-pay accounts through an external scoring application to determine additional eligibility for financial assistance.

Group A-Facility 3 -- Baptist Health Paducah

Part V, Section B, line 5: The Purchase District Coalition for Health is a group comprised of representatives from the Purchase District Health Department, which serves Ballard, Carlisle, Fulton, Hickman, and McCracken counties in the Purchase Area Development District; the City of Paducah; the University of Kentucky County Extension offices; United Way of Paducah-McCracken County; Lourdes Hospital and Baptist Health Paducah. Bringing these groups together helps avoid duplication of efforts in data collection and resource allocation. Through these contacts and public surveys, BHPAD collected primary data and feedback on the health issues confronting its service area. Secondary data from demographic and socioeconomic sources, Kentucky vital statistics, disease prevalence and health indicators and statistics were collected from national, state and local sources.

Group A-Facility 3 -- Baptist Health Paducah

Part V, Section B, line 11: The committee identified & prioritized community needs for the service area that BHPAD can address & affect by implementing programs, educational programs & preventive screenings.

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.

Obesity prevention & illnesses related to obesity are a primary concern.
Plans are being implemented to increase the awareness of obesity as a
health threat to our service area residents & to encourage healthier
living through diet, exercise & other means. The hospital is providing
additional support to meet this need through its new bariatric surgery &
metabolic disease management program; Project Fit America fitness programs
in area elementary schools & internal programs to improve employees'
health.
The ability of individuals in a community to access health care resources
to preserve or improve health is essential. Efforts are underway through
education & the availability of additional resources to remove the
potential barriers to receiving necessary health care services.
It is not within the scope of BHPAD's services, expertise or resources to
be able to address all of the risk factors that have been identified as
influencers of our community's health status. But it is through networking
& partnerships with other community stakeholder organizations & agencies
that these issues are being addressed. Impact issues such as unemployment
& uninsured populations are being dealt with by economic development
groups, the Kentucky Chamber of Commerce, city & county governments, &
county health departments. The use of illicit drugs or the abuse of
prescription or over-the-counter medications for purposes other than those
for which they are indicated or in a manner or in quantities other than
directed is a growing problem in McCracken County. This particular issue
presents a need that cannot be met by BHPAD, but is better met by services
already in the community including those at Four Rivers Behavioral Health.

Group A-Facility 3 -- Baptist Health Paducah

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

Part V, Section B, line 20e: Billing and Collections:

Prior to referring individuals to a collection agency, BHS processes all self-pay accounts through an external scoring application to determine additional eligibility for financial assistance.

Group A-Facility 4 -- Baptist Health Corbin

Part V, Section B, line 5: Primary data was obtained by Baptist Health Corbin through electronic surveys targeting the community considered in the assessment. The survey data was obtained over a two month time period. Surveys were also conducted through the Whitley County Health Department and Laurel County Health Department/St. Joseph Hospital of London. The broad surveys were intended to gather information regarding the overall health of the community.

Group A-Facility 4 -- Baptist Health Corbin

Part V, Section B, line 11: Baptist Health Corbin will work to increase the awareness of the importance of early detection & prevention of cardiovascular diseases including stroke, hypertension & CHF through screening & educational programs for residents of Whitley, Knox & Laurel counties. The development of community partnerships to educate local residents on healthy lifestyles & ways to manage cardiovascular diseases, diabetes & cancer are primary objectives. Increased availability to preventive screenings will provide benefits for these & additional health issues.

It is not within the scope of BHCOR's services, expertise or resources to be able to address all of the risk factors that have been identified as influencers of our community's health status. But it is through networking

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.

& partnerships with other community stakeholder organizations & agencies that these issues are being addressed. Impact issues such as unemployment & uninsured populations are being dealt with by economic development groups, the Kentucky Chamber of Commerce, city & county governments, & county health departments.

Group A-Facility 4 -- Baptist Health Corbin

Part V, Section B, line 20e: Billing and Collections:

Prior to referring individuals to a collection agency, BHS processes all self-pay accounts through an external scoring application to determine additional eligibility for financial assistance.

Group A-Facility 5 -- Baptist Health LaGrange

Part V, Section B, line 5: There are three health departments responsible for the counties BHLAG serves: the Oldham County Public Health Department; the North Central District Health Department, which serves both Henry and Trimble counties and the Three Rivers District Health Department, which serves Carroll County. Public feedback via Surveymonkey, used to assess what the public views as their top three (3) health related issues for 2016 and forward, were reviewed. Public surveys by the other health departments were also used to collect relevant data.

Group A-Facility 5 -- Baptist Health LaGrange

Part V, Section B, line 11: Based on the data analyzed through this assessment, three main issues were identified that the hospital will focus on over the next three years. They are: health literacy, cancer & cardiovascular disease. The other five areas of focus are the aging

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.

population, mental health, substance abuse, obesity & diabetes. The consensus of the team conducting the assessment is that many of these issues are related & efforts to combat one will result in improvements in one or more of the others.

Health literacy was defined as an increased awareness of the public to their overall healthcare environment, including knowledge of how & when to access care, understanding their personal health status, & the necessity of compliance to medicine & lifestyle regimens assigned by their physicians. Only through the combined efforts of medical professionals, schools, churches & government agencies will we be successful in educating & engaging individuals in caring for themselves. Kentucky has some of the highest rates in the nation for preventable health conditions & for behaviors that have been identified as unhealthy. A continued focus on health literacy & personal responsibility will improve the general health of the population more than any other activity.

As cancer continues to be a leading cause of death in this service area, the committee ranked it as their second priority, acknowledging the continued need for board certified oncologists & easy access to cancer related services & therapy. Cardiovascular disease ranked as the committee's third priority & encompasses coronary artery disease, heart attack, arrhythmias, heart failure, cardiomyopathy & vascular disease. The discussion focused on education, prevention & treatment. The goal is to expand public awareness of the root causes & commonly associated conditions of the diseases to increase compliance with standard of care protocols. It is not within the scope of BHLAG's services, expertise or resources to be able to address all of the risk factors that have been identified as influencers of our community's health status. But it is

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.

through networking & partnerships with other community stakeholder organizations & agencies that these issues are being addressed.

BHLAG works collaboratively with other community resources to provide support & serve as a referral source to address the additional identified health needs that fall below the significant prevalence level for our service area. Impact issues such as unemployment & uninsured populations are being dealt with by economic development groups, the Kentucky Chamber of Commerce, city & county governments, & county health departments.

Group A-Facility 5 -- Baptist Health LaGrange

Part V, Section B, line 20e: Billing and Collections:

Prior to referring individuals to a collection agency, BHS processes all self-pay accounts through an external scoring application to determine additional eligibility for financial assistance.

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? 0

Name and address	Type of Facility (describe)

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

Part I, Line 7:

COSTING METHODOLOGY:

BHS utilizes a sophisticated cost accounting system that identifies the cost of delivering care at the individual procedure and item (supply) level for direct costs and a detailed step-down methodology to allocate overhead costs as accurately as possible. Costs are determined for each patient based upon the specific procedures performed and items used for each patient.

Patients are also categorized by:

1. Patient type (inpatient and outpatient),

2. Payer plan (42 unique categories of payer plans. Charity, state-sponsored charity and the uninsured are among the uniquely identified payer plans), and

3. Clinical service (53 unique clinical services).

The cost of care for uninsured patients who qualify for "full" charity care (under a State-sponsored or BHS sponsored charity program) is determined by calculating the cost of each uninsured charity patient (at

Part VI | Supplemental Information *(Continuation)*

the procedure and item level) and accumulating the cost of each patient.

For insured patients who also qualify for partial charity under the BHS sponsored charity program, costs are allocated to each portion (insurance, partial charity, patient payments and bad debt) using the patient's payer plan cost-to-charge ratio (CCR). For example, this CCR is multiplied by the charges covered by insurance to determine the cost of insurance, multiplied by charges covered by partial charity to determine the cost of partial charity, multiplied by patient payments to determine the cost of paid services and multiplied by unpaid charges to determine the cost of bad debt.

The cost of care for uninsured patients who do NOT qualify for charity care (full or partial bad debt accounts) are allocated to each portion (patient paid portion and unpaid portion) using the patient's uninsured payer plan CCR. For example, this CCR is multiplied by patient payments to determine the cost of paid services and multiplied by unpaid charges to determine the cost of bad debt.

Much care is taken to ensure that costs used for community benefit reporting are directly related to exempt-purpose patient care (excluding physician-related costs) and that costs are reported accurately. For example, the cost of charity and Medicaid are removed from the calculation of the loss on subsidized services.

Part I, Line 7g:

No physician clinic costs are included in the costs of subsidized health services.

Part VI Supplemental Information *(Continuation)*

Form 990, Part I, Line 6A

Each hospital within Baptist Healthcare System, Inc. (BHS), (61-0444707), prepares a Community Benefit Report. In addition, a summary Community Benefit Report is prepared on a consolidated basis for all entities.

Part II, Community Building Activities:

COMMUNITY CARE: To help Baptist Health accomplish its mission to transform the health of our communities, the entire organization is embracing a new way of thinking. Our providers remain focused on helping people get well and stay well, and the system is investing in new ways to provide quality, personalized care that is both efficient and proactive, preventing individuals from becoming sick in the first place.

WELLNESS: Baptist Health's Wellness team is constantly seeking creative new opportunities to change the health of our communities for the better, one individual at a time. The team strives to create a culture of health and accountability, effectively engaging participants to help them reach their health and wellness goals. Baptist's innovative, award-winning wellness programs include smoking-cessation classes, weight-management programs, diabetes prevention, nutritional health, stress management and fitness/physical activity. Partnerships with other like-minded organizations within the community further enhance, support and promote these successful initiatives and programs.

COLLABORATIONS: Improving the health of those in the communities we serve at the grassroots level takes partnerships. Baptist Health is a founding

Part VI Supplemental Information *(Continuation)*

member of Shaping Our Appalachian Region (SOAR), which aims to improve the quality of life in Eastern Kentucky. In Paducah and Corbin, a Congregational Health Network links those just released from the hospital to trained fellow church members willing to help with their care needs.

Physically fit youngsters is the goal of the Project Fit America partnership, bringing funding, equipment, teacher training and a curriculum to 33 elementary and middle schools in 21 communities. Baptist Health is among 10 health systems that founded the Kentucky Health Collaborative to share best practices for improving the health of the Commonwealth's citizens.

ADVOCACY: Baptist Health is working with community and state leaders, local schools, health departments and other partners to improve the health of our communities. Our efforts focus on the passage of smoke-free legislation to help children breathe clean air; tort reform, which can lower the cost of healthcare; telehealth to make healthcare more accessible; and opportunities to combat substance abuse and addiction.

RESEARCH:

In addition to Baptist Health's Cancer Research Network now offering clinical trials statewide, some 300 research studies are ongoing at Baptist Health hospitals, focusing on oncology, cardiology, orthopedics, neuroscience, pulmonary conditions, gynecology, nursing and allied health, among others, involving more than 2,200 patients to date. Additionally, Baptist Health is partnering with the Guardian Research Network to provide even more patients with an opportunity to participate in clinical trials more quickly.

Part VI Supplemental Information *(Continuation)*

Part III, Line 3:

Rationale for including other bad debt amount in community benefit:

No other bad debt amounts have been included as community benefit. The hospital educates patients with limited ability to pay regarding financial assistance and for this reason, the organization believes it accurately captures all charity care deductions provided according to the financial assistance policy, and the amount of bad debt expense attributable to patients eligible under the organization's charity care policy is negligible.

Part III, Line 4:

BAD DEBT EXPENSE FOOTNOTE:

A separate footnote for bad debt expense is not included in the audited financial statements. However, beginning in 2012 BHS reported the provision for uncollectible accounts related to patient service revenue as a deduction from patient service revenue.

The costing methodology of bad debt is outlined in Schedule H, Part VI, Line 1. The estimated amount of bad debt expense attributable to patients eligible under the organization's FAP was determined using a historical percent to total of net amounts written off as bad debt for those patients with a low propensity to pay or low income to total net amounts written off as bad debt.

Part III, Line 8:

MEDICARE COSTING METHODOLOGY

Medicare revenues and allowable costs were taken from the "as filed" Medicare cost report. Much care is taken to ensure that all adjustments to remove non-allowable costs are taken. Due to the fact that Medicare

Part VI Supplemental Information *(Continuation)*

rates are non-negotiable and are established by the government, all of the shortfall for Medicare should be included as a community benefit.

Part III, Line 9b:

COLLECTION PRACTICES:

Patients and guarantors who qualify for a "full" charity discount will not be billed once the charity determination is made. Patients and guarantors who qualify for a "partial" charity discount will be billed only for the non-discounted portion of their account. Guarantors who have an ability to pay for services will be billed based on the following guidelines:

- Patients or guarantors may be asked to pay an estimated patient liability at point of service.
- BHS facilities will accept and file claims for all insurances assigned to the organization with adequate proof of coverage. This assignment does not relieve the guarantor of responsibility for payment if the insurer fails to pay as prescribed by regulation, statute or patient-insurance contract. Deductibles, co-payments and non-covered services will be the responsibility of guarantors.
- Statements will be sent to guarantors once patient liability is determined for insured or uninsured patients and necessary billing follow-up calls will be made by BHS Patient Financial Services and/or a designated external early out vendor over a period of time averaging from 90 to 120 days. All statements will contain information regarding the availability of financial assistance. If applicable, effort will be made to assist uninsured patients to secure coverage through any governmental or other assistance programs.
- Patients requesting detailed charge information will be provided an itemized bill.

Part VI Supplemental Information *(Continuation)*

- BHS Patient Financial Services will provide all patients the same information concerning services and charges.

- Patient accounts not resolved at the end of this cycle will be considered for placement with external collection agencies. Collection agencies will continue to pursue patient balances while maintaining compliance with the Fair Debt Collection Practices Act and the ACA International's Code of Ethics and Professional Responsibility.

Part VI, Line 2:

NEEDS ASSESSMENT:

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

Part VI, Line 3:

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE:

The following is a list of various methods/processes used to inform/educate patients on the availability of financial assistance:

- Financial counselors advise and/or screen uninsured patients before or during hospital services.

- A third party vendor advises and/or screens uninsured patients during hospital services.

Part VI | Supplemental Information *(Continuation)*

- Financial counselors provide follow-up contact for patients missed during services.
- The State-sponsored DSH form is provided to all ED uninsured patients.
- Telephone calls and in-person visits are handled by staff trained to discuss financial assistance.
- Information regarding financial assistance is included in patient statements.
- The BHS sponsored charity care program policy is posted in key areas of each hospital.
- The BHS sponsored charity care program policy is posted on the website of each hospital and the System.

Part VI, Line 4:

COMMUNITY INFORMATION:

BHS is comprised of five regional hospitals. Each one serves a unique and separate geographic area within Kentucky:

Baptist Health Louisville (BHLOU) opened in 1975 and is located in St. Matthews, approximately five miles east of downtown Louisville. BHLOU is strategically located near Interstate 64, a main access to downtown, and Interstate 264, a main beltway around Louisville. The primary geographic service area for BHLOU consists of Jefferson, Oldham, Shelby, Spencer and Bullitt counties in Kentucky. BHLOU serves as a general acute care facility, specializing in services such as cardiovascular services, cancer care and comprehensive rehabilitation services that are much needed in the area. In addition, BHLOU operates one of the busiest emergency departments in the state of Kentucky. Approximately 14.6% of the population of the local area surrounding the hospital is over 65 and the unemployment rate

Part VI Supplemental Information *(Continuation)*

is 5.9%, as compared to the national average of 6.2%.

Baptist Health Corbin (BHCOR) opened in 1986 in Corbin, Kentucky. It is located one-half mile off of Interstate 75, approximately three miles from downtown Corbin and near U.S. Highway 25, which is a main access to several of the surrounding communities. The primary geographic service area for BHCOR consists of the counties of Knox, Laurel and Whitley in Kentucky. BHCOR serves as a general acute care facility, specializing in services such as psychiatric, substance abuse, comprehensive rehabilitation and emergency care services. The psychiatric program at BHCOR has grown over the past several years and BHCOR has plans to continue its growth. Approximately 15.2% of the population of the local area surrounding the hospital is over 65 and the unemployment rate is 8.8%, as compared to the national average of 6.2%.

Baptist Health Lexington (BHLEX) opened in 1954 in Lexington, the second largest city in Kentucky. It is located approximately five miles from Interstate 75 and Interstate 64 which provide access for the immediate Lexington metro area patients as well as patients from other areas of central and eastern Kentucky which the hospital serves. The primary geographic service area for BHLEX consists of the Kentucky counties of Bourbon, Clark, Fayette, Franklin, Jessamine, Madison, Scott and Woodford. In addition, BHLEX serves as a regional referral center with approximately 42% of its discharges coming from Kentucky counties outside of the primary service area. As such, BHLEX provides tertiary care services not offered by many hospitals in the surrounding areas including specialty cardiovascular, orthopedic and intensive care services. Approximately 13.4% of the population of the local area surrounding the hospital is over

Part VI Supplemental Information *(Continuation)*

65 and the unemployment rate is 5.2%, as compared to the national average of 6.2%.

Baptist Health Paducah (BHPAD) was opened in 1953 in Paducah, Kentucky, the largest city in BHPAD's service area. The hospital is located approximately one and one-half miles from Interstate 64. BHPAD is one of only two hospitals located in Paducah. The primary geographic service area for BHPAD consists of Ballard, Carlisle, Graves, Livingston, Lyon, Marshall and McCracken counties in Kentucky and Massac County in Illinois. BHPAD draws nearly 80% of its discharges from the primary service area. BHPAD serves as a general acute care facility, specializing in services such as cardiovascular services, cancer care and skilled nursing that are much needed in the area. Approximately 19.1% of the population of the local area surrounding the hospital is over 65 and the unemployment rate is 7.19%, as compared to the national average of 6.2%.

Baptist Health LaGrange, (BHLAG) became part of the BHS system in 1992. Baptist Health LaGrange can serve all of the primary healthcare needs of its service area. BHLAG defines its service area by looking at where the majority of its inpatients reside. Approximately 85% of BHLAG's inpatients come from Oldham, Henry, Trimble, and Carroll counties. Oldham County is a shared service area between Baptist Health Louisville and BHLAG. Approximately 13.1% of the population of the local area surrounding the hospital is over 65 and the unemployment rate is 6.2%, as compared to the national average of 6.2%.

Part VI, Line 5:

Part VI Supplemental Information *(Continuation)*

PROMOTION OF COMMUNITY HEALTH:

The BHS Board of Directors is comprised of local representatives who, along with the hospital's management and employees, understand that they are responsible for providing high quality health care services to the communities they serve. Operating healthcare facilities in today's environment requires a delicate balance between producing a sufficient margin to allow for adequate staffing and investment in new technologies, while also providing enough resources to absorb the cost of care for those patients who do not have the ability to pay for the services. In 2016, Baptist was able to re-invest over $100 million into the communities in new technology, construction, renovation and systems improvement.

BHS hospitals reach out to the community in many ways through:

- Conducting health fairs for local schools, businesses and churches.
- Participating in fund-raising and other events to help local agencies such as the American Heart Association, Metro United Way, American Cancer Society, Big Brothers and Big Sisters and the American Red Cross.
- Donating hospital space for community group meetings.
- Participating on community health assessment teams that are dedicated to identifying and addressing local health needs in each of the counties we serve.
- Hosting educational programs, including our pre-natal classes and safe sitter program.
- Maintaining necessary, but unprofitable services that meet community needs.
- Helping to recruit physicians to underserved areas.
- Helping patients coordinate services with other healthcare providers.
- Providing resources for support groups, such as cancer recovery groups.

Part VI Supplemental Information *(Continuation)*

- Promoting and providing preventive care services,

- Monitoring clinical outcomes in order to ensure quality care,

- Committing resources to improving safety and processes of care,

- Providing services conveniently accessible by patients,

In addition, BHS employees volunteer thousands of hours in community services and leadership, BHS's support for community activities underscores its commitment to improving the lives of those served. Because BHS and its employees contribute so much of their time, talent and resources to serve others, communities served by BHS are better places to live and work.

Quantification of many of the community benefits is detailed elsewhere in this schedule. However, what the quantifiable amount doesn't measure is the economic benefit derived by the community from BHS being one of the major employers in the area. The economic impact of the wages paid to BHS employees is significant considering the dollars they spend on food, housing, services, and other products.

The Internal Revenue Service revenue ruling 69-545 provides that a hospital can demonstrate it has met the community benefit standard by having a full-time emergency room open to the public regardless of ability to pay for services received.

BHS hospitals operate emergency departments that are open 24 hours a day, 365 days a year and treated over 193,000 emergency patients during fiscal year 2016. BHS and its emergency departments post policies stating that patients will be treated regardless of their ability to pay. Depending on the severity of a patient's condition, as a service to the patient BHS may

Part VI Supplemental Information *(Continuation)*

verify insurance prior to rendering services in the emergency department. Under no circumstances is emergency care delayed by discussions regarding insurance coverage or ability to pay for services. In addition, BHS does not convey or intimate in any way to any emergency medical transportation service an unwillingness to treat any particular patient in need of medical attention.

Part VI, Line 6:

AFFILIATED HEALTH CARE SYSTEM:

Baptist Healthcare System, Inc., (BHS), is a nonprofit, tax-exempt organization that owns and operates five hospitals.

Baptist Health Richmond, Inc. is a nonprofit, tax-exempt affiliate that owns and operates a hospital in Richmond, KY.

Baptist Health Madisonville, Inc. is a nonprofit, tax-exempt affiliate that owns and operates a hospital in Madisonville, KY.

Baptist Community Health Services, Inc. is a nonprofit, tax-exempt affiliate that owns and operates rehabilitation centers, urgent care centers, and occupational and physical therapy clinics within the regions surrounding the hospitals.

Baptist Health Medical Group, Inc. is a nonprofit, tax-exempt affiliate that owns and operates physician practices.

Baptist Healthcare Foundation, Inc., Baptist Health Foundation of Greater Louisville, Inc., Baptist Health Foundation Corbin, Inc., Baptist Health Foundation Richmond, Inc., Baptist Health Foundation Madisonville, Inc.,

Part VI Supplemental Information *(Continuation)*

Lexington Cardiac Research Foundation, Inc., Baptist Health Foundation Lexington, Inc., and Baptist Health Foundation Paducah, Inc. are nonprofit, tax-exempt affiliate corporations.

Baptist Health Plan, Inc., (BHP), is a nonprofit, taxable affiliate health maintenance organization.

Baptist Ventures, Inc. is an affiliate corporation.

Baptist Physicians' Surgery Center is a limited liability corporation, of which Baptist Community Health Services, Inc. owns 55%.

Baptist Eastpoint Surgery Center, LLC is a limited liability company of which Baptist Community Health Services, Inc. owns 80%.

Baptist Health Employer Solutions, INC. (BHES), formed in 2010, is a non-profit corporation in which BHS is the sole member. BHES is a network of healthcare providers, hospitals and physicians. BHES's activities and purposes serve to support the charitable activities and operations of BHS.

Purchase Health Quality Collaborative, LLC ("PHQC"), formed in 2011, is a non-profit limited liability company whose sole member is BHS. PHQC was formed to support a physician/hospital network established by PHP, working with BHPAD to engage in clinical integration activities.

Mercy Regional Emergency Medical System, LLC ("MREMS"), formed in 1996, is a non-profit taxable corporation, which owns and operates an ambulance service in McCracken County, Kentucky in the service area of BH Paducah.

Part VI Supplemental Information *(Continuation)*

BHS owns a 50% interest in MREMS and the remaining 50% interest is owned by Mercy Health System, Inc, D.B.A. Lourdes Hospital.

All entities are located in the Commonwealth of Kentucky.

All entities described in Schedule H, Part VI, Line 6 contributed a combined community benefit amount as follows:

Charity Care at Cost	$28,554,000
Unreimbursed Medicaid	13,815,000
Community Health Improvement	2,552,000
Health Professions Education	75,000
Subsidized Health Services	10,805,000
Cash and In-Kind Contributions	1,413,000
Total Community Benefit	$57,214,000

Part VI, Line 7, List of States Receiving Community Benefit Report:

KY

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

Baptist Healthcare System, Inc.

Employer identification number

61-0444707

Part I General Information on Grants and Assistance

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

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

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

Complete if the organization answered "Yes" 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.

1 (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
Alzheimer's Association 6100 Dutchmans Lane Suite 401 Louisville, KY 40205	13-3039601	501 (c)(3)	10,000.	0.			General Support
American Cancer Society 1504 College Way Lexington, KY 40502	13-1788491	501 (c)(3)	40,350.	0.			General Support
American Diabetes Association PO Box 1638 Merrifield, VA 22116	13-1623888	501 (c)(3)	15,000.	0.			General Support
American Heart Association 240 Whittington Parkway Louisville, KY 40222	13-5613797	501 (c)(3)	58,750.	0.			General Support
American Red Cross 1450 Newtown Pike Lexington, KY 40507	53-0196605	501 (c)(3)	9,500.	0.			General Support
Arthritis Foundation 2908 Brownsboro Road Suite 117 Louisville, KY 40206	04-2113261	501 (c)(3)	7,000.	0.			General Support

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ 38.

3 Enter total number of other organizations listed in the line 1 table ▶ 2.

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II.)

(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
Childrens Hospital Foundation 234 E. Gray Street Suite 450 Louisville, KY 40202	61-6027530	501 (c)(3)	32,000.	0.			General Support
City of Paducah PO Box 2267 Paducah, KY 42002	61-0965156	Government	10,500.	0.			General Support
Council of State Governments 700 Capitol Avenue Frankfort, KY 40601	36-6000818	501 (c)(3)	15,000.	0.			General Support
Four Rivers Center 100 Kentucky Avenue Paducah, KY 42001	61-1293428	501 (c)(3)	67,588.	0.			General Support
Fund for the Arts 623 W. Main Street Louisville, KY 40202	61-0479626	501 (c)(3)	30,000.	0.			General Support
GPEDC, Inc. PO Box 1155 Paducah, KY 42002	61-1181577	501 (c)(6)	40,000.	0.			General Support
Hope Center, Inc. PO Box 6 Lexington, KY 40588	61-1107296	501 (c)(3)	55,000.	0.			General Support
RightNow Campaign 3304 Essex Drive Richardson, TX 75082	75-2353393	501 (c)(3)	10,500.	0.			General Support
Leadership Paducah Foundation, Inc. - 300 South 3rd Street - Paducah, KY 42001	61-1390534	501 (c)(3)	6,000.	0.			General Support

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II)

(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
Leukemia and Lymphoma Society 301 E. Main Street Suite 100 Louisville, KY 40202	13-5644916	501 (c)(3)	7,500.	0.			General Support
Lexington Cancer Foundation 1504 College Way Lexington, KY 40502	56-2472701	501 (c)(3)	10,000.	0.			General Support
Lexington Strides Ahead Commerce 330 E. Main Street Lexington, KY 40507	61-1322448	501 (c)(3)	25,000.	0.			General Support
Lincoln Heritage Council 12001 Sycamore Station Place Louisville, KY 40299	61-0445839	501 (c)(3)	6,068.	0.			General Support
March of Dimes 196 W. Lowry Lane Lexington, KY 40503	13-1846366	501 (c)(3)	14,500.	0.			General Support
Market House Theater 132 Market House Square Paducah, KY 42001	31-0994059	501 (c)(3)	15,000.	0.			General Support
McCracken County High School 6530 Old Highway 60 Paducah, KY 42001	46-3183133	501 (c)(3)	74,730.	0.			General Support
Metro United Way 334 E. Broadway Louisville, KY 40202	61-0444680	501 (c)(3)	35,000.	0.			General Support
Mission Lexington 230 S. MLK Boulevard Lexington, KY 40508	20-2824933	501 (c)(3)	25,000.	0.			General Support

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II.)

(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
Oldham County Chamber of Commerce & Economic Development - 112 S. 1st Avenue - LaGrange, KY 40031	61-1243293	501 (c)(6)	6,400.	0.			General Support
Paducah Area Chamber of Commerce 300 South 3rd Street Paducah, KY 42003	61-0210420	501 (c)(3)	6,947.	0.			General Support
Paducah Junior College PO Box 7380 Paducah, KY 42002	61-6001156	501 (c)(3)	105,000.	0.			General Support
Paducah McCracken County Convention Center - 1 Executive Boulevard - Paducah, KY 42001	61-0936513	501 (c)(3)	15,000.	0.			General Support
Paducah Symphony 2101 Braodway Paducah, KY 42001	61-0965156	501 (c)(3)	40,828.	0.			General Support
Project Fit America PO Box 308 Boyes Hot Springs, CA 95416	36-3730823	501 (c)(3)	32,700.	0.			General Support
Refuge Clinic 2349 Richmond Road # 220 Lexington, KY 40502	37-1547506	501 (c)(3)	125,000.	0.			General Support
Shaping Our Appalachian Region 137 Main Street Pikeville, KY 41501	37-1760426	501 (c)(3)	25,500.	0.			General Support
KY Baptist Convention 13420 Eastpoint Center Drive Louisville, KY 40223	61-0549873	501 (c)(3)	43,717.	0.			General Support

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II.)

(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
St. Nicholas Family Clinic Foundation - 1733 Broadway - Paducah, KY 42001	61-1260945	501 (c)(3)	31,000.	0.			General Support
Supplies Over Seas 1500 Arlington Avenue Louisville, KY 40206	27-2624272	501 (c)(3)	29,920.	0.			General Support
United Way of McCracken County 333 Broadway, Suite 502 Paducah, KY 42001	61-0444680	501 (c)(3)	5,500.	0.			General Support
Women Leading Kentucky 620 Euclid Avenue #105 Lexington, KY 40502	86-1120254	501 (c)(3)	10,000.	0.			General Support
Baptist Healthcare Foundation 2701 Eastpoint Parkway Louisville, KY 40223	31-1122867	501 (c)(3)	507,834.	0.			General Support
Baptist Health Foundation Greater Louisville, Inc. - 4000 Kresge Way - Louisville, KY 40207	20-0292291	501 (c)(3)	506,822.	0.			General Support
Baptist Health Foundation Paducah 2501 Kentucky Avenue Paducah, KY 42003	26-4057759	501 (c)(3)	255,199.	0.			General Support

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

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

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

Part I, Line 2:

Baptist Healthcare System provides only direct contributions and other general support; therefore, no monitoring of charitable contributions is performed.

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: Baptist Healthcare System, Inc.

Employer identification number: 61-0444707

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?	2		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III			
	☒ Compensation committee	☒ Written employment contract		
	☒ Independent compensation consultant	☒ Compensation survey or study		
	☒ Form 990 of other organizations	☒ Approval by the board or compensation committee		
4	During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only section 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		X
b	Any related organization?	5b		X
	If "Yes" to 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		X
b	Any related organization?	6b		X
	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 on lines 5 and 6? If "Yes," describe in Part III	7		X
8	Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) William A. Brown	(i)	523,350.	136,680.	95,622.	13,250.	46,520.	815,422.	0.
Vice President	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) David Gray	(i)	646,840.	148,139.	8,380.	122,134.	47,255.	972,748.	0.
Vice President	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) Stephen C. Hanson	(i)	1,057,026.	413,012.	24,626.	207,454.	60,058.	1,762,176.	0.
President & CEO	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) Carl Herde	(i)	631,056.	150,131.	845,710.	122,493.	39,235.	1,788,625.	835,495.
Treasurer, CFO, Vice President	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) Janet Norton	(i)	498,227.	117,520.	12,347.	92,684.	41,474.	762,252.	0.
Secretary & Vice President	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) William G. Sisson	(i)	662,198.	165,736.	116,183.	18,550.	46,401.	1,009,068.	0.
Vice President	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) Isaac Myers, MD	(i)	573,142.	141,962.	10,882.	105,773.	44,185.	875,944.	0.
Chief Health Integration Officer	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) Timothy Jahn, MD	(i)	558,227.	137,763.	9,155.	102,589.	42,066.	849,800.	0.
Chief Clinical Officer	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) Kenneth Anderson, MD	(i)	602,712.	52,726.	5,544.	13,250.	44,522.	718,754.	0.
VP & Chief Medical Officer	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) Andrew Sears, MD	(i)	373,906.	90,303.	63,030.	18,550.	31,035.	576,824.	0.
Chief Strategy Officer	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) Angie Mannino	(i)	381,580.	120,867.	12,064.	66,215.	35,179.	615,905.	0.
Chief People & Culture Officer	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

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

Part I, Line 4b:

Seven officers and executives who participated in the Supplemental Executive Retirement Plan accrued amounts for 2015 which is a portion of the amount reported as deferred compensation in Schedule J, Column C, Other retirement and deferred compensation reported in Schedule J, Column C include amounts for the Retirement Accumulation Plan and Thrift Plan. The following individuals participate in and accrued amounts from the Supplemental Executive Retirement Plan:

David Gray	$105,704
Carl Herde	$103,942
Stephen Hanson	$194,204
Janet Norton	$76,254
Isaac Myers, Md.	$92,523
Timothy Jahn, Md.	$89,339
Angie Mannino	$52,965

The following individuals received a payout from the Supplemental Executive Retirement Plan, a nonqualified deferred compensation plan, as they are

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

fully vested in the plan:

William Brown	$80,365
Andrew Sears, MD	$47,868
William Sisson	$104,302
Carl Herde	$835,495

SCHEDULE K (Form 990)
Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" on 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: Baptist Healthcare System, Inc.

Employer identification number: 61-0444707

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pooled financing Yes	(i) Pooled financing No
A	KY Economic Development Finance Authority	61-0600439	49126KFM8	02/09/09	502,227,848.	See Part VI		X		X		X
B	KY Economic Development Finance Authority	61-0600439	49126KHR5	12/14/11	136,101,238.	See Part VI		X		X		X
C	KY Economic Development Finance Authority	61-0600439	None	12/15/15	18,682,500.	See Part VI		X		X		X
D												

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	57,180,000.			
2	Amount of bonds legally defeased				
3	Total proceeds of issue	502,247,678.	136,716,070.	18,682,500.	
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds		13,542,795.		
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	4,753,545.	1,482,800.		
8	Credit enhancement from proceeds	661,234.			
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	99,994,925.	121,712,708.		
11	Other spent proceeds	396,837,974.	1,617.	18,682,500.	
12	Other unspent proceeds				
13	Year of substantial completion	2010	2015		

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

Part III Private Business Use

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D 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		X		
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		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	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		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 ▶		,10 %		%		2,19 %		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		%		%		%		%
6 Total of lines 4 and 5		,10 %		%		2,19 %		%
7 Does the bond issue meet the private security or payment test?		X		X		X		
8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X		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		X		
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?	X		X		X			
b Exception to rebate?		X		X		X		
c No rebate due?		X		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	X			
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								

Part IV Arbitrage *(Continued)*

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

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

Schedule K, Part I, Line A
Description of Purpose:
Series 2009A and 2009B revenue bonds were issued to redeem the 1/99, 1/05, and 12/05 bonds, and for the costs of acquiring and constructing hospital facilities, and for the purchase of equipment.

Schedule K, Part I, Line B
Description of Purpose:
Series 2011 fixed rate hospital revenue bonds were issued for the costs of certain hospital projects, including a portion of the costs of constructing and equipping a new medical structure connected to the existing hospital building at Baptist Health Lexington, (fka Central Baptist Hospital).

Schedule K, Part I, Line C
Description of Purpose:
The Series 2015A Bonds were issued to refinance the Series 2010 Variable Rate Demand Hospital Revenue Bonds issued by Baptist Health Madisonville.

Schedule K, Part II, Line 3, Column A
The difference between Part I, Column (E), and Part II, Line 3, is due

See Part VI Supplemental Information Sheet

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

to investment earnings of $19,830.

Schedule K, Part II, Line 3, Column B
The difference between Part I, Column (E) and Part II, Line 3 is due to investment earnings of $614,833.

Schedule K, Part II, Column A, Line 7-8
The amounts reported on the 8308 represented estimates of the issuance costs and the credit enhancement fees. The amounts reported here are actual amounts paid from the proceeds.

Schedule K, Part II, Column B, Line 7-8
The amounts reported on the 8308 represented estimates of the issuance costs and the credit enhancement fees. The amounts reported here are actual amounts paid from the proceeds.

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, line 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.*

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Name of the organization: Baptist Healthcare System, Inc.

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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	(d) Corrected? No

2 Enter the amount of tax incurred by the 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	(d) From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	(g) No	(h) Approved by board or committee? Yes	(h) No	(i) Written agreement? Yes	(i) 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	(e) Sharing of organization's revenues? No
Juanita Baker	Family of Director	72,781.	Wages		X
Nicole Jackson-Gary	Family of Director	45,261.	Wages		X
Susan D. White	Family of Director	133,794.	Wages		X
Clark Lester	Family of Director	421,942.	Wages		X
Brandon Sisson	Family of Director	1,915.	Wages		X
Baptist Physicians Surgery	Board Member	1,095,123.	Lease Agree		X

Part V Supplemental Information

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

Sch L, Part IV, Business Transactions Involving Interested Persons:

(a) Name of Person: Baptist Physicians Surgery Center

(d) Description of Transaction: Lease Agreement

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: Baptist Healthcare System, Inc.

Employer identification number: 61-0444707

Form 990, Part III, Line 1, Description of Organization Mission:

The mission of Baptist Healthcare System, Inc., (BHS), is to exemplify our Christian heritage of providing quality healthcare services by enhancing the health of the people and the communities we serve. The vision of BHS is to be nationally recognized as the healthcare leader in Kentucky. BHS will live out its Christ-centered mission and achieve its vision guided by integrity, respect, stewardship, excellence and collaboration.

Form 990, Part III, Line 4a, Description of Program Service:

Since its inception in 1924, Baptist Healthcare System, Inc. ("Baptist") has been dedicated to providing accessible, quality healthcare to all patients regardless of their ability to pay. The hospitals owned and operated by Baptist under tax identification number 61-0444707 include:

Baptist Health Louisville, located in Louisville, Kentucky;
Baptist Health Corbin, located in Corbin, Kentucky;
Baptist Health Lexington, located in Lexington, Kentucky;
Baptist Health Paducah, located in Paducah, Kentucky, and
Baptist Health LaGrange, located in LaGrange, Kentucky.

VISION:

The vision of Baptist is to be the healthcare leader in Kentucky. Having earned a reputation of providing high quality patient care and

Name of the organization: Baptist Healthcare System, Inc.

Employer identification number: 61-0444707

utilizing the latest in medical technology, patients seek out Baptist facilities for their care. According to state statistics in 2016, Baptist is one of the largest healthcare providers in the state.

KENTUCKY 2016 HOSPITAL STATISTICS:

LICENSED BEDS:

1,487 beds - the second largest number of beds of any health system in Kentucky.

EMPLOYEES:

13,065 employees at end of the fiscal year - one of the top employers in Kentucky.

INPATIENT CARE:

69,905 admissions/333,104 days - the largest number of admissions in Kentucky at a system-owned or managed hospital. One out of every eight inpatients receiving care in Kentucky received care at a system-owned or managed hospital.

OBSTETRIC (DELIVERIES):

9,194 babies - the largest number of babies delivered in Kentucky at a system-owned or managed hospital. Almost one in four babies in Kentucky was delivered at a Baptist owned or managed hospital.

EMERGENCY VISITS:

193,725 registrations - the second largest number of emergency visits in Kentucky at a system-owned or managed hospital. One in thirteen ER patients was treated at a system-owned or managed hospital.

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

OUTPATIENT VISITS:

1,142,042 hospital visits - one in eleven outpatients in Kentucky receiving care in an acute-care setting was seen at a system-owned or managed hospital.

MISSION:

As indicated by its mission statement, Baptist strives to continue its "Christian heritage of service and to enhance the health of the people and the communities we serve." Baptist is organized and operated exclusively for the benefit of each community and each hospital is considered a valuable community asset. The Baptist Boards of Directors are comprised of local representatives who, along with the hospitals' management and employees, understand that they are responsible to the communities for providing high quality health care services. Over the years, Baptist has gained a reputation for providing compassionate, high quality, cost efficient, patient friendly care.

RESPONSIVE TO COMMUNITY NEEDS:

Operating healthcare facilities in today's environment requires a delicate balance between producing a sufficient margin to allow for adequate staffing and investment in new technologies, while also providing enough resources to absorb the cost of care for those patients who do not have the ability to pay for the services. In 2016, Baptist was able to re-invest over $100 million into the communities in new technology, construction, renovation and systems improvement. Because of the need to generate a modest margin while caring for all patients, Baptist strives to fulfill its community responsibility of

Name of the organization: Baptist Healthcare System, Inc.

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collecting appropriate reimbursement from all patients who have the necessary resources while providing a generous, yet accountable charity care policy to assist those patients who do not have the means to pay for the services rendered. (See "Charity Care Policy" later in this section for further discussion). From a broad perspective, Baptist hospitals consistently provide a high level of quality care to every patient and enhance the health of the people it serves through health promotions, health screenings, medical research, and training of health professionals.

OTHER COMMUNITY BENEFITS INCLUDE:

- Maintaining necessary, but unprofitable services that meet community needs
- Helping to recruit physicians to underserved areas
- Helping patients coordinate services with other healthcare providers
- Providing resources for support groups
- Promoting and providing preventive care services
- Monitoring clinical outcomes in order to ensure quality care
- Committing resources to improving safety and processes of care
- Providing services conveniently accessible by patients.

In addition, Baptist employees volunteer thousands of hours in community services and leadership. Baptist's support for community activities underscores its commitment to improving the lives of those served. Because Baptist and its employees contribute so much of their time, talent and resources to serve others, communities served by Baptist are better places to live and work.

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Quantification of many of the community benefits is detailed later in this section. However, what the Statement of Program Service Accomplishments doesn't measure is the economic benefit derived by each community from Baptist being one of the largest employers in the state. The economic impact of the wages paid to Baptist employees is significant considering the dollars they spend on food, housing, services, and other products.

Form 990, Part III, Line 4b, Description of Program Service:

Continued:

CHARITY CARE POLICY:

To further the mission of enhancing the health of the people and communities it serves, Baptist provides medically necessary inpatient and outpatient care to patients regardless of race, religion, sex, national origin, disability, age or their ability to pay. Recognizing that not all patients have the ability to pay, Baptist has a charity care policy to accurately evaluate a patient's ability to pay for services received.

Baptist relies solely on the physician order to determine whether treatment is medically necessary and whether the patient is treated on an inpatient or outpatient basis. Neither the patient's financial condition nor their ability to pay for services has any bearing upon whether, or how, the patient is treated in a Baptist facility. Patients are transferred only when Baptist does not provide the specialized service that is required, or by specific request of the patient.

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Baptist has notices posted throughout the hospital that clearly communicate Baptist's charity care policy. Baptist employees are instructed in the application of the charity care policy and are trained to recognize situations that indicate the financial resources of a patient may be inadequate. These employees freely and willingly volunteer information regarding the charity care policy to any patient who may express a concern regarding the ability to pay for services.

The policy provides that:

1. Patients/guarantors with resources of less than 200% of the Poverty Guideline for their family size will receive full charity.

2. Patients/guarantors with resources of 200% but less than 400% of the Poverty Guideline for their family size will qualify for partial charity. The ratio of resources up to 400% of the Poverty Guideline determines the percentage of the bill that will be the responsibility of the applicant. However, the liability is capped at 10% of the resources.

3. Patients/guarantors with resources of 400% of the Poverty Guideline for their family size but no more than 1200% of the Poverty Guideline for their family of one will qualify for partial charity if the liability exceeds 20% of their resources. In these situations, the patient/guarantor will be responsible for an amount not to exceed 20% of their resources.

4. If eligible for a charity discount, a patient will receive the discount regardless of whether they pay the balance on the bill. If necessary, payment arrangements may be made on the balance of the patient's bill in accordance with hospital procedures.

If charity care eligibility cannot be determined, good stewardship

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requires that the hospital initially begin the collection process. However, immediately upon determining that the guarantor is eligible for charity care, collection efforts on the balance eligible for charity will cease and the appropriate balance will be designated as charity.

TAX-EXEMPT STATUS REQUIREMENTS:

The Internal Revenue Service Revenue Ruling 69-545 provides that a hospital can demonstrate it has met the community benefit standard by having a full-time emergency room open to the public regardless of ability to pay for services received. Baptist operates Emergency Departments that are open 24 hours a day, 365 days a year and treated 191,541 emergency patients during fiscal year 2016. Baptist facilities and emergency departments post policies stating that patients will be treated regardless of their ability to pay. Depending on the severity of a patient's condition, as a service to the patient, Baptist may verify insurance prior to rendering services in the emergency department. Under no circumstances is emergency care delayed by discussions regarding insurance coverage or ability to pay for services. In addition, Baptist does not convey or intimate in any way to any emergency medical transportation service an unwillingness to treat any particular patient in need of medical attention.

ACCOUNTABILITY TO THE BROADER COMMUNITY:

As previously noted, the Baptist Board of Directors embraces its responsibility to represent the broader community in guiding Baptist in its provision of healthcare services. The Board meets periodically to

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provide oversight as to how best to continue to serve each community.

Regularly scheduled meetings of the full Board and its Committees are described below:

Board of Directors	Quarterly
Audit Committee	Quarterly
Executive Committee	Monthly
Executive Compensation Sub-Committee	As needed
Finance Committee	Monthly
Governance Effectiveness Committee	Quarterly
Hospital Administrative Boards	Monthly
Legal Affairs Committee	Quarterly
Quality and Mission Effectiveness Committee	Quarterly
Physician Transaction Review Committee	As needed

Form 990, Part III, Line 4c, Description of Program Service:

Continued:

One of the key functions of the Board is to ensure Baptist not only utilizes sound financial management, but also embraces a culture of compliance that permeates throughout the healthcare system. This is best demonstrated by Baptist's commitment of resources for compliance activities including the designation of a Compliance Officer. The compliance function reports to the Audit Committee (established in 1994) which is comprised of three independent members of the Board who are not members of either the Executive or Finance Committees. Additionally, at least one member has the expertise to be considered a financial expert in the public sector.

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Another key function of the Board is to ensure that compensation paid to executives is reasonable and meets the guidelines set forth by the Internal Revenue Service. Through the Executive Compensation Sub-committee (ECS), the Board ensures that:

1) members of the ECS do not have any conflicts of interest, i.e., they are not employed or receive compensation subject to approval by the executives,

2) the compensation is approved in advance by the ECS,

3) the ECS obtains and relies upon appropriate comparability data in making decisions,

4) every form of compensation and benefit is included in the comparisons,

5) the ECS documents the basis for its decision concurrently with making the decision, and

6) based upon the data, the compensation is reasonable.

The following is a summary of Baptist's community service for the year ended August 31, 2016, in terms of services to the poor and indigent and the benefits provided to the communities it serves.

QUANTIFIABLE COMMUNITY BENEFIT:

Baptist is fully committed to its responsibility as a charitable organization and commits extensive resources to fulfill that obligation to the community. To the extent possible, Baptist has quantified the benefits provided to the communities it serves:

Description	Amount

Name of the organization: Baptist Healthcare System, Inc.

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Benefits for the Poor and Indigent:	
Unreimbursed Cost of Charity Care	$ 28,554,000
Unreimbursed Cost of Medicaid	13,815,000
Total Benefits for the Poor and Indigent	$ 42,369,000
Benefits for the Broader Community:	
Net Loss on Subsidized Health Services	10,805,000
Community Health Improvement Services	2,552,000
Health Professions Education	75,000
Financial & In-Kind Contributions	1,413,000
Total Benefits for the Community	14,845,000
Total Quantifiable Community Benefit	$ 57,214,000

See the glossary below for definitions of the terms used above.

GLOSSARY OF COMMUNITY BENEFIT TERMS:

BENEFITS FOR THE POOR AND INDIGENT:

Describes services provided to persons who cannot afford healthcare because of inadequate resources and/or who are uninsured or underinsured. This includes those patients that qualify for Charity, Medicaid, Kentucky's Children Health Insurance Program (KCHIP), Kentucky Hospital Care Program (KHCP) and other citizens whose income is inadequate (based on each patient's individual circumstances).

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1. Unreimbursed cost of charity care describes the services provided to persons who cannot afford to pay. It also includes the Health Care Provider Tax (Kentucky Revised Statutes 142.303) that is assessed on all hospital patient revenues received for the purpose of funding state Medicaid, KHCP and KCHIP programs. The amounts reflect the net cost of these services after reducing the costs for contributions and other revenues received by Baptist as direct assistance for the provision of care.

2. Unreimbursed cost of Medicaid reflects costs of treating Medicaid beneficiaries not reimbursed by government programs.

BENEFITS FOR THE BROADER COMMUNITY:

Describes services provided to other needy populations that may not qualify as indigent but that need special services and support. The benefits include the cost of health promotion and education, health clinics and screenings, and medical research that benefits the community.

1. Net loss on subsidized health services reflects the loss from services that would be discontinued if the decision were based on profit motives only.

2. Other community benefit includes costs incurred by Baptist in providing support and coordination of health education and awareness events as well as the cost of employees paid time to attend, staff, and coordinate these activities.

3. Baptist makes cash and in-kind donations on behalf of the poor and needy to community agencies and to special funds used for charitable purposes.

Name of the organization: Baptist Healthcare System, Inc.

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Form 990, Part VI, Section A, line 2:

The Board of Directors is made up of executives from related organizations. The following individuals have a business relationship in that they serve on the Board of Directors of the organization and are officers and/or directors of a related organization: Carl Herde, Janet Norton, David Gray, Stephen Hanson, and Victoria Buster.

Form 990, Part VI, Section B, line 11:

A copy of the IRS Form 990 is provided to the Board of Directors prior to the filing of the return. Any questions or comments are addressed by explanation or a change to the form.

Form 990, Part VI, Section B, Line 12c:

DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST:

Annually the Secretary of BHS sends out a Conflict of Interest questionnaire to each of the directors and officers serving on the Board of BHS. After completion, they are returned to the Secretary and reviewed by the Board or the Governance Effectiveness Committee for any potential conflicts. A conflict of interest is any circumstance, relationship (financial or otherwise), activity or decision (made in the course of governance, management or professional responsibilities or otherwise) that adversely influences or appears to adversely influence the ability of a covered person to:

1) make objective decisions on behalf of BHS and/or

2) act in the best interests of BHS in a manner consistent with the tax-exempt purposes of BHS.

The Board or Committee will determine by a majority vote of disinterested

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directors whether the disclosed financial or special interest may result in a conflict of interest.

Form 990, Part VI, Section B, Line 15:

COMPENSATION DETERMINATION PROCESS:

Annually in September, the BHS Compensation Committee reviews the compensation, including base compensation and incentive compensation, for the CEO and all officers and key employees of BHS except for the Secretary and Assistant Secretary. Compensation for these employees is reviewed and approved by the CEO of BHS. The BHS Compensation Committee is comprised of independent Board Members. The Committee retains a Compensation Consultant to advise the Committee and who provides data as to comparable compensation for similarly qualified persons in functionally comparable positions at similarly situated healthcare organizations. The Committee reviews this information in approving annual base and incentive compensation and other items of reportable compensation described on Schedule J of the IRS Form 990. The decisions of the Committee regarding compensation are contemporaneously documented in the minutes of the Committee. Annually, the Committee Chairperson and the Compensation Consultant provide a report on executive compensation to the full Board of Directors of BHS.

Form 990, Part VI, Section C, Line 19:

AVAILABILITY OF GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, & FINANCIAL STATEMENTS TO GENERAL PUBLIC:

In adherence to the Master Trust Indenture among BHS and U.S. Bank National Association, as Master Trustee, dated as of February 1, 2009, BHS reports its financial results on a quarterly basis to the Master Trustee who in turn makes them available through Electronic Municipal Market Access.

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Additionally, the organization will provide any documents open to public inspection upon request.

Form 990, Part VII

HOURS WORKED FOR RELATED ORGANIZATION:

Officers for BHS provide services to BHS and its subsidiaries. Hours worked are not tracked on an entity by entity basis. Therefore, all officers' hours reported on Form 990, Part VII, Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors represent aggregate hours worked per week for all entities.

Form 990, Part XI, line 9, Changes in Net Assets:

MIS Funding	5,208,900.
Capitalized Interest	-261,698.
Transfer JV Fund	1,273,400.
Physician Entity Funding	-165,200,664.
PHQC Funding	-13,887,740.
Other Changes	3,824,091.
IS Depreciation	-4,721,272.
Post Retirement Charge	-7,451,828.
Total to Form 990, Part XI, Line 9	-181,216,811.

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.*

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Name of the organization

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Employer identification number

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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
Purchase Health Quality Collaborative - 45-4290974, 2501 Kentucky Avenue, Paducah, KY 42001	Physician Network	Kentucky	-56,890.	0.	BHSI

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
Baptist Community Health Services, Inc. - 61-1141242, 2701 Eastpoint Parkway, Louisville, KY 40223	Medical Services	Kentucky	501(c)(3)	Line 11a, I	BHSI	X	
Baptist Health Medical Group, Inc. - 20-5497203, 2701 Eastpoint Parkway, Louisville, KY 40223	Physician Services	Kentucky	501(c)(3)	Line 3	BHSI	X	
Baptist Health Richmond, Inc. - 61-0461940 PO Box 1600 Richmond, KY 40476	Hospital	Kentucky	501(c)(3)	Line 3	BHSI	X	
Baptist Health Madisonville, Inc. - 61-0654587, 900 Hospital Drive, Madisonville, KY 42431	Hospital	Kentucky	501(c)(3)	Line 3	BHSI	X	

Part II **Continuation of Identification of Related Tax-Exempt Organizations**

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization? Yes	(g) No
Mercy Regional Emergency Medical Systems - 61-1310466, 126 Lone Oak Road, Paducah, KY 42001	Ambulance Service	Kentucky	501(c)(3)	Line 11a, I	BHSI	X	
Medical Center Ambulance Services, Inc. - 61-0946210, 629 Lafoon Street, Madisonville, KY 42431	Ambulance Service	Kentucky	501(c)(3)	Line 9	N/A	X	
Baptist Health Foundation Richmond, Inc. - 31-1506378, 2701 Eastpoint Parkway, Louisville, KY 40223	Fundraising	Kentucky	501(c)(3)	Line 11a, I	BHSI	X	
Baptist Health Foundation Madisonville, Inc. - 47-2893430, 2701 Eastpoint Parkway, Louisville, KY 40223	Fundraising	Kentucky	501(c)(3)	Line 11a, I	BHSI	X	
Baptist Health Foundation Corbin, Inc. - 47-3033550, 2701 Eastpoint Parkway, Louisville, KY 40223	Fundraising	Kentucky	501(c)(3)	Line 11a, I	BHSI	X	
Baptist Health Foundation Lexington, Inc. - 61-1480774, 1740 Nicholasville Road, Lexington, KY 40503	Fundraising	Kentucky	501(c)(3)	Line 11a, I	BHSI	X	
Baptist Health Foundation Paducah, Inc. - 26-4057759, 2501 Kentucky Avenue, Paducah, KY 42003	Fundraising	Kentucky	501(c)(3)	Line 11a, I	BHSI	X	
Baptist Health Foundation Greater Louisville, Inc. - 20-0292291, 4000 Kresge Way, Louisville, KY 40207	Fundraising	Kentucky	501(c)(3)	Line 11a, I	BHSI	X	
Baptist Healthcare Foundation, Inc. - 31-1122867, 2701 Eastpoint Parkway, Louisville, KY 40223	Fundraising	Kentucky	501(c)(3)	Line 11a, I	BHSI	X	
Lexington Cardiac Research Foundation, Inc. - 20-4242792, 1740 Nicholasville Road, Lexington, KY 40503	Medical Research	Kentucky	501(c)(3)	Line 11a, I	BHSI	X	
Pattie A. Clay Hospital Auxiliary - 51-0172717, PO Box 1600, Richmond, KY 40476	Hospital Support	Kentucky	501(c)(3)	Line 11a, I	BHSI		X

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
Muhlenberg Medical Center - 20-0108053, 200 Clinic Drive, Madisonville, KY 42431	Rental	KY	BMMS	Unrelated				X	N/A		X	
Baptist East / Milestone Fitness Center - 61-1355065, 750 Cypress Station Road, Louisville, KY 40207	Fitness Center	KY	BVI	Excluded				X	N/A		X	
Baptist Physicicans Surgery Center - 04-3665929, 1720 Nicholasville Road, Lexington, KY 40503	Ambulatory Surgery Center	KY	BCHS	Related				X	N/A		X	
Baptist Eastpoint Surgery Center - 26-0834852, 2400 Eastpoint Parkway, Louisville, KY 40223	Ambulatory Surgery Center	KY	BCHS	Related				X	N/A		X	

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
Baptist Ventures, Inc. - 61-1217018 2701 Eastpoint Parkway Louisville, KY 40223	Management	KY	BHSI	C CORP			100.00%	X	
Baptist Health Plan, Inc. - 61-1241101 651 Perimeter Park Lexington, KY 40517	Insurance	KY	BHSI	C CORP			100.00%	X	
Baptist Health Employer Solutions, Inc. - 27-2939694, 2701 Eastpoint Parkway, Louisville, KY 40223	ACO	KY	BHSI	C CORP			100.00%	X	
Mutual Credit Services, Inc. - 61-0660705 PO Box 149 Madisonville, KY 42431	Collections	KY	BHSI	C CORP	1,593.	1,044,850.	100.00%	X	
Baptist Medical Management Services, Inc. - 37-1519513, 900 Hospital Drive, Madisonville, KY 42431	HC MSO	KY	BHSI	C CORP	0.	1,956.	100.00%	X	

Part III Continuation of Identification of Related Organizations Taxable as a Partnership

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? 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
Medical Associates of Middletown - 20-0399400, 4000 Kresge Way, Louisville, KY 40207	Medical Office Building	KY	BHSI	Related			X		N/A		X	
D1 Sports Training of Louisville - 47-3567887, 2701 Eastpoint Parkway, Louisville, KY 40223	Sports Training	KY	BVI	Related				X	N/A		X	

Part IV Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) Section 512(b)(13) controlled entity? No
MS Community Health, Inc. - 61-1303514 2701 Eastpoint Parkway Louisville, KY 40223	Health Clinic	KY	BHMG	C CORP			100.00%	X	

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 organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest, **(ii)** annuities, **(iii)** royalties, or **(iv)** rent from a controlled entity	1a	X	
b Gift, grant, or capital contribution to related organization(s)	1b	X	
c Gift, grant, or capital contribution from related organization(s)	1c	X	
d Loans or loan guarantees to or for related organization(s)	1d		X
e Loans or loan guarantees by related organization(s)	1e		X
f Dividends from related organization(s)	1f		X
g Sale of assets to related organization(s)	1g		X
h Purchase of assets from related organization(s)	1h		X
i Exchange of assets with related organization(s)	1i		X
j Lease of facilities, equipment, or other assets to related organization(s)	1j	X	
k Lease of facilities, equipment, or other assets from related organization(s)	1k	X	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l		X
m Performance of services or membership or fundraising solicitations by related organization(s)	1m		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		X
o Sharing of paid employees with related organization(s)	1o	X	
p Reimbursement paid to related organization(s) for expenses	1p	X	
q Reimbursement paid by related organization(s) for expenses	1q		X
r Other transfer of cash or property to related organization(s)	1r	X	
s Other transfer of cash or property from related organization(s)	1s	X	

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
(1) Baptist Health Madisonville, Inc.	B	134,773.	Cost
(2) Baptist Health Madisonville, Inc.	R	70,569,086.	Cost
(3) Baptist Health Madisonville, Inc.	Q	24,413,128.	Cost
(4) Baptist Health Richmond, Inc.	B	1,083,159.	Cost
(5) Baptist Health Richmond, Inc.	Q	10,688,712.	Cost
(6) Baptist Health Richmond, Inc.	R	30,023,295.	Cost

Part V **Continuation of Transactions With Related Organizations** (Schedule R (Form 990), Part V, line 2)

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(7)Baptist Health Medical Group, Inc.	J	6,436,772.	Cost
(8)Baptist Health Medical Group, Inc.	Q	27,049,544.	Cost
(9)Baptist Health Medical Group, Inc.	R	9,374,295.	Cost
(10)Baptist Health Foundation Lexington, Inc.	R	413,051.	Cost
(11)Baptist Health Foundation of Greater Louisville, Inc.	C	626,736.	Cost
(12)Baptist Health Foundation of Greater Louisville, Inc.	R	307,383.	Cost
(13)Baptist Health Foundation Corbin, Inc.	C	53,266.	Cost
(14)Baptist Health Foundation Paducah, Inc.	C	549,791.	Cost
(15)Baptist Health Foundation Paducah, Inc.	R	66,034.	Cost
(16)Baptist Community Health Services, Inc.	J	1,871,925.	Cost
(17)Baptist Community Health Services, Inc.	O	107,655.	Cost
(18)Baptist Community Health Services, Inc.	Q	237,090.	Cost
(19)Baptist Community Health Services, Inc.	R	827,264.	Cost
(20)Baptist Ventures, Inc.	S	1,047,595.	Cost
(21)Mutual Credit Services ,Inc.	R	3,104,982.	Cost
(22)Baptist Health Plan, Inc.	Q	3,697,460.	Cost
(23)Baptist Health Plan, Inc.	R	19,183,364.	Cost
(24)Baptist Health Employer Solutions, Inc.	P	60,000.	Cost

Part V **Continuation of Transactions With Related Organizations** (Schedule R (Form 990), Part V, line 2)

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(7)Mercy Regional Emergency Medical Systems, Inc.	R	54,985.	Cost
(8)Baptist Health Employer Solutions, Inc.	R	612,637.	Cost
(9)Baptist Healthcare Foundation, Inc.	S	55,334.	Cost
(10)Baptist Healthcare Foundation, Inc.	B	507,834.	Cost
(11)Baptist Health Foundation of Greater Louisville, Inc.	B	506,822.	Cost
(12)Baptist Health Foundation Paducah, Inc.	B	255,199.	Cost
(13)Baptist Health Medical Group, Inc.	O	70,934.	Cost
(14)Baptist Health Medical Group, Inc.	P	5,987,318.	Cost
(15)			
(16)			
(17)			
(18)			
(19)			
(20)			
(21)			
(22)			
(23)			
(24)			

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 sec 501(c)(3) orgs ? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate 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

Part VII Supplemental Information

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